Introduced by Gloor, 35; Campbell, 25; Crawford, 45; Ebke, 32; Friesen, 34; Howard, 9; Morfeld, 46; Nordquist, 7; Pansing Brooks, 28; Scheer, 19; Schumacher, 22; Seiler, 33; Williams, 36.

Read first time January 15, 2015

Committee: Health and Human Services

1 A BILL FOR AN ACT relating to health care; to adopt the Health Care
2 Services Transformation Act.
3 Be it enacted by the people of the State of Nebraska,
Section 1. Sections 1 to 14 of this act shall be known and may be cited as the Health Care Services Transformation Act.

Sec. 2. For purposes of the Health Care Services Transformation Act:

(1) Advisory commission means the Health Care Services Transformation Advisory Commission;

(2) Insurer means any insurance company as defined in section 44-103 or health maintenance organization as defined in section 44-32, authorized to transact health insurance business in the state; and

(3) Patient-centered medical home means a health care services delivery model in which a patient establishes an ongoing relationship with a physician-directed team to provide comprehensive, accessible, and continuous evidence-based primary and preventive health 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.

Sec. 3. (1) The Legislature finds that (a) health care services delivery processes, such as patient-centered medical homes and similar initiatives, are transforming the delivery of primary medical care services to a team-based, patient-centered method of delivering health care services, (b) this team-based, patient-centered method of delivering health care services is used in primary health care settings and certain specialty care clinics and needs to be coordinated with other medical, dental, and behavioral health care providers, public health entities, and other community-based support services, (c) the triple aim of the use of patient-centered medical homes is to improve patient experience and individual health outcomes while improving population health and containing health care costs through appropriate use of services, and (d) this unprecedented systemwide transformation of health care services delivery processes necessitates the cooperation and collaboration of federal and state governmental entities along with health care providers.
insurers, and self-insured businesses as purchasers of health care
services and health insurance, among others.

(2) The Legislature further finds that (a) the health care industry
is a vital component of the economic base of Nebraska, (b) maintenance
and enhancement of this industry can play a significant role in efforts
to further the economic development of rural and urban communities of the
state, and (c) the state, as an employer and provider of health care
insurance coverage, has the unique ability to effect change and progress
in the transformation of the health care systems within the state.

(3) It is the intent of the Legislature that the state participate
in and collaborate with public and private entities to assist in the
transformation of primary health care services and the integration of
appropriate related health care services, including behavioral health
services and dental health services, and related health care payment
systems for the residents of Nebraska.

Sec. 4. The purposes of the Health Care Services Transformation Act
are (1) to create the Health Care Services Transformation Advisory
Commission and establish its powers and duties, (2) to provide powers and
duties for the Division of Public Health and the Office of Rural Health
of the Department of Health and Human Services, (3) to provide powers and
duties for the Department of Insurance, and (4) to authorize the Division
of Medicaid and Long-Term Care of the Department of Health and Human
Services and the Department of Administrative Services to participate in
innovative health care programs such as patient-centered medical homes.

Sec. 5. (1) The Program of Health Care Transformation is hereby
created within the Department of Health and Human Services. The program
shall be administered by the Division of Public Health of the department
in consultation with the Office of Rural Health of the department.

(2) The division, in consultation with the advisory commission,
shall:

(a) Assist residents of Nebraska in obtaining high quality health
care and assist health care providers in transforming their services to
provide high quality, patient-centered care in an atmosphere of continual
safety and quality improvement, including, but not limited to, providing
or facilitating learning opportunities for health care providers, public
health entities, behavioral health service providers, and community
health care workers on:

(i) Patient-centered care;

(ii) Care coordination;

(iii) Chronic care initiatives;

(iv) Patient-centered medical homes; and

(v) Other similar initiatives;

(b) Identify statewide and regional opportunities to meet changing
health care needs due to changing demographics, changing technology, and
changing business models in the provision of health care services;

(c) Establish liaison with other state agencies to ensure that the
programs of the division and the Office of Rural Health are appropriately
coordinated with the Program of Health Care Transformation;

(d) Assist in the collaboration of various data-sharing systems or
programs to enable the analysis of public health data and to evaluate the
effectiveness of programs and demonstration projects;

(e) Develop and approve standards and measures for patient-centered
medical homes in Nebraska, taking into account the work begun by the
members of the Legislature and stakeholders in the Participation
Agreement to recognize and reform payment structures to support Patient-
Centered Medical Home, signed on December 18, 2013;

(f) Provide a forum for discussion and collaboration among
stakeholders, health care providers, insurers, consumers, public health
systems, self-insured businesses, and others to take advantage of changes
in the health care landscape and federal health care programs in order to
improve the provision of health care for the residents of Nebraska and to
advance safety and quality improvement initiatives and the transformation
and integration of health care services. Since the transformation of
health care services and reform of the insurance mechanisms involved in
payment of services are intricately linked, this forum may be provided in
cooperation with the discussion forums of the Department of Insurance for
insurers and self-insured businesses under section 10 of this act; and
(g) Provide support staff to the advisory commission.
(3) The department may seek outside funds and grants and may
collaborate with other resources for education and transformation
activities.
(4) The division shall submit an annual report to the Governor and
electronically to the Legislature regarding the activities of the
advisory commission.
Sec. 6. The Health Care Services Transformation Advisory Commission
is created. The advisory commission shall consist of the following
members:
(1) The chairperson of the Health and Human Services Committee of
the Legislature or his or her designee as a nonvoting member;
(2) The Director of Public Health of the Division of Public Health
of the Department of Health and Human Services or his or her designee;
(3) The Director of Medicaid and Long-Term Care of the Division of
Medicaid and Long-Term Care of the Department of Health and Human
Services or his or her designee;
(4) One representative of the Office of Rural Health of the
Department of Health and Human Services, designated by the Governor;
(5) One representative from the benefits section of the personnel
division of the Department of Administrative Services, designated by the
Governor;
(6) One representative from the Department of Insurance, designated
by the Governor;
(7) One representative of each accredited medical school located in
the state;
(8) One representative of a local public health department as defined in section 71-1626;

(9) One representative of each insurer that insure more than five percent of the residents of Nebraska;

(10) One representative from a self-insured business with over two hundred fifty employees;

(11) One physician providing primary care in a patient-centered medical home practicing in an urban area of the state;

(12) One representative from the College of Public Health of the University of Nebraska Medical Center;

(13) One representative from a self-insured business with two hundred fifty or fewer employees;

(14) One physician providing primary care in a patient-centered medical home practicing in a rural area of the state;

(15) One pediatrician providing care in a patient-centered medical home in the state;

(16) One nurse providing care in a patient-centered medical home in the state;

(17) One hospital administrator;

(18) One licensed psychologist practicing in the state;

(19) One licensed dentist practicing in the state;

(20) One member of the public who is a consumer of health care services in the state;

(21) Three members that are stakeholders or interested parties as determined by the Governor.

The members designated in subdivisions (4) through (21) of this section shall be appointed by the Governor with the advice and consent of the Legislature.

Sec. 7. (1) The members of the advisory commission shall be citizens and residents of Nebraska. Appointed members shall serve for three-year terms, except that initial members appointed pursuant to
subdivisions (12) through (16) of section 6 of this act shall be appointed for two-year terms and initial members appointed pursuant to subdivisions (17) through (21) of section 6 of this act shall be appointed for one-year terms. When a vacancy occurs among the appointed members, the Governor shall appoint a member with the same qualifications to fill the vacancy for the remainder of the term.

(2) The advisory commission shall annually elect from among its members a chairperson and vice-chairperson.

(3) Members of the advisory commission shall be reimbursed for their actual and necessary expenses as provided in sections 81-1174 to 81-1177 from the Health Care Services Transformation Fund.

Sec. 8. (1) The purposes of the advisory commission are to advise the Department of Health and Human Services, the Legislature, the Governor, the University of Nebraska, and the residents of Nebraska regarding aspects of transformation of the health care services system and to advise the Division of Public Health of the department and the Office of Rural Health of the department regarding the administration of the Health Care Services Transformation Act.

(2) The advisory commission shall receive assistance from the staff of the office.

(3) The advisory commission shall hold up to six meetings a year, at times and places fixed by the advisory commission. A majority of the members of the advisory commission shall constitute a quorum.

Sec. 9. The advisory commission shall:

(1) Advise the Department of Health and Human Services regarding policies and programs in the development and implementation of a statewide transformation in primary health care services and the integration of related health care services in Nebraska, including behavioral health services and dental health services, in the education and training of health care providers in Nebraska with regard to team-based, patient-centered primary care, in the regulation of health care
providers and health care facilities in Nebraska to assure they are consistent with new delivery transformation, and in any other matters relating to health care transformation;

(2) Advise the department and other appropriate parties in all matters relating to transforming and modernizing primary health care and the integration and coordination of dental health, behavioral health, and other related services;

(3) Serve as an advocate for transformation in health care issues and related payment mechanisms;

(4) Advise the Division of Public Health of the department on the development of a set of common health outcome measures, standards for evaluation of patient-centered medical homes in Nebraska, and common payment structures taking into consideration the work begun by members of the Legislature and stakeholders in the Participation Agreement to recognize and reform payment structures to support Patient-Centered Medical Home, signed on December 18, 2013;

(5) Advise the division in identifying statewide and regional opportunities to meet changing health care needs due to changing demographics, changing technology, and changing business models in the provision of health care services;

(6) Advise the division in developing collaborations with stakeholders, health care providers, insurers, consumers, public health systems, self-insured businesses, and others to take advantage of changes in the health care landscape and federal health care programs in order to improve the provision of health care for the residents of Nebraska and to assist in the transformation of primary health care services and integration of related services;

(7) Maintain liaison with all agencies, groups, and organizations concerned with transforming health care in order to facilitate integration of efforts and commonality of goals; and

(8) Advise the department regarding the intent, goals, and
implementation of the Health Care Services Transformation Act.

Sec. 10. The Department of Insurance shall provide a forum for discussion among insurers and self-insured businesses regarding alignment of payment reforms, quality improvement of health care services and health outcomes, price transparency, and data base collaboration. Since the transformation of health care services and reform of the payment mechanisms involved in payment for health care services are intricately linked, this forum may be provided in cooperation with the health care provider forums conducted by the Department of Health and Human Services under section 5 of this act.

Sec. 11. The Department of Insurance may develop and implement programs in which insurers collaborate on value-based payment mechanisms for patient-centered care, patient-centered medical homes, and other forms of safety and quality improvement initiatives for the delivery of health care services.

Sec. 12. The Department of Administrative Services may use insurance products for employees and retirees that incorporate patient-centered care, patient-centered medical homes, similar initiatives, and value-based payment mechanisms for health care services.

Sec. 13. The Division of Medicaid and Long-term Care of the Department of Health and Human Services may implement programs that use patient-centered care, patient-centered medical homes, chronic care initiatives, and similar quality and safety improvement initiatives and value-based payment mechanisms for health care services.

Sec. 14. The Health Care Services Transformation Cash Fund is created. The fund shall include money appropriated by the Legislature and any grant funds and donations. The fund shall be used for the implementation and administration of the Health Care Services Transformation Act. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.
It is the intent of the Legislature to appropriate one hundred fifty thousand dollars from the General Fund for each of the initial two fiscal years to the Department of Health and Human Services to enable the Division of Public Health and the Office of Rural Health of the department to carry out the duties and purposes of the Health Care Services Transformation Act, which may include expenditures for personnel.