

1 **CONCURRENT RESOLUTION DIRECTING CREATION OF A**
2 **REQUEST FOR PAYMENT PILOT PROGRAM**

3 2019 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Ann Millner**

6 House Sponsor: Paul Ray

8 **LONG TITLE**

9 **General Description:**

10 This bill directs the Public Employees' Benefit and Insurance Program to implement
11 provisions relating to value-based payment.

12 **Highlighted Provisions:**

13 This resolution:

- 14 ▶ directs the Public Employees' Benefit and Insurance Program to issue a request for
15 proposals for health care services using a value-based payment methodology.

16 **Special Clauses:**

17 None

19 *Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:*

20 WHEREAS, most healthcare in Utah is paid for on a fee-for-service basis by which
21 providers are paid for each activity they perform;

22 WHEREAS, fee-for-service rewards a provider for performing more services and
23 discourages a provider from performing services not recognized as compensable by insurance;

24 WHEREAS, value-based payment arrangements better align financial incentives
25 between payers, providers, and patients through gain sharing and various forms of fixed and
26 risk-based payments for episodes of care and patient populations; further, these arrangements
27 can also improve health outcomes for patients;

28 WHEREAS, the state has an interest in promoting the health of its employees and
29 encouraging the development of value-based payment arrangements;

30 WHEREAS, there are various potential approaches for value-based payment
31 arrangements and some providers may prefer one approach to another; and

32 WHEREAS, the state wishes to issue a request for proposals (RFP), through the Public
33 Employees' Benefit and Insurance Program (PEHP), to encourage providers to come forward
34 with proposals for offering services to state employees using value-based payment
35 arrangements and for PEHP to contract with one or more providers who are willing and able to
36 provide high quality and cost-effective services using such an arrangement:

37 NOW, THEREFORE, BE IT RESOLVED that the Legislature, the Governor
38 concurring therein, directs PEHP to:

39 (1) issue an RFP by July 1, 2019, for health care services using a value-based payment
40 methodology;

41 (2) determine whether an RFP response:

42 (a) clearly and adequately defines the scope of proposed services and the intended
43 population for those services;

44 (b) advances the objective of aligning payment incentives and providing quality care
45 through a value-based payment arrangement;

46 (c) is commercially and financially reasonable when compared to PEHP's current
47 payment standards, practices, and expenditures for similar services;

48 (d) satisfactorily addresses all clinical, quality, and operations-related issues raised in
49 the RFP or by PEHP; and

50 (e) meets all other RFP requirements;

51 (3) rank each RFP response and determine which, if any, should be awarded a contract,
52 which may not exceed three years; and

53 (4) report on the outcomes of awarded contracts to the Legislature upon request and at
54 the end of the initial three-year contract term.