

AMENDED IN ASSEMBLY JULY 7, 2015

AMENDED IN SENATE JUNE 2, 2015

AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 435

Introduced by Senator Pan

February 25, 2015

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 an individual's health care services.

This bill would require the Secretary of California Health and Human Services to convene a working group of public payers, private health insurance carriers, 3rd-party purchasers, ~~and health care providers~~ *providers, and health care consumer representatives* 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 require the secretary to convene the

working group only after making a determination that sufficient nonstate funds have been received to pay for all costs of implementing the bill.

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: 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 providers,
5 *and health care consumer representatives, as necessary necessary,*
6 to identify consistent appropriate payment methods to support
7 chronic care management in, and to align incentives in support of,
8 patient centered medical homes.

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

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

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

10 24301. (a) The working group convened pursuant to this
11 chapter shall consult with, and provide recommendations to, the
12 Legislature and relevant state agencies on all matters relating to
13 the implementation of a patient centered medical home care model.

14 (b) The working group shall have the authority to do all of the
15 following:

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

19 (2) Identify ways to create alignment regarding payment,
20 reporting, and infrastructure investments.

21 (3) Identify ways to utilize public and private purchasing power
22 and ways to enable competing payers to work collaboratively to
23 establish common patient centered medical home initiatives.

24 (4) Propose participation in relevant federally funded pilot and
25 demonstration projects.

26 24302. The secretary shall convene the working group only
27 after he or she makes a determination that sufficient nonstate funds
28 have been received to pay for all costs of implementing this
29 chapter.