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# A BILL FOR AN ACT

RELATING TO PATIENT-CENTERED MEDICAL HOMES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that uncoordinated health  
2 care is associated with duplicate procedures, conflicting  
3 treatment recommendations, unnecessary hospitalizations and  
4 nursing home placements, and adverse drug reactions. In  
5 addition to these problems, there are also issues regarding the  
6 patient's ability to access a primary care physician, inadequate  
7 physician payment, use of unnecessarily expensive medical  
8 services, and poor care management for patients with chronic  
9 health conditions. The legislature also finds that the concept  
10 of the "medical home" (also known as the "health home") provides  
11 a helpful approach to addressing these problems.

12           The purpose of this Act is to establish the med-QUEST  
13 patient-centered medical home initiative, identify  
14 responsibilities for the coordination and evaluation of the  
15 patient-centered medical home model to be undertaken by the  
16 healthcare transformation coordinator, and to appropriate funds  
17 for these purposes.



1           SECTION 2. The department of human services shall prepare  
2 a medicaid state plan amendment to participate in the United  
3 States Centers for Medicare and Medicaid Services patient-  
4 centered medical home initiative under the health home provision  
5 in the Patient Protection and Affordable Care Act (section  
6 2703(a), P.L. 111-148), which provides an opportunity to build a  
7 patient-centered system of care that achieves improved outcomes  
8 for patients and better services for enrollees in state medicaid  
9 programs. This provision provides that the federal medical  
10 assistance percentage for health home services shall be ninety  
11 per cent for the first eight fiscal quarters that a state plan  
12 amendment is in effect.

13           SECTION 3. The healthcare transformation coordinator and  
14 staff shall develop a process to coordinate the med-QUEST  
15 patient-centered medical home initiative and the medical home  
16 efforts being implemented by commercial plans across the State  
17 to develop and harmonize defined measures to report and evaluate  
18 outcomes in terms of quality and costs across the State. To do  
19 so, the healthcare transformation coordinator shall consult with  
20 patients, providers, and health plans, with the assistance of  
21 national experts and agencies that certify patient-centered  
22 medical homes, to:



- 1 (1) Establish standardized outcome measures to report and  
2 evaluate improvements in health status and health  
3 care, patient satisfaction, access, and cost-  
4 effectiveness;
- 5 (2) Identify and promote best practices in patient-  
6 centered medical home workforce structures;
- 7 (3) Incorporate patient-centered medical homes as an  
8 essential element in care transitions and  
9 accountability across the continuum of care; and
- 10 (4) Develop payment strategies to sustain patient-centered  
11 medical homes that improve health and health care and  
12 reduce costs.

13 SECTION 4. Within three months of implementing the med-  
14 QUEST patient-centered medical home initiative, the department  
15 of human services shall present an overview of the program's  
16 design, and the healthcare transformation coordinator shall  
17 present a preliminary report to the legislature on the  
18 activities required by the healthcare transformation coordinator  
19 under section 3 of this Act. Following completion of an  
20 evaluation of the two-year health home provision, the healthcare  
21 transformation coordinator shall present the findings within the



1 context of an updated report on the activities described in  
2 section 3 of this Act.

3 SECTION 5. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ or so much  
5 thereof as may be necessary for fiscal year 2012-2013 for the  
6 department of human services to implement a patient-centered  
7 medical home pilot with federal matching funds.

8 The sum appropriated shall be expended by the department of  
9 human services for the purposes of this Act.

10 SECTION 6. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$ or so  
12 much thereof as may be necessary for fiscal year 2012-2013 to  
13 support the position of the healthcare transformation  
14 coordinator and staff in the office of the governor.

15 The sum appropriated shall be expended by the office of the  
16 governor for the purposes of this Act.

17 SECTION 7. This Act shall take effect on July 1, 2012.



**Report Title:**

Patient-centered Medical Homes; Healthcare Transformation  
Coordinator; Appropriation

**Description:**

Establishes the med-QUEST patient-centered medical home initiative, identifies responsibilities for the coordination and evaluation of the patient-centered medical home model to be undertaken by the healthcare transformation coordinator, and appropriates funds for these purposes. (SD1)

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