

BILL SUMMARY
2nd Session of the 52nd Legislature

Bill No.:	HB 1704
Version:	CCS2
Author:	Representative Derby/ Senator Coffee
Date:	5/17/2010
Impact:	Initial Costs Potentially Offset by Program Savings

Bill Summary

Research Analyst: Arnella Karges

The 2nd Conference Committee Substitute for HB1704 requires the Oklahoma State and Education Employees Education Board (OSEEGIB) to contract with a vendor that offers an internet-based, doctor-patient accountability incentive program for Plan Year 2011. The contract will be for a pilot project to determine the potential value of a program that offers financial incentives to the entity providing health care services and the patient. The program includes evidence-based medical treatment guidelines for the health care provider, information therapy for the patient, and other proven medical interventions. The health care provider will have flexibility in using clinical judgment to determine adherence or deviation from the program's treatment guidelines and still be eligible for financial incentives, provided the provider prescribes information therapy to the patient that includes an explanation for the provider's decision.

The program will include financial incentives for patients responding to the information therapy by demonstrating understanding of their condition, declaring or demonstrating adherence to recommended care, and by determining the quality of care received. Participation of the health care provider and the patient shall be on a case-by-case basis. The program shall be offered and administered by the program vendor. The pilot project must include enough participants over two years in order to determine the program's effectiveness. OSEEGIB is required to continue the contract with the vendor if the program is determined to be effective, by making the program available to all OSEEGIB beneficiaries.

Fiscal Summary

Fiscal Analyst: Terry McKenna

The 2nd Conference Committee Substitute for HB 1704 requires the State and Education Employees Group Insurance Board (OSEEGIB) to contract for Plan Year 2011 with a vendor that offers a web-based, doctor-patient mutual accountability incentive program. The purpose of the contract is to conduct a pilot project to test the value proposition of a program that offers financial incentives to both the health care provider and the patient for each care encounter in which the provider and patient incorporate evidence-based medicine treatment guidelines, information therapy prescriptions and other proven medical interventions made available and recorded through the program in the rendering and utilizing of health care. The program shall offer a financial reward to the patient for responding to the information therapy prescription by

demonstrating the patient's understanding of the patient's health condition, by declaring or demonstrating adherence to recommended care, by agreeing to allow the patient's physician to view patient's responses and acknowledge the patient's health accomplishments, and by judging the quality of care given to the patient against these guidelines and recommended care. Participation in the program shall be voluntary to both the provider and patient on an encounter-by-encounter basis. The program shall be offered and administered by the program vendor through an Internet application. This pilot project shall include enough beneficiaries of the Board to achieve a statistical significance and collect and analyze data over a period of two years in order to determine the program's effectiveness. If it is determined that the program is effective, the Board shall continue the contract with such vendor by making the program available to all Board beneficiaries.

Fiscal Analysis

OSEEGIB anticipates that there would be an initial fiscal impact under the provisions of this measure that could be between fifty cents and three dollars per member per month, depending on the exact program implemented. The agency advises that the return on investment resulting from the implementation of the program could outweigh the initial costs; however, any savings or costs under the provisions of the 2nd Conference Committee Substitute for HB 1704 would be dependent on similar, but unknown, mandates contained in the Federal Healthcare Reform Bill.

Long Term Fiscal Considerations

As Stated Above

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director