

1 **MEDICAL ASSISTANCE AND MANAGED CARE**

2 2008 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Gregory S. Bell**

5 House Sponsor: _____

6

7 **LONG TITLE**

8 **General Description:**

9 This bill amends the Utah Health Code to provide managed care, chronic care
10 management, and other services to Medicaid clients and CHIP recipients.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ defines terms;
- 14 ▶ provides incentives for cost saving measures and for the provision of medical home
15 services, primary care services, and managed care services to Medicaid clients and
16 CHIP recipients;
- 17 ▶ requires the Department of Health to develop and implement a medical home pilot
18 program, followed by a permanent medical home program, for Medicaid clients and
19 CHIP recipients;
- 20 ▶ describes the purposes and requirements of the medical home pilot program and the
21 medical home program;
- 22 ▶ provides for the evaluation and improvement of chronic care management services;
- 23 ▶ provides for research and the dissemination of information relating to managed care
24 and other health care issues;
- 25 ▶ provides for the creation of a health care quality forum;
- 26 ▶ requires the department to conduct a training and technical assistance program to
27 assist in the coordination of health care for Medicaid clients and CHIP recipients;



28 and

29 ▶ requires reporting to the Health and Human Services Interim Committee.

30 **Monies Appropriated in this Bill:**

31 None

32 **Other Special Clauses:**

33 None

34 **Utah Code Sections Affected:**

35 ENACTS:

36 **26-8b-101**, Utah Code Annotated 1953

37 **26-8b-102**, Utah Code Annotated 1953

38 **26-8b-201**, Utah Code Annotated 1953

39 **26-8b-301**, Utah Code Annotated 1953

40 **26-8b-302**, Utah Code Annotated 1953

41 **26-8b-401**, Utah Code Annotated 1953

42 **26-8b-402**, Utah Code Annotated 1953

43 **26-8b-403**, Utah Code Annotated 1953

44 **26-8b-501**, Utah Code Annotated 1953



46 *Be it enacted by the Legislature of the state of Utah:*

47 Section 1. Section **26-8b-101** is enacted to read:

48 **CHAPTER 8b. UTAH MEDICAL HOME ACT**

49 **Part 1. General Provisions**

50 **26-8b-101. Title.**

51 This chapter is known as the "Utah Medical Home Act."

52 Section 2. Section **26-8b-102** is enacted to read:

53 **26-8b-102. Definitions.**

54 (1) "Chronic care management" means the provision of the following to clients that are
55 at risk for incurring high medical costs:

56 (a) managed care and coordination of services; and

57 (b) education and training to assist clients in improving self-management skills in order
58 to improve health outcomes and reduce medical costs.

59 (2) "Client" means a person who is a Medicaid client or a CHIP recipient within the
60 state.

61 (3) "Medical home" means a site that provides comprehensive, coordinated health care,
62 throughout a client's interaction with the health care system, which:

63 (a) focuses on the ongoing prevention and treatment needs of the client;

64 (b) ensures the provision of high quality, accessible, and efficient health care to the
65 client; and

66 (c) includes the provision of primary health care services to the client.

67 (4) "Medical home pilot program" means the pilot program described in Section
68 26-8b-302.

69 (5) "Medical home program" means a comprehensive medical home program that is
70 designed and implemented by the department under Section 26-8b-301.

71 Section 3. Section **26-8b-201** is enacted to read:

72 **Part 2. Services and Incentives**

73 **26-8b-201. Reimbursement rate incentives.**

74 (1) The department shall design and implement reimbursement rate policies that will
75 create incentives for providers to:

76 (a) increase the availability of primary medical care to clients;

77 (b) provide a medical home to clients; and

78 (c) encourage the appropriate use of specialty care services and emergency room
79 services by clients.

80 (2) The department shall, to the extent that funding is appropriated by the Legislature
81 for this purpose, provide an increased reimbursement rate to primary care providers who
82 provide services to clients outside of regular business hours or on weekends.

83 (3) The department shall:

84 (a) begin the process of designing and implementing the reimbursement rate policies
85 described in this section on or before July 1, 2008; and

86 (b) fully implement the reimbursement rate policies described in this section on or
87 before July 1, 2011.

88 Section 4. Section **26-8b-301** is enacted to read:

89 **Part 3. Medical Home Program**

90 **26-8b-301. Creation of medical home program for Medicaid clients and CHIP**
91 **recipients.**

92 (1) (a) In accordance with the requirements of this chapter, the department shall design
93 and implement a medical home program for all clients.

94 (b) The medical home program shall be based on, and evolve from, the medical home
95 pilot program described in Section 26-8b-302.

96 (2) The department shall:

97 (a) begin the process of designing the medical home program on or before July 1,
98 2008; and

99 (b) fully implement the medical home program on or before July 1, 2011.

100 (3) The purpose of the medical home program is to:

101 (a) improve health care access outcomes for clients;

102 (b) improve the quality of health care to clients by providing for continuity of health
103 care services; and

104 (c) contain costs within the Medicaid and CHIP programs.

105 (4) The medical home program shall:

106 (a) be evidence-based;

107 (b) utilize best practices;

108 (c) facilitate the use of technology to improve quality of care;

109 (d) emphasize the importance of the role of primary care physicians in providing a
110 medical home;

111 (e) include financial incentives and other supports to enable primary care physicians to
112 effectively provide chronic care management; and

113 (f) improve coordination of primary, acute, and long-term care for clients with chronic
114 conditions.

115 (5) The department shall coordinate the medical home program with Medicaid
116 managed care insurers and other Medicaid providers.

117 (6) In selecting primary care providers to participate in the medical home program, the
118 department shall take into consideration:

119 (a) the number of patients served by a provider; and

120 (b) the participation of a provider in the Medicaid program.

121 Section 5. Section **26-8b-302** is enacted to read:

122 **26-8b-302. Medical home pilot program.**

123 (1) On or before July 1, 2009, the department shall implement a medical home pilot
124 program to provide a medical home to clients who are aged, blind, or in need of chronic care
125 management.

126 (2) The medical home pilot program shall:

127 (a) operate in accordance with the requirements described in Subsection 26-8b-301(4);
128 and

129 (b) be designed and operated in a manner that will:

130 (i) assist the department in determining the most effective way to implement the
131 medical home program; and

132 (ii) allow the medical home pilot program to effectively evolve into the medical home
133 program.

134 Section 6. Section **26-8b-401** is enacted to read:

135 **Part 4. Information and Training**

136 **26-8b-401. Evaluation and improvement of chronic care management services.**

137 (1) The department shall:

138 (a) through research, study, predictive modeling, health risk analysis, and other means,
139 determine the best practices to be used by the department to provide chronic care management
140 to clients; and

141 (b) regularly evaluate the effectiveness of chronic care management techniques being
142 used for clients by the department and the Department of Human Services, including those
143 operated by:

144 (i) the Long-term Care Bureau;

145 (ii) the Office of Recovery Services;

146 (iii) Aging and Adult Services;

147 (iv) the Division of Services for People with Disabilities; and

148 (v) the Bureau of Children with Special Health Care Needs.

149 (2) After conducting the evaluations described in Subsection (1)(b), the department
150 shall recommend or implement improvements in the provision of chronic care management
151 techniques, including improvements in:

152 (a) organizational structure;

153 (b) delivery and coordination of services; and

154 (c) training.

155 Section 7. Section **26-8b-402** is enacted to read:

156 **26-8b-402. Health care quality forum -- Annual quality report.**

157 (1) On or before July 1, 2009, the department shall organize a health care quality forum

158 to:

159 (a) assist the department in conducting the evaluations described in Section 26-8b-401;

160 (b) collect and disseminate research and information regarding:

161 (i) health care quality;

162 (ii) evidence-based medicine;

163 (iii) patient safety; and

164 (iv) variations in clinical practice patterns across the state;

165 (c) promote the use of best practices for the provision of primary care and managed

166 care to clients; and

167 (d) develop measures to evaluate and compare:

168 (i) health care costs and quality; and

169 (ii) provider performance.

170 (2) Beginning on July 1, 2010, the forum shall produce an annual quality report,

171 detailing clinical practice patterns for the provision of medical home care and chronic care

172 management for clients, including practice patterns of purchasers, providers, insurers, and

173 policy makers.

174 Section 8. Section **26-8b-403** is enacted to read:

175 **26-8b-403. Training and technical assistance program.**

176 (1) The department shall conduct a training and technical assistance program to assist

177 in the coordination of health care for clients.

178 (2) The program described in Subsection (1) shall:

179 (a) focus on evidence-based, high quality preventive care and chronic care

180 management; and

181 (b) include training and technical assistance relating to:

182 (i) the use of clinical information systems;

- 183 (ii) the sharing and organization of patient information;
- 184 (iii) the provision of decision-making support;
- 185 (iv) clinical delivery system design;
- 186 (v) support for a client who manages the client's own care;
- 187 (vi) support for family members who manage the client's care; and
- 188 (vii) the identification and use of community resources that are available to clients.

189 Section 9. Section **26-8b-501** is enacted to read:

190 **Part 5. Reports**

191 **26-8b-501. Reports to Health and Human Services Interim Committee.**

192 (1) During the 2008 interim of the Legislature, the department shall report to the
193 Health and Human Services Interim Committee regarding:

- 194 (a) recent trends in unnecessary emergency room use by clients and the uninsured; and
- 195 (b) recommendations on the creation of incentives to reduce the unnecessary use of
196 emergency room services.

197 (2) Beginning in the 2009 interim of the Legislature, the department shall report to the
198 Health and Human Services Interim Committee, on an annual basis, on the recommended
199 improvements described in Subsection 26-8b-401(2).

200 (3) Beginning in the 2010 interim of the Legislature, the department shall, on an annual
201 basis, present the report described in Subsection 26-8b-402(2) to the Health and Human
202 Services Interim Committee.

Legislative Review Note
as of 1-15-08 3:55 PM

Office of Legislative Research and General Counsel

S.B. 133 - Medical Assistance and Managed Care

Fiscal Note

2008 General Session
State of Utah

State Impact

Enactment of this Legislation will require an appropriation to the Department of Health of \$1,152,500 from the General Fund and \$2,070,500 from Federal Funds in FY 2009 and an appropriation of \$1,683,500 from the General Fund and \$3,519,500 from Federal Funds in FY 2010. Full implementation of the programs required by this bill are estimated to cost \$8,500,000 from the General Fund and \$23,200,000 from Federal Funds beginning in FY 2012.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
General Fund	\$0	\$1,683,500	\$1,683,500	\$0	\$0	\$0
General Fund, One-Time	\$0	(\$531,000)	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$2,070,500	\$3,519,500	\$0	\$0	\$0
Total	\$0	\$3,223,000	\$5,203,000	\$0	\$0	\$0

Individual, Business and/or Local Impact

The businesses providing the services described in this Legislation will receive increased revenues. Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals or local governments.