

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 396

Introduced by Gloor, 35.

Read first time January 16, 2009

Committee: Health and Human Services

A BILL

1 FOR AN ACT relating to health care; to amend section 68-901,
2 Revised Statutes Cumulative Supplement, 2008; to adopt
3 the Medical Home Act; to harmonize provisions; and to
4 repeal the original section.

5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 11 of this act shall be known
2 and may be cited as the Medical Home Act.

3 Sec. 2. For purposes of the Medical Home Act:

4 (1) Chronic care management means the provision of the
5 following through a medical home to clients at risk for incurring
6 high medical costs:

7 (a) Managed care and coordination of services; and

8 (b) Education and training to improve self-management
9 skills for the purpose of improving health outcomes and reducing
10 medical costs;

11 (2) Client means a person who is receiving medical
12 assistance pursuant to the Medical Assistance Act;

13 (3) Department means the Division of Medicaid and
14 Long-Term Care of the Department of Health and Human Services;

15 (4) Medical home means a location that provides
16 comprehensive, coordinated health care, throughout a client's
17 interaction with the health care system, which:

18 (a) Focuses on the ongoing prevention of illness and
19 disease and treatment of health care needs of the client;

20 (b) Ensures the provision of high-quality, accessible,
21 and efficient health care to the client;

22 (c) Includes the provision of primary health care
23 services to the client;

24 (d) Encourages client-centered care, including active
25 participation by the client and his or her family, legal guardian,

1 or health care agent, as appropriate, in decisionmaking and care
2 plan development; and

3 (e) Provides clients with a consistent ongoing contact
4 with a personal clinician or team of clinical professionals to
5 ensure continuous and appropriate care for the client's condition;

6 (5) Medical home pilot program means the pilot program
7 described in section 4 of this act;

8 (6) Medical home program means a comprehensive medical
9 home program designed and implemented by the department under
10 section 5 of this act;

11 (7) Primary care physician means a physician licensed
12 under the Uniform Credentialing Act and practicing in the area
13 of general medicine, family medicine, pediatrics, or internal
14 medicine; and

15 (8) Provider means a primary care physician who provides
16 health care services under the Medical Assistance Act.

17 Sec. 3. (1) The department, with the guidance of
18 the Medical Home Advisory Council, shall design and implement
19 reimbursement rate policies that will create incentives for
20 providers. The reimbursement rate policies shall provide for
21 incentive payments that encourage primary care physicians to
22 practice medicine using a medical home model. The reimbursement
23 rate policies shall:

24 (a) Require the provision of a medical home for clients;

25 (b) Be designed to increase the availability of primary

1 medical care to clients;

2 (c) Encourage the appropriate use of specialty care
3 services and emergency room services by clients;

4 (d) Provide an increased reimbursement rate to providers
5 who provide primary medical care service to clients outside of
6 regular business hours or on weekends;

7 (e) Provide care coordination for clients, electronic
8 contacts with clients, and health maintenance tracking; and

9 (f) Provide a postevaluation bonus to be determined as
10 a percentage of estimated cost savings created by the provider as
11 determined by the department.

12 (2) The department shall, to the extent that funding
13 is appropriated by the Legislature for this purpose, provide
14 reimbursements and incentive payments pursuant to this section.

15 (3) The department shall:

16 (a) Begin the process of designing and implementing the
17 reimbursement rate policies described in this section on or before
18 October 1, 2009; and

19 (b) Fully implement the reimbursement rate policies
20 described in this section on or before July 1, 2012.

21 Sec. 4. (1) On or before March 1, 2010, the department
22 shall implement a medical home pilot program in at least two
23 regions of the state to provide a medical home to clients.

24 (2) The department shall:

25 (a) Operate the medical home pilot program in accordance

1 with the requirements of section 3 of this act and subsection (4)
2 of section 5 of this act;

3 (b) Design and operate the medical home pilot program in
4 a manner that will:

5 (i) Assist the department in determining the most
6 effective way to implement the medical home program; and

7 (ii) Allow the medical home pilot program to effectively
8 evolve into the medical home program; and

9 (c) Evaluate the medical home pilot project regarding
10 the beneficial effect on the health of clients and the cost
11 savings to the state before March 2011 and June 2012 and
12 provide recommendations for changes to the pilot program after
13 each evaluation.

14 Sec. 5. (1) The department shall design and implement
15 a medical home program for all clients. The medical home program
16 shall be based on, and evolve from, the medical home pilot program
17 described in section 4 of this act.

18 (2) The department shall:

19 (a) Begin the process of designing the medical home
20 program on or before March 1, 2011; and

21 (b) Fully implement the medical home program on or before
22 July 1, 2012, if evaluation of the pilot program indicates that
23 medical home program would be beneficial to the health of clients
24 and provide a cost savings to the state.

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

- 1 (a) Improve health care access outcomes for clients;
2 (b) Improve the quality of health care provided to
3 clients by providing for continuity of health care services; and
4 (c) Contain costs of the medical assistance program.
5 (4) The medical home program shall:
6 (a) Utilize evidence-based medicine;
7 (b) Utilize best practices;
8 (c) Facilitate the use of technology to improve quality
9 of care;
10 (d) Emphasize, enhance, and encourage the use of primary
11 care physicians in providing a medical home;
12 (e) Include financial incentives and other supports to
13 enable primary care physicians to effectively provide a medical
14 home and chronic care management; and
15 (f) Improve coordination of primary, acute, and long-term
16 care for clients.
17 (5) The department shall coordinate the medical home
18 program with managed care insurers and other providers of services
19 under the medical assistance program.
20 Sec. 6. (1) The department shall:
21 (a) Through research, study, predictive modeling, health
22 risk analysis, and other means, determine the best practices to be
23 used by the department to provide medical homes and chronic care
24 management to clients; and
25 (b) Regularly evaluate the effectiveness of medical homes

1 and chronic care management techniques being used for clients by
2 the department and any other division of the Department of Health
3 and Human Services.

4 (2) After conducting the evaluations described in
5 subsection (1) of this section, the department shall recommend
6 or implement improvements in the provision of medical homes and
7 chronic care management techniques, including improvements in:

8 (a) Organizational structure;

9 (b) Delivery and coordination of services; and

10 (c) Training.

11 Sec. 7. (1) The Medical Home Advisory Council is created.
12 The advisory council shall consist of eleven voting members and one
13 ex officio member.

14 (2) The Medical Home Advisory Council shall consist of
15 two primary care physicians practicing in the area of general or
16 family medicine, two primary care physicians practicing in the
17 area of pediatrics, two primary care physicians practicing in the
18 area of internal medicine, two representatives of medical schools
19 in Nebraska, one representative from a hospital in Nebraska, one
20 client, and one resident of Nebraska who is not a physician or
21 client.

22 (3) The Governor shall appoint the voting members of
23 the Medical Home Advisory Council. The Governor shall designate
24 two of the initial appointments for one-year terms, three for
25 two-year terms, three for three-year terms, and three for four-year

1 terms. All succeeding terms shall be four years. A member may be
2 reappointed at the end of his or her term. The Governor shall
3 appoint the initial members by October 1, 2009.

4 (4) The chairperson of the Health and Human Services
5 Committee of the Legislature or another member of the committee
6 designated by the chairperson shall serve as an ex officio,
7 nonvoting member of the Medical Home Advisory Council.

8 (5) Any member who ceases to meet the requirements for
9 his or her appointment regarding representation or practice shall
10 cease to be a member of the advisory committee. The Governor
11 may remove a member for good cause shown upon written notice and
12 an opportunity to be heard. Any vacancy occurring other than by
13 expiration of a term shall be filled for the remainder of the
14 unexpired term in the same manner as the original appointment.

15 (6) The Medical Home Advisory Council shall select one
16 of its members to serve as chairperson for a one-year term.
17 The advisory council shall conduct its organizational meeting in
18 October 2009.

19 (7) The appointed members of the Medical Home Advisory
20 Council shall be reimbursed for their actual and necessary expenses
21 as provided in sections 81-1174 to 81-1177.

22 (8) The department shall provide administrative support
23 for the Medical Home Advisory Council.

24 Sec. 8. (1) The Medical Home Advisory Council shall:

25 (a) Guide and assist the department in creation of the

1 medical home pilot program, the medical home program, and the
2 training and technical assistance program;

3 (b) Assist the department in conducting the evaluations
4 described in subsection (1) of section 6 of this act;

5 (c) Collect and disseminate research and information
6 regarding:

7 (i) Health care quality;

8 (ii) Evidence-based medicine;

9 (iii) Patient safety; and

10 (iv) Variations in clinical practice patterns across the
11 state;

12 (d) Promote the use of best practices for the provision
13 of primary care and managed care to clients; and

14 (e) Develop measures to evaluate and compare:

15 (i) Health care costs and quality; and

16 (ii) Provider performance.

17 (2) Beginning on July 1, 2011, the medical home advisory
18 council shall produce an annual quality report, detailing clinical
19 practice patterns for the provision of medical home care and
20 chronic care management for clients, including practice patterns of
21 purchasers, providers, insurers, and policymakers.

22 Sec. 9. (1) The department shall provide for a training
23 and technical assistance program to assist in the coordination of
24 health care for clients.

25 (2) The program shall:

- 1 (a) Focus on evidence-based medicine, high-quality
2 preventive care, and chronic care management; and
- 3 (b) Include training and technical assistance relating
4 to:
- 5 (i) The use of clinical information systems;
6 (ii) The sharing and organization of client information;
7 (iii) The provision of decision-making support;
8 (iv) Clinical delivery system design;
9 (v) Support for a client who manages the client's own
10 care;
- 11 (vi) Support for family members who manage the client's
12 care; and
- 13 (vii) The identification and use of community resources
14 that are available to clients.

15 Sec. 10. (1) The department shall apply for any federal
16 funds that are available for medical home programs.

17 (2) The department shall recommend changes to the Medical
18 Assistance Act to improve the medical home program.

19 Sec. 11. (1) On or before October 1, 2009, the department
20 shall report to the Health and Human Services Committee of the
21 Legislature regarding:

22 (a) Recent trends in unnecessary emergency room use by
23 clients and the uninsured; and

24 (b) Recommendations on the creation of incentives to
25 reduce the unnecessary use of emergency room services.

1 (2) Beginning on October 1, 2011, the department shall
2 report annually to the committee on the recommended improvements
3 described in subsection (2) of section 6 of this act.

4 (3) Beginning on October 1, 2011, the department shall
5 report annually to the committee regarding the work of the medical
6 home advisory council and present the annual report of the advisory
7 council produced pursuant to subsection (2) of section 7 of this
8 act.

9 Sec. 12. Section 68-901, Revised Statutes Cumulative
10 Supplement, 2008, is amended to read:

11 68-901 Sections 68-901 to 68-956 and sections 1 to 11 of
12 this act shall be known and may be cited as the Medical Assistance
13 Act.

14 Sec. 13. Original section 68-901, Revised Statutes
15 Cumulative Supplement, 2008, is repealed.