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

Section 1. Section **26-33a-104** is amended to read:

26-33a-104. Purpose, powers, and duties of the committee.

(1) The purpose of the committee is to direct a statewide effort to collect, analyze, and distribute health care data to facilitate the promotion and accessibility of quality and cost-effective health care and also to facilitate interaction among those with concern for health care issues.

(2) The committee shall:

(a) develop and adopt by rule, following public hearing and comment, a health data plan that shall among its elements:

(i) identify the key health care issues, questions, and problems amenable to resolution or improvement through better data, more extensive or careful analysis, or improved dissemination of health data;

(ii) document existing health data activities in the state to collect, organize, or make available types of data pertinent to the needs identified in Subsection (2)(a)(i);

(iii) describe and prioritize the actions suitable for the committee to take in response to the needs identified in Subsection (2)(a)(i) in order to obtain or to facilitate the obtaining of needed data, and to encourage improvements in existing data collection, interpretation, and reporting activities, and indicate how those actions relate to the activities identified under Subsection (2)(a)(ii);

(iv) detail the types of data needed for the committee's work, the intended data suppliers, and the form in which such data are to be supplied, noting the consideration given to the potential alternative sources and forms of such data and to the estimated cost to the individual suppliers as well as to the department of acquiring these data in the proposed manner; the plan shall reasonably demonstrate that the committee has attempted to maximize cost-effectiveness in the data acquisition approaches selected;

(v) describe the types and methods of validation to be performed to assure data validity and reliability;

(vi) explain the intended uses of and expected benefits to be derived from the data specified in Subsection (2)(a)(iv), including the contemplated tabulation formats and analysis

59 methods; the benefits described must demonstrably relate to one or more of the following:
60 promoting quality health care, managing health care costs, or improving access to health care
61 services;

62 (vii) describe the expected processes for interpretation and analysis of the data flowing
63 to the committee; noting specifically the types of expertise and participation to be sought in
64 those processes; and

65 (viii) describe the types of reports to be made available by the committee and the
66 intended audiences and uses;

67 (b) have the authority to collect, validate, analyze, and present health data in
68 accordance with the plan while protecting individual privacy through the use of a control
69 number as the health data identifier;

70 (c) evaluate existing identification coding methods and, if necessary, require by rule
71 that health data suppliers use a uniform system for identification of patients, health care
72 facilities, and health care providers on health data they submit under this chapter;

73 (d) report biennially to the governor and the Legislature on how the committee is
74 meeting its responsibilities under this chapter; and

75 (e) advise, consult, contract, and cooperate with any corporation, association, or other
76 entity for the collection, analysis, processing, or reporting of health data identified by control
77 number only in accordance with the plan.

78 (3) The committee may adopt rules to carry out the provisions of this chapter in
79 accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

80 (4) Except for data collection, analysis, and validation functions described in this
81 section, nothing in this chapter shall be construed to authorize or permit the committee to
82 perform regulatory functions which are delegated by law to other agencies of the state or
83 federal governments or to perform quality assurance or medical record audit functions that
84 health care facilities, health care providers, or third-party payors are required to conduct to
85 comply with federal or state law. The committee shall not recommend or determine whether a
86 health care provider, health care facility, third-party payor, or self-funded employer is in
87 compliance with federal or state laws including but not limited to federal or state licensure,
88 insurance, reimbursement, tax, malpractice, or quality assurance statutes or common law.

89 (5) Nothing in this chapter shall be construed to require a data supplier to supply health

90 data identifying a patient by name or describing detail on a patient beyond that needed to
 91 achieve the approved purposes included in the plan.

92 (6) No request for health data shall be made of health care providers and other data
 93 suppliers until a plan for the use of such health data has been adopted.

94 (7) If a proposed request for health data imposes unreasonable costs on a data supplier,
 95 due consideration shall be given by the committee to altering the request. If the request is not
 96 altered, the committee shall pay the costs incurred by the data supplier associated with
 97 satisfying the request that are demonstrated by the data supplier to be unreasonable.

98 (8) ~~It~~ **→** ~~[The]~~ **After a plan is adopted as provided in Section 26A-33a-106.1, the** ~~←~~ **It**
 98a committee ~~[does not have the authority to]~~ may require any data supplier to
 99 submit fee schedules, maximum allowable costs, area prevailing costs, terms of contracts,
 100 discounts, fixed reimbursement arrangements, capitations, or other specific arrangements for
 101 reimbursement to a health care provider.

102 (9) ~~[The]~~ Except as permitted in Subsection (10), the committee shall not publish any
 103 health data collected under Subsection (8) which would disclose [any of the information
 104 described in Subsection (8)] specific terms of contracts, discounts, or fixed reimbursement
 105 arrangements, or other specific reimbursement arrangements between an individual provider
 106 and a specific payer.

107 (10) Nothing in Subsection (8) shall prevent the committee from requiring the
 108 submission of health data on the reimbursements actually made to health care providers from
 109 any source of payment, including consumers.

110 Section 2. Section **26A-33a-106.1** is enacted to read:

111 **26A-33a-106.1. Health care cost and reimbursement data.**

112 (1) ~~It~~ **→** (a) ~~←~~ **It** the committee shall ~~It~~ **→** , as funding is available, [adopt]
 112a establish an advisory panel to develop ~~←~~ **It** a plan for the collection
 112a and use of health care data
 113 pursuant to Subsection 26-33a-104(6) and this section.

113a **It** **→** (b) The advisory panel shall include:

113b (i) the chairman of the Utah Hospital Association;

113c (ii) a representative of a rural hospital as designated by the Utah Hospital Association;

113d (iii) a representative of the Utah Medical Association;

113e (iv) a physician from a small group practice as designated by the Utah Medical

113f Association;

113g (v) 2 representative from the Utah Health Insurance Association;

113h (vi) a representative from the Health Department as designated by the executive
 113i director of the department;

113j (vii) a representative from the committee;

113k (viii) a consumer advocate appointed by the committee;

113l (ix) a member of the House of Representative appointed by the speaker of the
 113m House; and

113n (x) a member of the Senate appointed by the President of the Senate.

113o (c) The advisory panel shall elect a chair from among its members, and shall be
 113p staffed by the committee. ←H

114 (2) (a) The ~~H→~~ [committee] advisory panel ~~←H~~ shall ~~H→~~ , as funding is
 114a1 available, ←H establish a plan for
 114a collecting data from data suppliers, as
 115 defined in Section 26-33a-102, to determine cost measurements and reimbursements for risk
 116 adjusted episodes of health care.

117 ~~H→ [(b) The department may collect the data pursuant to the plan adopted under Subsection~~
 118 ~~(2)(a), and may phase in implementation of the plan as funding and data sources are available.~~

119 ~~—— (3) The committee shall seek input from consumers, data suppliers, employers,~~
 120 ~~providers, and payers who purchase or provide health care insurance before developing and~~
 121 ~~adopting the data plan under this section.] (b) The plan adopted under this Subsection (2)~~
shall include:

(i) the type of data that will be collected;

(ii) how the data will be evaluated;

(iii) how the data will be used;

(iv) the extent to which, and how the data will be protected; and

(v) who will have access to the data. ←H

Legislative Review Note

as of 1-11-06 12:33 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

AMENDED BILL

State Impact

This bill requires the Department of Health to implement its provisions as funding is available. Assuming any implementation of this program is subject to legislative appropriation and/or private sector collections, there will be no immediate fiscal impact. The cost for full implementation is estimated to be approximately \$1,235,000.

Individual and Business Impact

No fiscal impact until the provisions are implemented. If the full provisions of the bill are implemented, the result could be some savings to health insurance purchasers and payers as well as residents who are admitted to a hospital.

Office of the Legislative Fiscal Analyst