

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 239

Introduced by Wightman, 36.

Read first time January 16, 2013

Committee: Banking, Commerce and Insurance

A BILL

- 1 FOR AN ACT relating to health care; to adopt the Nebraska All-Payer
- 2 Patient-Centered Medical Home Act.
- 3 Be it enacted by the people of the State of Nebraska,

1 Section 1. This act shall be known and may be cited as
2 the Nebraska All-Payer Patient-Centered Medical Home Act.

3 Sec. 2. (1) The Legislature finds that:

4 (a) The system of delivery of health care services can be
5 made more efficient if it rewards quality over quantity and if it
6 rewards preventive care over sick care;

7 (b) The future economic and fiscal success of the State
8 of Nebraska requires a healthy population;

9 (c) The families and businesses of the State of Nebraska,
10 both small and large, are faced with increasing and unsustainable
11 health care costs;

12 (d) The successful transformation of the health care
13 system in the State of Nebraska is essential to the economic well-
14 being of the State of Nebraska and the quality of health care
15 provided to the residents of Nebraska; and

16 (e) Health care reform is not only a matter of coverage
17 or increasing access; true reform is total system transformation into
18 a patient-centric, high-value enterprise.

19 (2) It is the intent of the Legislature to:

20 (a) Reform the system of health care delivery across the
21 State of Nebraska to improve access to health care, improve the
22 quality of health care, and contain costs of health care through a
23 model of primary care called patient-centered medical home care;

24 (b) Clearly articulate and affirmatively express a state
25 policy to regulate the parameters of competition and provide for

1 uniformity and standards to achieve economies of scale to foster the
2 timely implementation of the Nebraska All-Payer Patient-Centered
3 Medical Home Act; and

4 (c) Commit the State of Nebraska to actively supervise
5 any possible anticompetitive conduct under the act and the results of
6 implementation of the act with ongoing oversight.

7 Sec. 3. For purposes of the Nebraska All-Payer Patient-
8 Centered Medical Home Act:

9 (1) Advisory committee means the Medical Home Advisory
10 Committee created pursuant to section 4 of this act;

11 (2) Department means the Department of Insurance;

12 (3) Director means the Director of Insurance;

13 (4) Health insurer means an entity whose individual share
14 of the commercially insured market in the State of Nebraska, as
15 measured by accident and health premiums, is among the top three
16 health insurers in the market in the State of Nebraska as reported by
17 such entities in their last annual financial statements filed with
18 the Department of Insurance under section 44-322;

19 (5) Patient-centered medical home means a health care
20 delivery model in which a patient establishes an ongoing relationship
21 with a physician in a physician-directed team to provide
22 comprehensive, accessible, and continuous evidence-based primary and
23 preventive care and to coordinate the patient's health care needs
24 across the health care system in order to improve quality, safety,
25 access, and health outcomes in a cost-effective manner; and

1 (6) Primary care physician means a physician licensed
2 under the Uniform Credentialing Act and practicing in the areas of
3 general medicine, family medicine, pediatrics, or internal medicine.

4 Sec. 4. (1) The Medical Home Advisory Committee is
5 created. The advisory committee shall consist of the director and the
6 following members appointed by the Governor:

7 (a) One representative of each health insurer;

8 (b) One primary care physician actively practicing in the
9 areas of general and family medicine;

10 (c) One primary care physician actively practicing in the
11 area of internal medicine;

12 (d) One primary care physician actively practicing in the
13 area of pediatrics; and

14 (e) One representative from a licensed hospital in
15 Nebraska.

16 (2) The Governor shall make the initial appointments to
17 the advisory committee no later than October 1, 2013.

18 (3) The Chairperson of the Health and Human Services
19 Committee of the Legislature or another member of the committee
20 designated by the chairperson shall serve as an ex-officio nonvoting
21 member of the advisory committee.

22 (4) The Director of Public Health of the Division of
23 Public Health of the Department of Health and Human Services shall
24 serve as an ex-officio nonvoting member of the advisory committee.

25 Sec. 5. The advisory committee shall conduct its initial

1 organizational meeting no later than October 31, 2013. The members of
2 the advisory committee shall annually select one of the members
3 appointed by the Governor under section 4 of this act to serve as the
4 chairperson of the advisory committee for a one-year term. The
5 members appointed by the Governor under section 4 of this act shall
6 be reimbursed for their actual and necessary expenses as provided in
7 sections 81-1174 to 81-1177. The department shall provide
8 administrative support to the advisory committee.

9 Sec. 6. The Governor may remove a member appointed under
10 section 4 of this act for good cause upon written notice and an
11 opportunity to be heard. A member who ceases to meet the requirements
12 for his or her appointment to the advisory committee shall cease to
13 be a member of the advisory committee. A vacancy on the advisory
14 committee shall be filled in the same manner as provided for the
15 original appointment.

16 Sec. 7. The advisory committee shall provide consultation
17 to the director on all matters relating to proposed rules and
18 regulations, development of standards, and development of payment
19 mechanisms. The advisory committee shall (1) guide and assist the
20 department in the design and implementation of patient-centered
21 medical home care under the Nebraska All-Payer Patient-Centered
22 Medical Home Act and (2) promote the use of best practices to ensure
23 access to patient-centered medical home care for insureds and
24 beneficiaries and accomplish the purposes of the act.

25 Sec. 8. (1) The director shall convene the advisory

1 committee at such times and places as he or she determines necessary.
2 The director shall require participation in the advisory committee by
3 all health insurers. The advisory committee shall propose by January
4 1, 2014:

5 (a) Consistent criteria for what qualifies as a patient-
6 centered medical home;

7 (b) Consistent quality measures. The advisory committee
8 shall consider the use of the quality measures used by medicare and
9 medicaid and other measures as recommended by the advisory committee
10 and approved by the department; and

11 (c) Consistent reporting and electronic record-keeping
12 requirements.

13 (2) The director shall justify the reason for any
14 departure from the guidance provided by the advisory committee.

15 Sec. 9. (1) Notwithstanding section 44-3,131, (a) any
16 group sickness and accident insurance policy, certificate, or
17 subscriber contract delivered, issued for delivery, or renewed in
18 this state and any hospital, medical, or surgical expense-incurred
19 policy, except for short-term major medical policies of six months or
20 less duration and policies that provide coverage for a specified
21 disease or other limited-benefit coverage, and (b) any self-funded
22 employee benefit plan to the extent not preempted by federal law
23 shall include coverage for patient-centered medical home care
24 according to the implementation schedule specified in subsection (2)
25 of this section to be provided to insureds or beneficiaries of each

1 health insurer under the Nebraska All-Payer Patient-Centered Medical
2 Home Act.

3 (2) By January 1, 2014, the department shall design and
4 require patient-centered medical home care as developed under the
5 Nebraska All-Payer Patient-Centered Medical Home Act to be provided
6 to insureds or beneficiaries of each health insurer according to the
7 following implementation schedule:

8 (a) By April 1, 2015, at least fifteen percent of the
9 insureds or beneficiaries of each health insurer as reported on the
10 entity's annual financial statement for 2014 shall have access to a
11 patient-centered medical home;

12 (b) By April 1, 2016, at least thirty-five percent of the
13 insureds or beneficiaries of each health insurer as reported on the
14 entity's annual financial statement for 2015 shall have access to a
15 patient-centered medical home;

16 (c) By April 1, 2017, at least fifty percent of the
17 insureds or beneficiaries of each health insurer as reported on the
18 entity's annual financial statement for 2016 shall have access to a
19 patient-centered medical home; and

20 (d) By April 1, 2018, at least seventy percent of the
21 insureds or beneficiaries of each health insurer as reported on the
22 entity's annual financial statement for 2017 shall have access to a
23 patient-centered medical home.

24 (3) If the director determines that a health insurer is
25 not participating as required by this section, the director, in

1 addition to any other remedy or sanction provided by law, may order
2 the health insurer to participate in providing access to patient-
3 centered medical home care as the director determines necessary to
4 carry out the purposes of this section or may determine that such
5 action is a violation of the Unfair Insurance Trade Practices Act and
6 impose the enforcement remedies of the act.

7 (4) This section does not prevent application of
8 deductible or copayment provisions contained in the policy,
9 certificate, contract, or employee benefit plan or require that such
10 coverage be extended to any other procedures.

11 (5) This section does not apply to policies,
12 certificates, contracts, or employee benefit plans issued or renewed
13 to a public employer prior to January 1, 2018.

14 Sec. 10. The director shall direct the advisory committee
15 to consider additional reforms to sickness and accident insurance as
16 defined in section 44-709 that could be implemented to support
17 patient-centered medical home care, including, but not limited to:

18 (1) A reward for high-quality, low-cost providers;

19 (2) Creation of insured-to-beneficiary incentives to
20 receive care from high-quality, low-cost providers;

21 (3) Fostering collaboration among primary care physicians
22 and residents of the State of Nebraska using health care and all
23 other health care providers to reduce cost shifting from one part of
24 the health care system to another; and

25 (4) Creation of incentives to encourage health care to be

1 provided in the least restrictive, most appropriate setting.

2 Sec. 11. The advisory committee shall examine and make
3 recommendations to the director regarding the designation of patient-
4 centered medical home care to promote diversity in the size of
5 practices designated and the geographic location of practices
6 designated and ensure accessibility of the population throughout the
7 state to patient-centered medical home care.

8 Sec. 12. The director shall provide an annual report
9 electronically to the Legislature on the implementation and
10 administration of patient-centered medical home care under the
11 Nebraska All-Payer Patient-Centered Medical Home Act.

12 Sec. 13. (1) The director shall provide electronically a
13 comprehensive report to the Legislature that includes details of the
14 work of the advisory committee and the progress of health insurers in
15 reaching the implementation goals established in the Nebraska All-
16 Payer Patient-Centered Medical Home Act for patient-centered medical
17 home care two years and four years after implementation.

18 (2) The comprehensive report shall include:

19 (a) The number of insureds or beneficiaries in patient-
20 centered medical home care and the health characteristics of insureds
21 or beneficiaries;

22 (b) The number and geographic distribution of patient-
23 centered medical home providers and the number of primary care
24 physicians per thousand populations;

25 (c) The performance and quality of care of patient-

1 centered medical home care;

2 (d) The estimated impact of patient-centered medical home
3 care on access to preventive care;

4 (e) Patient-centered medical home care payment
5 arrangements;

6 (f) Costs related to implementation and payment of care
7 coordination fees;

8 (g) The estimated impact of patient-centered medical home
9 care on health status and health disparities; and

10 (h) Estimated savings from implementation of patient-
11 centered medical home care.

12 (2) Health insurers shall provide to the director
13 utilization, quality, financial, and other reports, as specified by
14 the director, regarding the implementation and impact of patient-
15 centered medical home care.

16 Sec. 14. Nothing in the Nebraska All-Payer Patient-
17 Centered Medical Home Act shall preclude the development of payment
18 mechanisms for persons who are enrolled in integrated medicare and
19 medicaid programs, who are enrolled in managed care long-term-care
20 programs, who are dually eligible for medicare and medicaid, who are
21 in the waiting period for medicare, or who have other primary
22 coverage.

23 Sec. 15. The director may adopt and promulgate rules and
24 regulations to carry out the Nebraska All-Payer Patient-Centered
25 Medical Home Act.