ASSEMBLY, No. 3042

STATE OF NEW JERSEY

219th LEGISLATURE

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Sponsored by:
Assemblywoman PAMELA R. LAMPITT
District 6 (Burlington and Camden)

SYNOPSIS

Establishes patient-centered medical home program.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning patient-centered medical homes and supplementing Title 26 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. This act shall be known and may be cited as "The New Jersey Patient-Centered Medical Home Act."

2. The Legislature finds and declares that:

a. The increasing cost of health care makes health care plans more difficult for individuals, families, and businesses to afford. These increases in health care costs are attributable in part to inadequate coordination of care among providers, difficulties in accessing primary care, and a lack of engagement between patients and their primary care providers. The purpose of this act is to enhance care coordination and promote high-quality, cost-effective care through patient-centered medical homes by engaging patients and their primary care providers.

b. Chronic diseases are one of the biggest threats to the health of New Jersey residents. The purpose of this act includes promoting episodic evidence-based care in the community to reduce hospital admissions, enhance chronic disease management, and reduce costs for treating chronic diseases.

c. There is a shortage of primary care providers in areas of New Jersey, and inconsistent access to health care services and variable quality of care have been shown to result in poorer health outcomes and health care disparities. Patient-centered medical homes offer a model of primary care that may attract new providers to New Jersey because the model is effective, sustainable, replicable in small communities, and provides a process to achieve higher quality health care for patients and a way to help slow the continuing escalation of health care costs as well as improve health outcomes for New Jersey residents.

d. A single definition and common set of quality measures as well as a uniform payment methodology provide the best chance of success for the patient-centered medical homes model by increasing consistency in reporting across health plans and primary care practices.

e. Best practices are most likely to be recognized and adopted by primary care practices if a State-structured, patient-centered medical home program works with programs that may be developed for health plans and primary care practices under the Medicaid and NJ FamilyCare Programs.

f. An ongoing process is desirable to evaluate the effectiveness of patient-centered medical homes.

g. Notwithstanding any State or federal law that prohibits the collaboration of insurers, other health plans, or providers regarding

payment methods, patient-centered medical homes are likely to result in the delivery of more efficient and effective health care services and are in the public interest.

3. As used in this act:

"Carrier" means a carrier as defined in section 2 of P.L.1997, c.192 (C.26:2S-2).

"Commissioner" means the Commissioner of Banking and Insurance.

“Covered person” means a covered person as defined in section 2 of P.L.1997, c.192 (C.26:2S-2).

“Covered service” means covered service as defined in section 2 of P.L.1997, c.192 (C.26:2S-2).

"Department" means the Department of Banking and Insurance.

"Health benefits plan" means a health benefits plan as defined in section 2 of P.L.1997, c.192 (C.26:2S-2).

“Health care provider” means a health care provider as defined in section 2 of P.L.1997, c.192 (C.26:2S-2).

"Medicaid" means the Medicaid program established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.).

"NJ FamilyCare" means the NJ FamilyCare Program established pursuant to P.L.2005, c.156 (C.30:4J-8 et al.).

“Patient-centered medical home” means a model of health care that is:

(1) directed by a primary care provider and incorporates multi-disciplinary teams;

(2) family-centered, coordinated, comprehensive, continuous, culturally and linguistically appropriate, and, whenever possible, located in the patient’s community and integrated across systems;

(3) characterized by prevention, improved health outcomes, patient satisfaction, and enhanced access to health care services, including, but not limited to, home-based services, enhanced communication via telephone and other means, group care, and patient or family education for patients with chronic diseases; and

(4) qualified by the commissioner pursuant to section 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

4. a. The commissioner shall qualify patient-centered medical homes that have been accredited by a nationally recognized accrediting organization approved by the commissioner and that meet any other requirements for qualification as the commissioner may establish by regulation.

b. A patient-centered medical home seeking to be qualified pursuant to subsection a. of this section shall provide the commissioner with proof that it has been accredited by a nationally-recognized accrediting organization approved by the commissioner and has met any other requirements for qualification.

5. a. The commissioner shall oversee, promote, coordinate, and provide guidance concerning the creation and activities of any patient-centered medical homes doing business in New Jersey in order to ensure compliance with the provisions of P.L. , c. (C.) (pending before the Legislature as this bill).

b. The commissioner shall establish standards, by regulation, with regard to each of the following:

(1) payment methods used by health benefits plans to pay patient-centered medical homes for services associated with the coordination of covered services;

(2) bonuses, fee-based incentives, bundled fees, or other incentives that a health benefits plan may use to pay a patient-centered medical home based on savings from reduced health care expenditures associated with improved health care outcomes and care coordination by covered persons attributed to participation in the patient-centered medical home program;

(3) a uniform set of health care quality and performance measures that includes prevention services; and

(4) a uniform set of measures related to cost and medical usage.

c. A patient-centered medical home shall report annually, to the department and to health benefits plans with which the patient-centered medical home contracts, on the patient-centered medical home's compliance with the uniform set of health care quality and performance measures adopted by the commissioner pursuant to subsection b. of this section.

d. A health benefits plan shall report annually to the patient-centered medical home regarding the plan's compliance with the uniform set of cost and medical usage measures adopted by the commissioner pursuant to subsection b. of this section for patients covered under the health plan.

e. In developing standards pursuant to subsection b. of this section, the commissioner may consider:

(1) the use of health information technology, including electronic medical records;

(2) the relationship between primary care practitioners, specialists, hospitals, and other health care providers;

(3) the access standards for individuals covered by a health plan to receive primary medical care in a timely manner;

(4) the ability of the primary care practice to foster a partnership with patients; and

(5) the use of comprehensive medication management to improve clinical outcomes.

f. No later than two years after the effective date of P.L. , c (C.) (pending before the Legislature as this bill), and annually thereafter, the department shall determine the savings generated by the patient-centered medical home program and report this information, along with any recommendations to improve the

savings generated by the program, to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).

6. a. The participation of a health benefits plan in a patient-centered medical home is not required. If a plan chooses to participate in a patient-centered medical home program, the plan shall comply with the requirements of P.L. , c. (C.) (pending before the Legislature as this bill).

b. The Medicaid program and the NJ FamilyCare Program may participate in the patient-centered medical home program to the extent that such participation is consistent with federal law. This subsection shall be operative only if all necessary approvals are received from the federal government to assure continuation of an acceptable level of federal matching funds including, but not limited to, approval of necessary State plan amendments and approval of any waivers.

7. The Commissioner of Banking and Insurance, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and regulations to effectuate the purposes of this act.

8. This act shall take effect on the first day of the seventh month following the date of enactment, except that the Commissioner of Banking and Insurance may take any anticipatory administrative action in advance as may be necessary for the implementation of this act.

STATEMENT

This bill establishes the patient-centered medical home program. Patient-centered medical homes are a model of health care that are comprehensive, team based, coordinated, accessible, focused on quality, safety, and patient satisfaction, and tailored to the specific needs of each individual patient.

The bill requires the Commissioner of Banking and Insurance to qualify patient-centered medical homes that provide proof of accreditation by a nationally-recognized accrediting organization approved by the commissioner, and that meet any other requirements for qualification that the commissioner may establish by regulation.

The commissioner would additionally oversee, promote, coordinate, and provide guidance concerning the creation and activities of any patient-centered medical homes doing business in New Jersey, and would establish, by regulation, standards concerning: the payment methods used by health benefits plans to pay patient-centered medical homes; the incentives that a health

benefits plan may use to pay a patient-centered medical home based on savings attributed to participation in the program; a uniform set of health care quality and performance measures that includes prevention services; and a uniform set of measures related to cost and medical usage.

In developing these standards, the commissioner would be permitted to consider: the use of health information technology, including electronic medical records; the relationship between primary care practice, specialists, hospitals, and other health care providers; the access standards for individuals covered by a health plan to receive primary medical care in a timely manner; the ability of the primary care practice to foster a partnership with patients; and the use of comprehensive medication management to improve clinical outcomes.

Patient-centered medical homes would be required to annually report to the department and to health benefits plans with whom the homes contract, with regard to the home's compliance with the standards adopted by the commissioner. Health benefits plans would similarly be required to report annually to patient-centered medical homes with regard to their compliance with the standards adopted by the commissioner.

In addition, no later than two years after the effective date of the bill, and annually thereafter, the Department of Banking and Insurance will be required to determine the savings generated by the patient-centered medical home program and report this information, along with any recommendations to improve the savings generated by the program, to the Governor and to the Legislature.

The participation of a health benefits plan in a patient-centered medical home will not be mandatory. The bill provides that the Medicaid and the NJ FamilyCare Programs may participate in the patient-centered medical home program to the extent that such participation is consistent with federal law.