

Representative Stewart Barlow proposes the following substitute bill:

**CONSUMER-FOCUSED HEALTH DELIVERY AND PAYMENT
DEMONSTRATION PROJECT**

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stewart Barlow

Senate Sponsor: Peter C. Knudson

LONG TITLE

General Description:

This bill directs the Department of Health to work with relevant entities for the purpose of coordinating a demonstration project on the subject of consumer-based health care delivery and payment reform.

Highlighted Provisions:

This bill:

- ▶ instructs the Department of Health to coordinate with health insurers to develop a demonstration project for consumer-based health care delivery and payment reform;
- ▶ directs the Department of Health to convene and consult with relevant entities and organizations to facilitate the development of a demonstration project for consumer-based health care delivery and payment reform;
- ▶ directs the Department of Health to supervise efforts of participating entities regarding:
 - applying for and obtaining grant and other funding for this type of demonstration project;
 - obtaining and analyzing information related to current health system utilization and costs to consumers; and



- 26 • consulting with the health care providers and health care payers who elect to
- 27 participate in the project; and
- 28 ▶ requires the executive director of the Department of Health to report to the Health
- 29 System Reform Task Force regarding the progress towards consumer-based health
- 30 delivery and payment reform by January 1, 2015.

31 **Money Appropriated in this Bill:**

32 None

33 **Other Special Clauses:**

34 None

35 **Utah Code Sections Affected:**

36 ENACTS:

37 **26-23a-115**, Utah Code Annotated 1953



38 *Be it enacted by the Legislature of the state of Utah:*

39 Section 1. Section **26-23a-115** is enacted to read:

40 **26-23a-115. Consumer-focused health care delivery and payment reform**
41 **demonstration project.**

42 (1) The Legislature finds that:

43 (a) current health care delivery and payment systems do not provide system wide
44 incentives for the competitive delivery and pricing of health care services to consumers;

45 (b) there is a compelling state interest to encourage consumers to seek high quality, low
46 cost care and educate themselves about health care options;

47 (c) some health care providers and health care payers have developed
48 consumer-focused ideas for health care delivery and payment system reform, but lack the
49 critical number of patient lives and payer involvement to accomplish system-wide
50 consumer-focused reform; and

51 (d) there is a compelling state interest to encourage as many health care providers and
52 health care payers to join together and coordinate efforts at consumer-focused health care
53 delivery and payment reform that would provide to consumers enrolled in a high-deductible
54 health plan;

55 (i) greater choice in health care options;

57 (ii) improved services through competition; and

58 (iii) more affordable options for care.

59 (2) (a) The department shall meet with health care providers and health care payers for
60 the purpose of coordinating a demonstration project for consumer-based health care delivery
61 and payment reform.

62 (b) Participation in the coordination efforts is voluntary, but encouraged.

63 (3) The department, in order to facilitate the coordination of a demonstration project
64 for consumer-based health care delivery and payment reform, shall convene and consult with
65 pertinent entities including:

66 (a) the Utah Insurance Department;

67 (b) the Office of Consumer Health Services;

68 (c) the Utah Medical Association;

69 (d) the Utah Hospital Association; and

70 (e) neutral, non-biased third parties with an established record for broad based,
71 multi-payer and multi-provider quality assurance efforts and data collection.

72 (4) The department shall supervise the efforts by entities under Subsection (3)
73 regarding:

74 (a) applying for and obtaining grant funding and other financial assistance that may be
75 available for demonstrating consumer-based improvements to health care delivery and
76 payment;

77 (b) obtaining and analyzing information and data related to current health system
78 utilization and costs to consumers; and

79 (c) consulting with those health care providers and health care payers who elect to
80 participate in the consumer-based health delivery and payment demonstration project.

81 (5) The executive director shall report to the Health System Reform Task Force by
82 January 1, 2015, regarding the progress toward coordination of consumer-focused health care
83 system payment and delivery reform.