

**Introduced by Senator Pan**

February 25, 2015

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An act to add Chapter 3.5 (commencing with Section 24300) to Division 20 of the Health and Safety Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 435, as amended, Pan. Medical home: health care delivery model.

Existing law requires the Office of Statewide Health Planning and Development to perform various functions and duties with respect to health policy and planning and health professions development. Existing law states the Legislature's finding that there is a need to improve the effectiveness of health care delivery systems. Existing law generally defines a medical home as a single provider, facility, or team that coordinates ~~and an individual's health care services.~~ *services.*

~~This bill would declare the intent of the Legislature to enact legislation to establish the "patient-centered medical home" health care delivery model.~~

*This bill would require the Secretary of California Health and Human Services to convene a working group of public payers, private health insurance carriers, third-party purchasers, and health care providers to identify appropriate payment methods to align incentives in support of patient centered medical homes. The bill would prescribe the powers and duties of the working group, including consulting with, and providing recommendations to, the Legislature and relevant state agencies on matters relating to the implementation of the patient centered medical home care model. The bill would be implemented*

*using state and federal funds, grants, donations, and other financial support, as prescribed.*

*This bill would make legislative findings and declarations regarding the intent of the Legislature to exempt and immunize activities undertaken in connection with patient centered medical homes from state and federal antitrust laws, as specified.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     **SECTION 1.** *The Legislature finds and declares as follows:*

2     *(a) It is the intent of the Legislature in enacting this act to*  
 3 *provide for collaboration among public payers, private health*  
 4 *insurance carriers, third-party purchasers, and health care*  
 5 *providers, as necessary to identify consistent appropriate payment*  
 6 *methods to support chronic care management in, and to align*  
 7 *incentives in support of, patient centered medical homes.*

8     *(b) It is the intent of the Legislature to exempt from state*  
 9 *antitrust laws and to provide immunity from federal antitrust laws,*  
 10 *pursuant to the state action doctrine for, any activities undertaken*  
 11 *pursuant to this act that otherwise might be constrained by those*  
 12 *laws. It is not the intent of the Legislature to authorize any person*  
 13 *or entity to engage in or conspire to engage in any activity that*  
 14 *would constitute a per se violation of state or federal antitrust*  
 15 *laws, including, but not limited to, an agreement among competing*  
 16 *health care providers or health insurance carriers as to the price*  
 17 *or specific level of payment for a health care service.*

18     *(c) It is the intent of the Legislature that the state shall articulate*  
 19 *a clear and affirmative policy describing its intent to displace*  
 20 *competition with respect to the implementation of this act, and*  
 21 *shall actively supervise anticompetitive conduct and its results*  
 22 *with ongoing oversight.*

23     ~~**SECTION 1.**~~

24     **SEC. 2.** Chapter 3.5 (commencing with Section 24300) is added  
 25 to Division 20 of the Health and Safety Code, to read:

1 CHAPTER 3.5. PATIENT CENTERED MEDICAL HOME HEALTH  
2 CARE DELIVERY MODEL  
3

4 ~~24300. It is the intent of the Legislature to enact legislation to~~  
5 ~~establish the “patient centered medical home” health care delivery~~  
6 ~~model.~~

7 *24300. The Secretary of California Health and Human Services*  
8 *shall convene a working group of public payers, private health*  
9 *insurance carriers, third-party purchasers, and health care*  
10 *providers to identify appropriate payment methods to align*  
11 *incentives in support of patient centered medical homes.*

12 *24301. (a) The working group convened pursuant to this*  
13 *chapter shall consult with, and provide recommendations to, the*  
14 *Legislature and relevant state agencies on all matters relating to*  
15 *the implementation of a patient centered medical home care model.*

16 *(b) The working group shall have the authority to do all of the*  
17 *following:*

18 *(1) Develop consensus on strategies for implementing the patient*  
19 *centered medical home care model and service delivery change*  
20 *at the practice, community, and health care system level.*

21 *(2) Create alignment regarding payment, reporting, and*  
22 *infrastructure investments.*

23 *(3) Design and compose pilot projects, including multipayer*  
24 *pilot projects.*

25 *(4) Utilize public and private purchasing power and enable*  
26 *competing payers to work collaboratively to establish common*  
27 *patient centered medical home initiatives.*

28 *(5) Propose participation in relevant federally funded pilot and*  
29 *demonstration projects.*

30 *24302. The state shall use existing state resources and available*  
31 *federal funds to implement this chapter. If state or federal funds*  
32 *are not available, the secretary may apply for and accept grants,*  
33 *or receive donations and other financial support from public or*  
34 *private sources, for purposes of this chapter.*