LEGISLATIVE GENERAL COUNSEL
₵ Approved for Filing: C.J. Dupont ₵
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HEALTH CARE COST AND QUALITY DATA

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Michael T. Morley

Senate Sponsor: Michael G. Waddoups

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

H.B. 9

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The advisory panel shall include:

(i) the chairman of the Utah Hospital Association;

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

(iii) a representative of the Utah Medical Association;

(iv) a physician from a small group practice as designated by the Utah Medical Association;

(v) two representatives from the Utah Health Insurance Association;

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

(vii) a representative from the committee;

(viii) a consumer advocate appointed by the committee;

(ix) a member of the House of Representatives appointed by the speaker of the House; and

(x) a member of the Senate appointed by the president of the Senate.

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

(2) (a) The committee shall, as funding is available, establish a plan for collecting data from data suppliers, as defined in Section 26-33a-102, to determine measurements of cost and reimbursements for risk adjusted episodes of health care.

(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.

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.

Fiscal Note

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

2007 General Session

State of Utah

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.

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.

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

Office of the Legislative Fiscal Analyst