

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB239

Chairperson: Senator Mike Gloor

Committee: Banking, Commerce and Insurance

Date of Hearing: February 12, 2013

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 239 will implement the Nebraska All-Payer Patient-Centered Medical Home Act. The Act is intended to promote the development of a new approach to the provision of and payment for primary care medical services by the major health insurers in the State of Nebraska.

A Patient-Centered Medical Home (PCMH) is defined as a health care delivery model in which a patient establishes an ongoing relationship with a physician in a physician-directed team to provide comprehensive, accessible, and continuous evidence-based primary and preventive care and to coordinate the patient's health care needs across the health care system in order to improve quality, safety, access, and health outcomes in a cost effective manner.

The bill establishes an advisory committee of doctors, a hospital administrator and representatives of the three largest volume health insurers to assist the Director of Insurance to develop the model of care and promote best practices. The Chair or a member of the Health and Human Services Committee as selected by the Chair and The Director of Public Health Division of HHS are ex-officio non-voting members. The Advisory Committee brings the major parties together to do such things as assist in the development of: 1) consistent criteria for qualification as a medical home, 2) consistent quality measures, 3) consistent electronic reporting and record keeping requirements; 4) examine and make recommendations concerning the size of medical practices, the geographic location and the access to medical homes are throughout the state.

The Act is intended to navigate antitrust concerns of a multi-payer system. Potential antitrust immunity exists for participants under the State Action Immunity Doctrine. LB 239 is intended to meet the two tests for what is called state action immunity under the federal antitrust law which are: (1) a clear articulation by the state of its intent to displace competition; and (2) active and ongoing state supervision of the process and results. The transformation of a physician's office to a Patient-Centered Medical Home requires a coordinated payment approach in order to gain the necessary administrative and clinical efficiencies. In addition, participation of multiple payers eases concerns that nonparticipating competitors will reap the benefits of changes without sharing the up front costs.

The bill provides for the phase in of access to the Patient-Centered Medical Home benefit in group insurance plans over five years

LB 239 gives the Department the duty of establishing necessary rules and regulations to carry out this Act along with annually evaluating PCMH growth and performance among private insurers.

Principal Introducer: _____

Senator John Wightman