

BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR

In the matter of the adoption of) NOTICE OF PUBLIC HEARING ON
NEW RULES I and II, and the) PROPOSED ADOPTION AND
amendment of ARM 6.6.4902 and) AMENDMENT
6.6.4906, pertaining to Patient-)
Centered Medical Homes)

TO: All Concerned Persons

1. On December 2, 2014, at 10:00 a.m., the Commissioner of Securities and Insurance, Montana State Auditor, will hold a public hearing in the 2nd floor conference room, at the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), 840 Helena Ave., Helena, Montana, to consider the proposed adoption and amendment of the above-stated rules.

2. The CSI will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing, or need an alternative accessible format of this notice. If you require an accommodation, contact the CSI no later than 5:00 p.m., November 25, 2014, to advise us of the nature of the accommodation that you need. Please contact Darla Sautter, CSI, 840 Helena Avenue, Helena, Montana, 59601; telephone (406) 444-2726; TDD (406) 444-3246; fax (406) 444-3499; or e-mail dsautter@mt.gov.

3. The New Rules as proposed to be adopted provide as follows:

NEW RULE I STANDARDS FOR PAYMENT METHODS (1) A payor that currently has a medical home or patient-centered medical home component in its provider contracts or in insurance contracts issued to Montana residents shall submit a letter to the commissioner describing its method of compensating providers no later than January 1, 2015.

(2) A payor that is new to the Montana patient-centered medical home program shall submit a letter of intent describing its proposed method of compensating providers no later than 30 days before beginning participation in the program.

(3) The payor letters described in (1) and (2) must conform to the provisions of Title 33, Chapter 40, MCA, applicable Administrative Rules of Montana, and any additional instructions concerning the content and detail of the letter prescribed by the commissioner.

(4) A payor may not participate in the Montana patient-centered medical home program until the commissioner approves the payor as meeting the requirements of this rule.

(5) The commissioner shall maintain copies of the payor letters. After approval, these letters are available to the public, upon request. If the commissioner determines that a payor letter contains trade secret information as defined in 30-14-

402(4), MCA, the commissioner shall redact or otherwise withhold such information from the public.

(6) Payment models must support enhanced primary care and promote the development of patient-centered medical home practices, according to the goals expressed in 33-40-103(4), MCA. Payment methods may include the following:

- (a) payment for patient-centered medical home recognition status;
- (b) reimbursement for patient-centered medical home services such as:
 - (i) care coordination services;
 - (ii) care management services;
 - (iii) disease management services;
 - (iv) population management services;
 - (v) behavior health specialist services; and
 - (vi) clinical pharmacist services.
- (c) payment for improvement in quality metrics;
- (d) shared savings incentives;
- (e) block grants to enhance patient-centered medical home capabilities of primary care practices; and
- (f) any other type of payment method that the commissioner approves as supporting the goals of the Montana patient-centered medical home program.

AUTH: 33-40-104, MCA

IMP: 33-40-104, 33-40-105, MCA

NEW RULE II MEASURES RELATED TO COST AND MEDICAL USAGE—
UTILIZATION MEASURES (1) A recognized patient-centered medical home payor shall report to the commissioner on the following utilization measures:

- (a) emergency room visits; and
 - (b) hospitalization rates.
- (2) A patient-centered medical home payor shall report this information for its entire member population and separately for those members that are attributed to a patient-centered medical home. If the payor does not track member attribution to a patient-centered medical home, that payor may report only for its entire member population.
- (3) The commissioner shall provide detailed instructions on the agency website regarding the required data reporting on utilization measures by patient-centered medical home payors.
- (4) The first report is due March 31, 2015, and annually thereafter.

AUTH: 33-40-104, MCA

IMP: 33-40-104, 33-40-105, MCA

4. The rules as proposed to be amended provide as follows, new matter underlined, deleted matter interlined:

6.6.4902 PATIENT-CENTERED MEDICAL HOME QUALIFICATION

(1) and (2) remain the same.

(3) The commissioner may provisionally qualify a patient-centered medical home for up to one year after the submission of an application, if the applicant needs additional time to obtain the necessary accreditation. The commissioner may extend the provisional status for an additional six months, if requested by the patient-centered medical home and for good cause.

(4) and (5) remain the same.

AUTH: 33-40-104, MCA;
IMP: 33-40-104, 33-40-105, MCA

6.6.4906 TIMELINES FOR REQUIRED REPORTING (1) Pursuant to 33-40-105, MCA, a patient-centered medical home shall report on its compliance with quality and performance measures to participating health plans and other payors and the commissioner, no later than March 31 of each year, beginning with 2015, or according to the timeline required by its contract with each payor, whichever is earlier. The commissioner may request that the report also include other information necessary to the evaluation of the Montana patient-centered medical home program.

(2) and (3) remain the same.

AUTH: 33-40-104, MCA
IMP: 33-40-104, 33-40-105, MCA

5. STATEMENT OF REASONABLE NECESSITY: NEW RULE I is necessary to provide specific guidance to patient-centered medical home payors regarding the standard for "payment methods used by health plans to pay patient-centered medical homes for services associated with the coordination of covered health care services," as required by 33-40-105(2)(a), MCA. These rules also satisfy in part the commissioner's obligation to adopt rules on payment methods as required in 33-40-104(1)(a) and 33-40-105(2).

NEW RULE II is necessary to provide specific guidance to patient-centered medical home payors regarding the required standard for "measures related to cost and medical usage," as required by 33-40-105(2) (d), MCA. These rules also satisfy in part the commissioner's obligation to adopt rules on cost and medical usage as required in 33-40-104(1)(a) and 33-40-105(2).

AMENDMENT TO RULE 6.6.4902, PATIENT-CENTERED MEDICAL HOME QUALIFICATION is required to allow additional time for provisionally qualified patient-centered medical home practices to achieve full accreditation. The stakeholder council considered this matter and recommended that the Commissioner allow an additional six months (18 months total) for provisionally qualified practices to achieve full accreditation. Sometimes practices need additional time because there may be issues related to electronic medical records that are difficult to resolve quickly.

AMENDMENT TO RULE 6.6.4906 TIMELINES FOR REQUIRED REPORTING is necessary to clarify that the annual report, which is also required by

statute may contain other information in addition to compliance with quality and performance measures. The report should contain all information pertaining to other achievements and successes of patient-centered medical home practices and payors so that the annual report reflects on all aspects of the patient-centered medical home program.

6. Concerned persons may submit their data, views, or arguments concerning the proposed actions either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to Christina L. Goe, General Counsel, Office of the Commissioner of Securities and Insurance, Montana State Auditor, 840 Helena Ave., Helena, Montana, 59601; telephone (406) 444-2040; fax (406) 444-3499; or e-mail cgoe@mt.gov, and must be received no later than 5:00 p.m., December 10, 2014.

7. Christina Goe, General Counsel, has been designated to preside over and conduct this hearing.

8. The CSI maintains a list of concerned persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Such written request may be mailed or delivered to Darla Sautter, Office of the Commissioner of Securities and Insurance, Montana State Auditor, 840 Helena Ave., Helena, Montana, 59601; telephone (406) 444-2726; fax (406) 444-3499; or e-mail dsautter@mt.gov, or may be made by completing a request form at any rules hearing held by the CSI.

9. An electronic copy of this proposal notice is available through the Secretary of State's web site at <http://sos.mt.gov/ARM/Register>. The Secretary of State strives to make the electronic copy of the notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In addition, although the Secretary of State works to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods due to system maintenance or technical problems.

10. Pursuant to 2-4-302, MCA, the bill sponsor contact requirements apply. Christine Kaufman is the bill sponsor, and she was contacted by email on May 9, 2014.

11. The CSI has complied with the requirements of 2-4-111, MCA, and determined that NEW RULE I and II will not have a significant adverse impact on small businesses.

/s/Nick Mazanec
Nick Mazanec
Rule Reviewer

/s/Christina L. Goe
Christina L. Goe
General Counsel

Certified to the Secretary of State October 27, 2014.