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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

RELATING TO INSURANCE - PRIMARY CARE TRUST ACT

Introduced By: Senators Sosnowski, and Crowley

Date Introduced: March 01, 2018

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 27 of the General Laws entitled "INSURANCE" is hereby amended
2 by adding thereto the following chapter:

3 CHAPTER 27-82

4 PRIMARY CARE TRUST ACT

5 **27-82-1. Short title.**

6 This chapter shall be known and may be cited as the "Primary Care Trust Act".

7 **27-82-2. Definitions.**

8 As used in this chapter:

9 (1) "Essential health services" means primary care services (medical, pediatric, and
10 maternity), and those coordinated and integrated services which support the health of patients in a
11 community health region, such as mental health services, substance use disorder services,
12 physical therapy, dental and oral services, eye care services, emergency medical services not
13 provided by a hospital-controlled organization, same-day access to urgent essential health
14 services, and other services identified by the primary care trust and approved by the office.

15 (2) "Health insurer" means:

16 (i) A health insurance company;

17 (ii) A nonprofit hospital and medical service corporation;

18 (iii) A health maintenance organization;

19 (iv) The state Medicaid program, and any other health care benefit plan administered by

1 the state for eligible individuals and families:

2 (v) A health care plan administered by the state and any agency or instrumentality of the
3 state for the benefit of their employees and dependents; and

4 (vi) To the extent permitted under federal law, Medicare, and any administrator of an
5 insured, self-insured, or publicly funded health care benefit plan offered by public and private
6 entities.

7 (3) "Neighborhood health station" means a single clinical entity that provides primary
8 medical care, urgent care, primary dental care, mental and behavioral health and substance use
9 disorder treatment to the entire population of a specific geographic area without regard to method
10 of payment, and actively works to improve the measured population health of that population.

11 (4) "Office" means the office of the health insurance commissioner pursuant to chapter
12 14.5 of title 42.

13 (5) "Primary care" means health care services delivered by health care providers:

14 (i) Who are specifically trained for and skilled in first-contact and continuing care for
15 individuals with sign, symptoms, or health concerns, not limited by problem origin, organ system,
16 or diagnosis;

17 (ii) Who provide services that are comprehensive, including those of more than a single
18 discipline;

19 (iii) Who provide such services in a coordinated manner, so that they focus on the health
20 goals of individual patients; and

21 (iv) Who provide such services in a manner that ensures each service is effective at
22 achieving those individual health goals.

23 (6) "Primary care provider" means a physician, nurse practitioner, physician's assistant,
24 primary care medical practice, neighborhood health station, federally qualified community health
25 center, or other provider of primary care services who contracts with, and is paid by the primary
26 care trust to provide primary care services.

27 (7) "Primary care trust" means one or more nonprofit organizations designated by the
28 office to provide primary care and essential health services in one or more geographical regions
29 of the state.

30 (8) "Primary care trust program" means the program administered by the office to provide
31 primary care services to all residents of this state.

32 **27-82-3. Responsibilities of the office of the health insurance commissioner.**

33 The office shall:

34 (1) Ensure that affordable and quality primary care services are available and accessible

1 to all residents of this state:

2 (2) Identify one or more geographic regions of the state as primary care community
3 health districts;

4 (3) Designate one or more nonprofit organizations as a primary care trust responsible for
5 the delivery of primary care and essential health services in each primary care community health
6 district;

7 (4) In consultation with the department of health, establish program and administrative
8 standards for a primary care trust;

9 (5) Monitor the capacity and ability of each primary care trust to fulfill their
10 responsibilities to residents of the community health district; and

11 (6) Establish standards and procedures to fund the primary care trusts by annual primary
12 care trust assessments paid by health insurers.

13 (b) The office shall establish, annually, through the rate-setting process, a primary care
14 trust assessment to fund the primary care trust program. The assessment shall be equal to ten and
15 seven-tenths percent (10.7%) of total projected medical spending by each health insurer doing
16 business in this state. At the conclusion of the rate-setting process, the office shall issue an
17 allocation order apportioning each insurer's assessment among designated primary care trusts
18 based on the population of the community health region and the essential health needs of the
19 community health region. The office may permit variations from the ten and seven tenths percent
20 (10.7%) assessment not to exceed plus or minus five-tenths percent (+/- 0.5%) to account for
21 changed circumstances, and the primary care and essential health care needs of residents. The
22 office shall have jurisdiction over all health insurers in this state for purposes of imposing the
23 primary trust fund assessment.

24 (c) The primary care trust assessment shall constitute a health care service funding
25 contribution under chapter 7.4 of title 42. The primary care trust assessment shall be
26 administered, collected, and enforced as a health care services funding contribution in accordance
27 with chapter 7.4 of title 42, except that each health insurer shall pay its assessment directly to one
28 or more primary care trusts in accordance with the allocation order issued by the office at the
29 conclusion of the annual rate-setting process.

30 (d) The office may:

31 (1) Promulgate rules and regulations necessary to establish standards and procedures as
32 are required or desirable to carry out the purposes of this chapter; and

33 (2) Re-designate another nonprofit organization as the primary care trust for a community
34 health district, if, after consultation with the board of directors of a primary care trust, the office

1 determines that the primary care trust has failed to propose or implement an adequate community
2 health plan.

3 **27-82-4. The primary care trust - Establishment and duties.**

4 (a) A primary care trust shall be governed by a board of directors. One-half (1/2) of the
5 board shall be composed of primary care providers and providers of essential health services in
6 the community health district. One-half (1/2) of the board shall be composed of community
7 members residing in the community health district. The articles of association or other governing
8 document of a primary care trust must be approved by the office. The appointment of initial
9 directors shall be made by the office within ninety (90) days following the effective date of this
10 act for a term not to exceed twelve (12) months. The articles shall include a mechanism for
11 subsequent directors to be elected by providers and community members for two (2) year terms.

12 (b) The primary care trust shall:

13 (1) Be responsible for the delivery of primary care services within its community health
14 district; and

15 (2) Develop and implement a community health plan, approved annually by the office.

16 The community health plan shall describe how the primary care trust shall:

17 (i) Provide primary care services to all residents of the community health district;

18 (ii) Provide essential health services, and expand the availability of essential health
19 services to all residents of the community health district;

20 (iii) Improve the health of residents in the community health district as measured by not
21 more than four (4) population health indicators including, but not limited to, smoking, body mass
22 index, and vaccination rates. Such measures shall be adopted by rule or regulation by the office,
23 in consultation with the director of the department of health;

24 (iv) Ensure patient access to primary care during evenings and weekends; and

25 (v) Include other elements as are designed to maintain and improve the health of all
26 residents of the community health district.

27 (c) The primary care trust shall reimburse primary care providers on a per capita, or on a
28 fee-for-service basis.

29 (d) Primary care providers and other providers of essential health services who enter into
30 an agreement with the primary care trust to provide coordinated essential health services shall be
31 reimbursed with per capita payments. Per capita payments shall provide a financial incentive for
32 primary care providers to offer essential health services, and to increase the percentage of
33 residents in the community health region that receive essential health services.

34 (e) Primary care providers who do not enter into an agreement with the primary care trust

1 to provide coordinated essential health services shall be reimbursed on a fee for service basis, in
2 accordance with a fee schedule established by the primary care trust.

3 (f) The primary care trust may establish per capita payments or fee schedules with or
4 without patient cost sharing.

5 (g) Primary care services provided to Medicare beneficiaries and beneficiaries of other
6 health plans offered by the federal government shall be reimbursed by Medicare or such other
7 health plans until such time as an agreement with the federal government can be reached to
8 incorporate the primary care trust as the reimbursement mechanism for such patients.

9 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO INSURANCE - PRIMARY CARE TRUST ACT

- 1 This act would create the "Primary Care Trust Act" to:
- 2 (1) Create a single payment and universal health care delivery system for primary care
3 health services in this state;
- 4 (2) Require health insurers to allocate a fair portion of their medical spending for the
5 delivery of primary care services;
- 6 (3) Designate one or more primary care trusts to ensure the delivery of primary care and
7 essential health services to all residents of this state;
- 8 (4) Authorize a primary care trust to pay for primary care from a portion of health
9 insurers' annual medical spending, with financial incentives for providers that provide essential
10 health services in each community health district; and
- 11 (5) Lower the growth of state health care spending by empowering primary care
12 providers to focus care delivery for their patients at the least intensive and most affordable level
13 of care, when clinically appropriate.
- 14 This act would take effect upon passage.

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