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LC005011

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

A N A C T

RELATING TO INSURANCE -- PRIMARY CARE TRUST ACT

Introduced By: Representatives Maldonado, Vella-Wilkinson, Bennett, Tanzi, and
Regunberg

Date Introduced: February 28, 2018

Referred To: House Finance

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. Statement of purpose.**

8 This chapter proposes to:

9 (1) Create a single payment and universal health care delivery system for primary care
10 health services in this state;

11 (2) Require health insurers to allocate a fair portion of their medical spending for primary
12 care services;

13 (3) Designate one or more primary care trusts to ensure the delivery of primary care and
14 essential health services to all residents of this state;

15 (4) Authorize a primary care trust to pay for primary care from a portion of health
16 insurers' annual medical spending, with financial incentives for providers that provide essential
17 health services in each community health district;

18 (5) Lower the growth rate of state health care spending by empowering primary care
19 providers to focus care delivery for their patients at the least intensive and most affordable level

1 of care, when clinically appropriate, instead of more expensive and more intrusive hospital and
2 specialist health care services; and

3 (6) Protect consumers, businesses and primary care providers from the consequences of
4 anti-competitive consolidation of health care services under the control of hospital organizations.

5 **27-82-3. Definitions.**

6 As used in this chapter:

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

13 (2) "Health insurer" means:

14 (i) A health insurance company;

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

16 (iii) A health maintenance organization;

17 (iv) The state Medicaid program, and any other health care benefit plan administered by
18 the state for eligible individuals and families;

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

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

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

28 (4) "Office" means the office of the health insurance commissioner pursuant to chapter
29 14.5 of title 42 to be responsible for the implementation and oversight of the primary care trust
30 program.

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

32 (i) Who are specifically trained for and skilled in first-contact and continuing care for
33 individuals with signs, symptoms, or health concerns, not limited by problem, organ
34 system, or diagnosis;

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

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

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

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

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

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

16 **27-82-4. Responsibilities of the office of the health insurance commissioner.**

17 The office shall:

18 (1) Ensure that affordable and quality primary care services are available and accessible
19 to all residents of this state;

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

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

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

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

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

31 (b) The office shall establish, annually, through the rate-setting process, a primary care
32 trust assessment to fund the primary care trust program. The assessment shall be equal to ten
33 percent (10%) of total projected medical spending by each health insurer doing business in this
34 state. At the conclusion of the rate-setting process, the office shall issue an allocation order

1 apportioning each insurer's assessment among designated primary care trusts based on the
2 population of the community health region and the essential health needs of the community health
3 region. The office may permit variations from the ten percent (10%) assessment not to exceed
4 plus or minus five-tenths percent (+/- 0.5%) to account for changed circumstances, and the
5 primary care and essential health care needs of residents. The office shall have jurisdiction over
6 all health insurers in this state for purposes of imposing the primary trust fund assessment.

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

13 (d) The office may:

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

16 (2) Re-designate another nonprofit organization as the primary care trust for a community
17 health district, if, after consultation with the board of directors of a primary care trust, the office
18 determines that the primary care trust has failed to propose or implement an adequate community
19 health plan.

20 **27-82-5. The primary care trust - Establishment and duties.**

21 (a) A primary care trust shall be governed by a board of directors. One-half (1/2) of the
22 board shall be composed of primary care providers and providers of essential health services in
23 the community health district. One-half (1/2) of the board shall be composed of community
24 members residing in the community health district. The articles of association or other governing
25 document of a primary care trust must be approved by the office. The appointment of initial
26 directors shall be made by the office within ninety (90) days following the effective date of this
27 chapter for a term not to exceed twelve (12) months. The articles shall include a mechanism for
28 subsequent directors to be elected by providers and community members for two (2) year terms.

29 (b) The primary care trust shall:

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

32 (2) Develop and implement a community health plan, approved annually by the office.
33 The community health plan shall describe how the primary care trust shall:

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

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

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

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

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

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

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

17 (e) Primary care providers who do not enter into an agreement with the primary care trust
18 to provide coordinated essential health services shall be reimbursed on a fee for service basis, in
19 accordance with a fee schedule established by the primary care trust.

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

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

27 **27-82-6. Divestment of primary care practices controlled by hospital organizations.**

28 (a) This section is intended to:

29 (1) Protect consumers and businesses in this state from anticompetitive markets and
30 financial burdens resulting from the acquisition of primary care services by hospitals and hospital
31 systems.

32 (2) Empower primary care providers to practice quality and cost-effective health care free
33 from undue control by hospitals and health insurers.

34 (b) On or before twelve (12) months following the effective date of this chapter, the

1 office shall issue an order to show cause why each hospital doing business in this state which
2 owns or has a controlling interest in a primary care provider practice, or which employs primary
3 care providers should not divest itself from all or a portion of such practices and employees. The
4 office shall issue a divestment order, after notice and an opportunity to be heard by the hospital,
5 and after affording other interested parties and the public an opportunity to comment on the
6 proposed divestment order.

7 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;

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9 insurers' annual medical spending, with financial incentives for providers that provide essential
10 health services in each community health district;

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; and

14 (6) Protect consumers, businesses and primary care providers from the consequences of
15 anti-competitive consolidation of health care services under the control of hospital organizations.

16 This act would take effect upon passage.

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