

REFERENCE TITLE: performance pilot program; appropriation

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SB 1525

Introduced by
Senators Garcia, Miranda: Aguirre

AN ACT

ESTABLISHING THE HEALTH CARE PROVIDER PERFORMANCE PILOT PROGRAM; MAKING AN
APPROPRIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Health care provider performance pilot program:
3 report

4 A. Subject to approval of the centers for medicare and medicaid
5 services, the director of the department of health services shall establish a
6 pilot program to provide financial rewards to community clinics and health
7 care providers that achieve specified quality performance outcome goals for
8 the Arizona health care cost containment system, the children's health
9 insurance program and uninsured patients.

10 B. The director of the department of health services and the director
11 of the Arizona health care cost containment system administration shall
12 collaborate to develop provider quality performance outcome goals that are
13 based on quality performance outcome goals recognized by the national
14 committee on quality assurance and the centers for medicare and medicaid
15 services.

16 C. The department of health services and the Arizona health care cost
17 containment system administration shall use validated encounter data, medical
18 record reviews and other evidence to evaluate provider performance against
19 targeted outcomes and evidence of the adoption of best practices in reducing
20 racial and ethnic disparities in health care outcomes.

21 D. Primary care providers and community clinics that have at least
22 forty per cent of their patient caseload from one of the targeted program
23 groups are eligible to participate in the pilot program.

24 E. The department and the administration shall develop specific
25 quality and best practice criteria and evaluation methodologies and award
26 incentive amounts for each quality outcome goal or best practice.

27 F. The department of health services shall inform eligible
28 participants about the pilot program goals, criteria, evaluation methodology
29 and incentive award payments and recognition levels. Provider participants
30 must agree to participate in advance in the pilot program and to cooperate
31 with evaluating health outcomes and best practices results.

32 G. For the purposes of implementing the pilot program, participating
33 providers shall be measured on:

- 34 1. Improved quality of care outcomes during the review period.
- 35 2. Decreased health care disparities for racial and ethnic categories.
- 36 3. Effective implementation of best practices in improving health care
37 quality for racial and ethnically diverse populations.

38 H. The director of the department of health services shall award
39 quality incentive payments for provider performance during fiscal year
40 2008-2009 and shall complete evaluation and award payments no later than
41 March 1, 2009.

42 I. In conjunction with the Arizona health care cost containment system
43 administration, managed care providers, program contractors and registered
44 providers that meet the eligibility requirements for providing care for
45 persons who are defined as eligible members pursuant to section 36-2901,

1 Arizona Revised Statutes, may enter into agreements to participate in the
2 pilot program pursuant to this section on approval of the director of the
3 department of health services.

4 J. The director of the department of health services and the director
5 of the Arizona health care cost containment system administration shall
6 establish a payment methodology under the pilot program for participating
7 providers that meet or exceed specific quality performance goals established
8 pursuant to this section. The directors may establish financial awards that
9 are based on levels of health outcomes achievement as compared to these
10 goals. The awards may include nonfinancial recognition, including
11 certificates, plaques or a recognition event.

12 K. No later than twelve months after the completion of the pilot
13 program, the director of the department of health services shall submit a
14 report on the results of the pilot program and recommendations for
15 legislative and administrative action to the governor, the speaker of the
16 house of representatives, the president of the senate and the director of the
17 Arizona health care cost containment system administration. The director of
18 the department of health services shall provide a copy of the report to the
19 secretary of state and the director of the Arizona state library, archives
20 and public records.

21 Sec. 2. Appropriation; health care provider performance pilot
22 program; exemption

23 A. The sum of \$1,500,000 is appropriated from the state general fund
24 in fiscal year 2007-2008 to the department of health services for the
25 performance pilot program established pursuant to this act. The department
26 may use not more than ten per cent of monies appropriated pursuant to this
27 subsection for administrative costs related to the pilot program.

28 B. The appropriation made in subsection A of this section is exempt
29 from the provisions of section 35-190, Arizona Revised Statutes, relating to
30 lapsing of appropriations.

31 Sec. 3. Delayed repeal

32 This act is repealed from and after September 30, 2010.