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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 results in duplicative procedures, conflicting treatment  
3 recommendations, unnecessary hospitalizations and nursing home  
4 placements, and adverse drug reactions. There are also issues  
5 regarding the patient's access to a primary care physician,  
6 inadequate physician payment, use of unnecessarily expensive  
7 medical services, and poor care management for patients with  
8 chronic health conditions. The legislature also finds that the  
9 concept of the "medical home" or "health home" provides a  
10 helpful approach to address these problems.

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

17       SECTION 2. The department of human services shall prepare  
18 a medicaid state plan amendment to participate in the United



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

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

21 (1) Establish standardized outcome measures to report and  
22 evaluate improvements in health status and health



1 care, patient satisfaction, access, and cost-  
2 effectiveness;

3 (2) Identify and promote best practices in patient-  
4 centered medical home workforce structures;

5 (3) Incorporate patient-centered medical homes as an  
6 essential element in care transitions and  
7 accountability across the continuum of care; and

8 (4) Develop payment strategies to sustain patient-centered  
9 medical homes that improve health and health care and  
10 reduce costs.

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



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

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

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

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

15       SECTION 7. This Act shall take effect on July 1, 2050.



**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. Effective 7/1/2050.  
(SD2)

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