

**HEALTH CARE COST AND QUALITY DATA**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Michael T. Morley**

Senate Sponsor: Michael G. Waddoups

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**LONG TITLE**

**General Description:**

This bill amends the Health Data Authority Act to authorize the Health Data Committee, as funding is available, to collect data on the costs of episodes of health care, and, as funding is available, authorizes the Department of Health to develop a plan to measure and compare costs of episodes of care.

**Highlighted Provisions:**

This bill:

- ▶ amends the powers and duties of the Health Data Committee;
- ▶ authorizes the Health Data Committee to develop and adopt a plan for the collection and use of health care data related to cost of episodes of health care; and
- ▶ makes implementation of the plan contingent on funding.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**26-33a-104**, as last amended by Chapter 201, Laws of Utah 1996

ENACTS:

**26A-33a-106.1**, Utah Code Annotated 1953



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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~~] third party payors are required to  
85 conduct to comply with federal or state law. The committee shall not recommend or determine  
86 whether a health care provider, health care facility, [~~third-party~~] third party payor, or  
87 self-funded employer is in compliance with federal or state laws including but not limited to  
88 federal or state licensure, insurance, reimbursement, tax, malpractice, or quality assurance  
89 statutes or common law.

90 (5) Nothing in this chapter shall be construed to require a data supplier to supply health  
 91 data identifying a patient by name or describing detail on a patient beyond that needed to  
 92 achieve the approved purposes included in the plan.

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

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

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

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

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

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

113 **26A-33a-106.1. Health care cost and reimbursement data.**

114 (1) (a) The committee shall, as funding is available, establish an advisory panel to  
 115 advise the committee on the development of a plan for the collection and use of health care  
 116 data pursuant to Subsection 26-33a-104(6) and this section.

117 (b) The advisory panel shall include:

118 (i) the chairman of the Utah Hospital Association;

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

120 (iii) a representative of the Utah Medical Association;

- 121 (iv) a physician from a small group practice as designated by the Utah Medical
- 122 Association;
- 123 (v) two representatives from the Utah Health Insurance Association;
- 124 (vi) a representative from the Department of Health as designated by the executive
- 125 director of the department;
- 126 (vii) a representative from the committee;
- 127 (viii) a consumer advocate appointed by the committee;
- 128 (ix) a member of the House of Representatives appointed by the speaker of the House;
- 129 and
- 130 (x) a member of the Senate appointed by the president of the Senate.
- 131 (c) The advisory panel shall elect a chair from among its members, and shall be staffed
- 132 by the committee.
- 133 (2) (a) The committee shall, as funding is available, establish a plan for collecting data
- 134 from data suppliers, as defined in Section 26-33a-102, to determine measurements of cost and
- 135 reimbursements for risk adjusted episodes of health care.
- 136 (b) The plan adopted under this Subsection (2) shall include:
- 137 (i) the type of data that will be collected;
- 138 (ii) how the data will be evaluated;
- 139 (iii) how the data will be used;
- 140 (iv) the extent to which, and how the data will be protected; and
- 141 (v) who will have access to the data.

**Legislative Review Note**  
**as of 11-15-06 4:46 PM**

**Office of Legislative Research and General Counsel**

**Interim Committee Note**  
**as of 12-12-06 10:02 AM**

The Health and Human Services Interim Committee recommended this bill.

**Interim Committee Note**  
**as of 12-12-06 10:02 AM**

The Retirement and Independent Entities Interim Committee recommended this bill.

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## H.B. 9 - Health Care Cost and Quality Data

### Fiscal Note

2007 General Session

State of Utah

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### State Impact

Enactment of this bill will not require additional appropriations due to the "as funding is available" language in the legislation. If the Department of Health were to implement the provisions of this bill, it is estimated that it would require \$304,000 General Fund to match approximately \$435,000 Federal Funds. Revenue from data user contributions of approximately \$500,000 may also be collected and used to supplement the funding of this program.

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### Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for local governments, businesses or individuals. If funding becomes available and the provisions of this bill are implemented, the cost to major health insurance payers or self-funded purchasers could range between \$200,000 to \$600,000 for the first year with ongoing costs between \$100,000 and \$200,000 annually. Users of the health data could reap significant savings. These savings cannot be quantified at this time.

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12/27/2006, 11:54:06 AM, Lead Analyst: Greer, W.

Office of the Legislative Fiscal Analyst