

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

· SELECT COMMITTEE ON HEALTH CARE

Call to Order: By **CHAIRMAN SCOTT ORR**, on January 19, 1995, at
3:38 p.m.

ROLL CALL

Members Present:

Rep. Scott J. Orr, Chairman (R)
Rep. Carley Tuss, Vice Chairman (D)
Rep. Beverly Barnhart (D)
Rep. John Johnson (D)
Rep. Royal C. Johnson (R)
Rep. Betty Lou Kasten (R)
Rep. Thomas E. Nelson (R)
Rep. Bruce T. Simon (R)
Rep. Richard D. Simpkins (R)
Rep. Liz Smith (R)
Rep. Carolyn M. Squires (D)

Members Excused: None

Members Absent: None

Staff Present: David Niss, Legislative Council
Susan Fox, Legislative Council
Vivian Reeves, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 78, HB 85
Executive Action: None

{Tape: 1; Side: A}

HEARING ON HB 78

Opening Statement by Sponsor:

REP. JOHN COBB, House District 50, opened the hearing on HB 78. He explained that HB 78 would initiate the collection and publication of data on health care fees. He informed the Select Health Care Committee that 17 other states currently do this. A competitive market system provides knowledge of comparable services and goods by publishing uniformly-collected data, thus

stimulating competition and lowering the costs in the health care industry. The data allows the public, third-party payers and hospitals to know how much to be charged for a particular service. HB 78 allows flexibility for the Health Care Authority to cite specifically what data needs to be recorded. Provider organizations initially opposed the collection of health data and cost information in other states. They claimed that data collection was a costly and unnecessary regulatory burden. However, after the data was collected, some of the biggest users were the health care industry. A typical data collection program consists of a planning advisory council, such as the Health Care Authority, or the Department of Health. For instance, the California Medical Assistance Commission used the data in contracting inpatient care saving over \$100 million dollars by comparing the reimbursement rates and shopping for lower health care costs. He conveyed that there is a great demand for comparable health data and cost information in the nation. Keeping this information in a central location can be very helpful. Many health care purchasers currently use the data and support the state program. Another example of published comparative data changing practices is data collected in Vermont: 1984 data indicates an abnormal number of hospitalizations for tooth extractions occurred in one area. The business community compared this data; the rates dropped dramatically after discussing this finding with the doctors. Most state programs provide a penalty for noncompliance; Montana has a right to subpoena but not to penalize because it was not a motivation in other states. The indicators show that the programs have helped to save money in state governments.

Proponents' Testimony:

None

Opponents' Testimony:

Jim Ahrens, President of the Montana Hospital Association opposed HB 78. EXHIBIT 1

Arlette Randash, Eagle Forum, opposed HB 78. EXHIBIT 2

Rose Hughes, Executive Director of the Montana Health Care Association representing the Nursing Homes in Montana, expressed concern that data collection for HB 78 by the government or a quasi-government agency will generate additional forms and a large paperwork burden. She commented that nursing homes are already filling out extensive detailed cost reports for the Medicaid and Medicare programs. She portrayed an alarming trend that nursing homes are currently hiring licensed nurses to do paperwork; these "paperwork nurses" will never provide one minute of care to any patient in their facilities. She argued that if HB 78 were to pass that perhaps the bill could stipulate that the data be collected from sources that are already providing that data to other agencies, thus not creating redundant paperwork.

She remarked that if the data were available to put together a report of the costs of nursing home care, it would be difficult to produce a report where consumers could compare the rates. She expounded that facilities charge differently. Some facilities charge a daily rate which includes a lot of ancillary services; other facilities may have a lower daily rate but charge additional fees for extra items, services, medical supplies. Some facilities assess their residents and charge based on the care needs of their residents. She concluded that these reports will have to be very detailed for the consumer to compare facilities. She stated that nursing home care is usually provided close to home, so she questioned the usefulness of these reports.

Questions From Committee Members and Responses:

REP. BETTY LOU KASTEN inquired if the computer systems are established that would be used for collecting this data, and if not, how the computer systems would be financed.

REP. COBB referred to the fiscal note from the Health Care Authority which states that there is a lot of available information that can be accessed through the hospital's data base, the nursing home's data base, etc. He asserted that the data is available; it is a matter of determining what data to collect and gather it into one place.

REP. BRUCE SIMON stated that the fiscal note indicates an expenditure in FY96 of \$32,905 and in FY97 of \$12,340 to collect this data. He reiterated **Ms. Randash's** suggestion of the need for a \$12 million computer system, and that the proposed budget from the Health Care Authority consulting and professional services for data base indicates \$65,000 annually. **REP. SIMON** asked if **Sam Hubbard** would explain these numbers.

Mr. Hubbard, Executive Director of the Health Care Authority (HCA), explained that when the fiscal note was prepared, the HCA began with the assumption that a way to comply with HB 78 during the next biennium would be through a "manual paper intensive" process where the HCA would collect data from the providers of health care, and then publish this data. To develop an automated health care data base system for ongoing health care reform, the HCA estimates a cost of \$150,000 to \$200,000 annually which includes the consulting expenses and a single FTE data base manager position to guide the process. **Mr. Hubbard** reported that the costs incurred by other states in implementing, developing, managing, and maintaining health care information systems cost in the range of \$1 million to \$2 million on a biennial basis. He noted that Minnesota's data base currently costs them \$1.7 million annually, and appears to have the most developed data base at the state level in the United States. He remarked that Montana, being smaller than Minnesota, may not cost as much. He added that he knows of no state where the cost of the data base is in the \$10 million to \$12 million range.

REP. SIMON asked for clarification that once Montana is established with a data base for health care, there will be an expenditure of about \$1 million annually to maintain it.

Mr. Hubbard responded that \$1 million annually to maintain the data base is conceivable, however the requirements analysis has not been completed; thus, a cost estimate has not been established.

REP. SIMON clarified that the operating budget for the data base indicated in the fiscal note is actually for the consulting services to design the data base and not for the collection of the data. **Mr. Hubbard** responded that is correct.

REP. JOHN JOHNSON referred to a letter from the Glendive Medical Center. He inquired if it would take one to two years to establish a comprehensive data system. **EXHIBIT 3**

Mr. Hubbard affirmed that is correct. He estimated that they would move through the design phase in the first biennium and would begin comprehensive health care data collection and distribution in the second biennium.

REP. J. JOHNSON inquired about the length of the paper forms that the HCA will distribute to the health care providers for the collection of data.

Mr. Hubbard stated that he did not know how lengthy the forms would be, but that they would be necessary to comply with the terms of HB 78 in the next biennium.

REP. TOM NELSON requested clarification of the kind of data that would be collected, and how the collection of this data would hold down the costs of health care.

REP. COBB stated that 17 states collect comprehensive health care data. California's health care data collection was presented to hospitals to negotiate lower health care rates. Providers were located that provided the same services at the same success rates for less cost. Insurance companies and employers use this data to identify across the state who has the best success rates and who has the best rates. He summarized that it is necessary to know where the growth rates are occurring and why they are occurring, in order to find cost controls.

REP. TUSS expressed her appreciation of the emphasis that's being placed on data collection and stated that she agrees it reduces cost care. She emphasized that the providers also use this data to decrease their relative costs when they see other providers offering lower costs or better service. She requested clarification of New Section 2 in HB 78 and Section 50-4-502.

REP. COBB responded to her request.

REP. SIMPKINS referred to Exhibit 1 where it's written that Washington spends tens of thousands of dollars each year and doesn't know how to use the information. He inquired if there are any states that have been successful in controlling medical costs by using this health care data collection system.

Mr. Hubbard responded that Vermont has been using the data base system and has been successful in identifying procedure rates and costs, and identifying significant variations from region to region. He emphasized that this data gives both the provider and the consumer an opportunity to compare to other providers what is most cost efficient for consumers. He stated that Minnesota and New York are very pleased with their systems and the outcome of this process. He stated that SB 285 initiated a manual collection of data and that the HCA was not satisfied with the level of accuracy. He summarized that an automated system that relied on other sources of data which already exists would be extremely helpful to public and private policy holders.

REP. SIMPKINS stated that Medicare should be able to provide data that shows the statewide average of health care charges in Montana and asked why that isn't done.

Mr. Hubbard responded that he had heard presentations by both Medicare and Medicaid personnel on the adequacy of their data bases with regard to costs and charges. He stated that Medicare and Medicaid are not satisfied with the timeliness nor the degree of accuracy. They are currently three years behind in terms of timeliness and their objective is to try to get within 18 months.

REP. SIMPKINS inquired why money should be directed into a system which is already failing. He stated the HCA should have examples of established model health care systems of other states with the projected costs and the computerization required to obtain that health care system.

Mr. Hubbard responded that there are plenty of models to look at for the development of Montana's health care system. However, each state is unique in its characteristics, different configurations in terms of who the principal payers are, what kinds of insurance industries exist, how the provider systems work, the delivery network, etc. He explained that the systems need to be tailored to fit the unique circumstances for each state. The HCA consultant collected information on the existing health care systems within other states for the requirements analysis. However, the HCA ran out of time and money to move beyond their current point in terms of modifying the information to fit Montana's situation.

REP. SIMPKINS requested information from **REP. SIMON** about the \$65,000 for programming.

REP. SIMON responded that the operating expenses for consulting a professional data base is \$65,000 annually.

REP. SIMPKINS clarified that \$65,000 will be paid for a consultant to review health care systems which the HCA claims are already successful in other states to determine how to tailor it to fit Montana's unique circumstances.

Mr. Hubbard stated that the HCA would expect the system to be designed for Montana using those other models as a resource, and move to a development and maintenance phase. He added that the most responsive bidder last spring was the Information Services Division in the Department of Administration. **Mr. Hubbard** stated that moving through the design phase would have the Authority's data base in a position where it will be at the starting point of generating very useful information.

REP. SIMPKINS asked that when this process were completed, if examples of cost effectiveness, how much money states have saved by collecting this data, and how much it cost to collect the data could be presented before the next legislative session?

Mr. Hubbard responded that the HCA would probably be able to show the cost, utilization and other trends driving health care cost increases.

{Tape: 1; Side: B; Comments: Long blank period between end of hearing for HB 78 and the beginning of HB 85}

Mr. Hubbard stated he would expect them to respond to the requirements of HB 78 in a manual fashion until the HCA electronic data base was operational in terms of claims data. He stated that the hospital should not find that as burdensome as the initial process because the claims data will be collected more from the payers than from providers.

REP. SIMON indicated that the \$65,000 annual budget to design the data base system does not anticipate any capital cost for the next biennium. He inquired if the computer system would be designed without having any computers and if so, would the computers be purchased the following biennium to operate the data base.

Mr. Hubbard indicated that it was a possibility. He stated there is also the possibility that an existing computer system within the state government may be used, and expressed that would be valuable in moving through the design phase.

REP. SIMON inquired if capital costs were included in the estimate **Mr. Hubbard** indicated of \$1 million annually to operate the data base, or if that was strictly operational costs, personnel costs, and facility costs.

Mr. Hubbard was unable to answer **REP. SIMON'S** question as he is not an expert on the development and management of data bases. He has briefly reviewed other state reports; however, he does not

know what the ratio of hardware to software would be nor the actual operating expenses.

REP. SMITH inquired if an electronic system would have to be in place for the Medicaid program under a managed care to function. She indicated that using information collected through the Medicaid program would enable the HCA to give some estimates and inquired if decisions could be made using this data.

Mr. Hubbard responded that the Medicaid data base and particularly the new platform that **REP. COBB** mentioned would be key features in both helping the HCA design a comprehensive health care data base and in providing one of the key data sources for the actual development and implementation of that data base. The HCA has discussed with Dr. Blouke and his group about interfacing that with data; some Medicaid funding or federal funding may be available to help support the project on that basis.

REP. BARNHART clarified that HB 78 is simply to publish the health care report. She inquired if without HB 78 if the HCA would already begin working on the data collection.

Mr. Hubbard responded that the HCA would begin work assuming that funds are made available to the Authority for that purpose, and indicated that the HCA has requested funding to move through the design phase. He stated that HB 78 would push the HCA to get data in and reported on a quicker time-line than would probably be done otherwise in the development of the electronic data base.

REP. BARNHART stated that because it will be in the developmental phase would it be helpful for the HCA to do quarterly reports so that these reports could be used to obtain more information about how to develop the plan.

Mr. Hubbard indicated that most data collection taken by the HCA has been helpful because there is such an absence of good comprehensive information about cost utilization and outcomes. He suggested that the data collected manually would be useful; however, the Select Health Care Committee needs to determine if it would be truly cost effective.

Closing by Sponsor:

REP. COBB referred to 50 pages he read on health care data which contain information on what 17 states are doing with their health care data collection systems, and show which states have saved money--up to \$160 million in California in one year--and what other states have done to save costs. **REP. COBB** indicated that there is a lot of data being collected, but no one is collecting data on health care costs and publishing it. He stated that publishing health care costs will establish a competitive market, thus lowering the costs of health care.

REP. ORR closed the hearing on HB 78.

HEARING ON HB 85

Opening Statement by Sponsor:

REP. BOB RANEY said that HB 85 states that all medical and dental expenses, including insurance that the consumer pays out-of-pocket, is deductible on income taxes. He stated that HB 85 would be important for the self-employed who have to buy their own insurance. He stated that insurance is expensive and many people have "giant deductibles." He argued that a bill that just states insurance is deductible from income tax would ignore the huge number of people who do not have insurance, and secondly those who have large deductibles.

REP. RANEY indicated that REP. TOM NELSON has prepared some excellent information explaining what HB 85 would mean for Montanans. REP. RANEY explained that if HB 85 were in place, the average self-employed person in Montana would probably cost the state 7%. For example, if their insurance costs \$300 a month they would be saving \$21 a month. This would not apply to people who have an insurance policy provided by an employer because it is not out-of-pocket. However, the deductible that they have to pay would be tax deductible. Presently, 7½% of gross income must be reached before the first dollar is deductible. REP. RANEY emphasized that Montana used to allow deductions for medical and dental expenses. He argued that Montana took in more tax revenue when Montana changed its deductible to the same way the federal government did it; however, it "took away people's ability to deduct from their income taxes the very dollars they're using for personal maintenance."

Proponents' Testimony:

Riley Johnson, representing the National Federation Independent Business, stated that they support HB 85. He said that HB 85 is a fair bill and an economic bill which would be helpful to the truly small independent businesses of Montana. The small business pays not only the deductible, but also the 7½% for health insurance and health costs.

Lorna Frank, representing Montana Farm Bureau, supported HB 85. In November, 1994, the MFB delegates passed a resolution that stated they support a 100% deduction of health insurance premiums and unreimbursed health care costs. She stated that many farmers and ranchers do not have any health care. She stated that this is one of the necessities which would help considerably with the operation of their farm and ranch.

Larry Akey, Montana Association of Life Underwriters (MALU) and the Health Association of America, stated that the MALU has long supported full deductibility of premiums and quality of tax

regardless of business structure, or regardless of whether it was a business purchasing the policy or an individual purchasing the policy. He stated that their belief that this kind of tax expenditure is the best expenditure of public dollars on health care and health care related services that this legislature or any other legislature could make. He asked that HB 85 be given a Do Pass recommendation.

Bob Torres, representing the National Association of Social Workers in Montana Chapter, supported HB 85.

Opponents' Testimony: None.

Informational Testimony:

REP. RANEY announced that HB 85 needed an amendment stating that the Department of Revenue would explain why the amendment needs to be added.

Bob Turner, Income Tax Bureau Chief, said that as HB 85 is written it adds back the amount that's disallowed at the federal level to the Montana return; under the 7½% threshold. What can happen here is two things: Firstly, the threshold is based on the Montana Adjusted Gross Income (AGI) and HB 85 refers to the federal AGI. Since there is a difference between the Montana and the federal AGIs, there can be a difference in the actual expenses that are added back. A person could actually get more than he actually paid in deductions, or a person could get less. Secondly, many people use the standard deduction for their income brackets; they don't itemize. Thus, they don't have any threshold and don't have any amount that is disallowed, "so you actually add back zero amount." This would not help those people.

Mr. Turner suggested an amendment which takes the 7½% threshold off of the Montana Law.

Tom Harrison, Montana Society of Certified Public Accountants, stated that they have no position on the bill one way or the other. However, if HB 85 is advanced, he would strongly advise the adoption of the Department of Revenue amendment.

Questions From Committee Members and Responses:

REP. ROYAL JOHNSON inquired if **REP. RANEY** agreed with the fiscal note.

REP. RANEY stated, "I guess I'd have to agree; I signed it." He indicated, however, that it will probably increase each year. He reported that medical costs and inflation are going up; thus the lost revenue could increase annually. He estimated that the lost revenue is averaging \$8 million a year for 1995 and maybe 1996. He indicated that he did not know how accurate this is. He explained that two years ago **REP. TOM NELSON** had a bill which

would deduct insurance premiums, not out-of-pocket expenses. He asked **REP. NELSON** if it came to about \$7 million two years ago.

REP. NELSON said, "I think so."

REP. RANEY explained that the estimates may be "a touch low, but I have no way of knowing."

REP. R. JOHNSON inquired if **Mr. Turner** looked at the fiscal note (FN).

Mr. Turner stated that he did take a look at the FN. He indicated that his department prepared this FN. He asserted that he would agree with the FN.

REP. KASTEN inquired if the amendment changes the FN in any way.

Mr. Turner indicated the technical note at the bottom of the FN which was done by the Interior Department of the Department of Revenue. He stated that it was taken into consideration that the bill would be amended.

REP. SIMON stated that page 3, line 16 is really the whole bill. He inquired if section 213 of the Internal Revenue Code covered all medical expenses and requested that those medical expenses be defined, including the cost of health insurance.

Mr. Turner said yes. He stated "that actually is good language in there because that gives a definite number of medical expenses that are allowable under the federal code; so we don't have to determine which are allowable ourselves. We can go by a set of rules that are already out there. For example health insurance premiums are allowed under those rules."

REP. SIMON requested that **Mr. Turner** submit a copy of section 213 of the Internal Revenue Code to the Select Committee on Health Care for review.

REP. ORR interjected that he saw **REP. RANEY** shaking his head that it could be done.

Mr. Turner said that the code itself is pretty small, but indicated that there are immense rules. He stated that he would provide a copy of the federal Publication 17 which lists the medical expenses which are allowable and which are not allowable.

REP. SIMON said that would be helpful.

Closing by Sponsor:

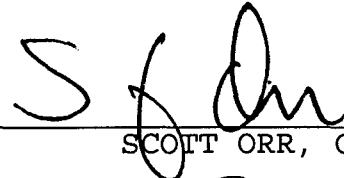
REP. RANEY indicated that at the first hearing the following people were present and supported HB 85: **Dan Ritter, Montana Chamber of Commerce; Don Allen, Montana Area Agencies for Aging Association; Maureen Schwinden, Women Involved in Farm Economics;**

**Association; Maureen Schwinden, Women Involved in Farm Economics;
REP. TOM NELSON; Wayne Hirst, CPA, Libby.**

REP. RANEY restated that HB 85 needed to be amended and stated that in Montana and throughout the nation incomes are gradually rising, but the costs of medicine, doctors, dentists, and insurance are skyrocketing and using up what little disposable income they have. "Is it fair that these things that are just being used for personal maintenance to keep us alive and healthy and productive in our jobs, and so on, should be taxed upfront? I submit they shouldn't. In addition, on the insurance that we presently buy we're already taxed 2½% on those by the state upfront." In effect, "we're taxing at about 10 per cent of what you pay to get your premium. That's just totally unreasonable." When a possible sales tax was discussed it was decided that medical expenses such as medicines should not be taxed and all around the nation those kinds of expenses aren't taxed. Since there isn't a sales tax in Montana, though, people are being taxed through their income tax to cover these costs.

ADJOURNMENT

Adjournment: 5:04 p.m.

A handwritten signature in cursive script, appearing to read "S. Orr", written over a horizontal line.

SCOTT ORR, Chairman

A handwritten signature in cursive script, appearing to read "Vivian Reeves", written over a horizontal line.

Vivian Reeves, Secretary

SO/vr

HOUSE OF REPRESENTATIVES

Select Committee on Health Care

ROLL CALL

DATE Jan. 19, 1995

NAME	PRESENT	ABSENT	EXCUSED
Rep. Scott Orr, Chairman	✓		
Rep. Carley Tuss, Vice Chairman	✓		
Rep. Beverly Barnhart	✓		
Rep. John Johnson	✓		
Rep. Royal Johnson	✓		
Rep. Betty Lou Kasten	✓		
Rep. Tom Nelson	✓		
Rep. Bruce Simon	✓		
Rep. Dick Simpkins	✓		
Rep. Liz Smith	✓		
Rep. Carolyn Squires	✓		



MONTANA HOSPITAL ASSOCIATION

1720 NINTH AVENUE • P.O. BOX 5119
HELENA, MT. 59604 • (406) 442-1911

EXHIBIT 1

DATE Jan. 19, 1995

HB 78

Testimony by
James F. Ahrens, President
Montana Hospital Association
on HB 78
before the
House Select Committee on Health Care
January 19, 1995

Mr. Chairman, members of the committee, my name is Jim Ahrens. I am president of the Montana Hospital Association. I speak on behalf of our 59 members.

Montana's hospitals have been strong supporters of health care reform. We are all too familiar with the problems that afflict the current health care system, and have been among the leaders in developing ways to solve these problems.

We also recognize the importance of accurate, timely and appropriate data.

However, a data system is not something you just throw together.

To design an effective and useful data system requires time, planning and forethought. And, once the planning is done, it requires a commitment of funds, funds to set up the hardware and software, and funds to operate the system.

We applaud the intent of HB 78. Montana's health care consumers deserve better information about health care costs. However, in our view, HB 78 is not the appropriate way to achieve this goal. We feel this way for several reasons.

First, there is no data system currently in place to fulfill this mandate adequately. The Health Care Authority has done virtually no design work on the data system mandated by the legislature in 1993.

As a result, for the Authority to fulfill the mandate of HB 78, its staff indicates that it would conduct a paper survey of health care providers. These survey results would then be tabulated by hand at the Authority's office.

For hospitals, physicians and other health care providers and insurers, this translates into more paperwork and higher costs for personnel—and, thus, higher health care costs overall.

Second, the data that would be collected would be confusing and misleading. Half of the charges billed by Montana's hospitals last year were for services covered by Medicare and Medicaid.

These two programs don't pay charges—they pay hospitals based on a DRG system—so publishing hospital charges won't help a Medicare beneficiary figure out how much their hospital stay will cost.

Moreover, severity of treatment and other services required during that stay would not be included in this information.

Finally, I don't believe the health care system works the way this bill assumes it does. If you require open heart surgery, you don't shop around for the best deal on open hearts. You ask your doctor what he recommends.

If you live in Circle or Libby or most other communities in our state, you don't shop around for the cheapest hospital. You ask your doctor for a recommendation.

Washington provides an example of how a data system might work—and how big a job it is to manage. Washington operates a hospital inpatient data system and uses it to produce data similar to the reports mandated by HB 78.

Washington spends tens of thousands of dollars each year to provide that data. But, according to the Washington Department of Health, they have no idea how useful the information is. And now, as a way to cut its costs, the Washington Department of Health plans to stop mass distribution of this information.

If data is to be a priority for the Health Care Authority or any other state government agency, let's develop a data system that will be a useful tool in making the health care system more cost efficient.

For these reasons we urge the Committee to reject HB 78.

January 17, 1995

I believe there are some fundamental questions that have not been answered:

- 1) What is the cost of the data base going to be that will give the MHCA the capability to provide the data for the quarterly reports.
- 2) Once that data is published will penalties follow upon doctors and hospitals that are supposedly overcharging?
- 3) Will that data be used later to compel doctors to practice protocols that are seemingly more cost effective even if they are not medically the most advanced or produce healthier outcomes.?
- 4) What kind of time and loss of productivity is involved for doctors and medical facilities to provide the data? Governor Racicot spoke about not passing on unfunded mandates to cities and counties. Will providers be reimbursed for the time involved in providing the data? Will they need new equipment to transmit the data?
- 5) Will patients be eventually penalized if they choose a doctor that uses a more expensive technique than the median in the state?
- 6) What will be the cost of printing and distributing the quarterly reports? and to whom will they go?
- 7) Of what value will these quarterly reports be to patients when they have little personal incentive to keep their health care costs down when third party payers pay the bill anyway? In real competitive markets private enterprise publishes these kinds of reports because there is a market for the consuming public to know the competitive cost and value of products for example the purchase of an automobile.

*Walter Randolph
Eagle Forum*

01/17/95 08:59 406 365 6921

BUSINESS OFFICE



Glendive
Medical
Center

EXHIBIT 3

DATE Jan. 19, 1995

HB 78

22

002

202 Prospect Drive • Glendive, Montana 59330-1999 • (406) 365-3306 • FAX # (406) 365-6921

M E M O

DATE: January 16, 1995
TO: Representative John Johnson
House Select Committee on Healthcare
FROM: Paul Hanson, CEO
Glendive Medical Center
RE: HB 78

John, I'd like to give you a "brief" explanation as to why I oppose HB 78.

First, as you are aware, Glendive Medical Center is currently reviewing our existing data system. We believe in the importance of good medical cost data. However, it is critical that the right kind of data be collected. The only way to ensure that the right kind of data is collected, is to have a comprehensive data system in place before data collection starts. The Authority has no such data system in place, nor will it before the end of next biennium. In fact, to my knowledge, the Authority has yet to even begin the design phase of a data system.

Secondly, in the absence of a comprehensive data system, this bill would place a considerable burden on hospitals. The Authority says it would comply with this mandate by sending paper survey forms to hospitals. Compliance would require endless hours of additional work!

Finally, the data collected would probably do more to confuse and mislead the public than inform them. The amount charged to patients depends on a multitude of factors, including the severity of illness, other medical conditions, additional services, and the practice pattern of the treating physician.

Yes, it's important to develop a data system; but let's do it right. Let's develop a data system that improves the efficiency of the health care system, not one that makes health care more expensive.

Design 150,000 per year
cost: 1 to 2 million a year
mandating system
States using data bases
Vermont 1995
Missouri
New York

John Johnson Bill To

Phil Lim for computer?

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Select Health Care COMMITTEE BILL NO. HB 85
 DATE Jan. 19, 1995 SPONSOR(S) Rep. Bob Raney

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Stacy Marko	Nursing Student			
Yvette Himsel	Nursing Student			
Steffani Zorn	" "			
Kim Kurikawa	" "			
Michelle Morrin	" "			
Mary Alice Cook	Adv for MT's Children			
Tom Sanford	Highway Patrol Ret.			✓
Beebi Anderson	MNA			
Ken Abel	Montana ARS			
Milly Gutfoski	LWV			✓
Lorna Frank	MT Farm Bureau			✓
Kyle Husted	Central Montana Med Lewiston		✓	
Riley Johnson	AFIB	Can HB85		X

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
 ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Select Comm. on Health Care COMMITTEEBILL NO. HB 85DATE 1/19/95SPONSOR(S) Rep. Bob Raney

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Ed Caplis	MSCA			✓
LARRY AKEN	MT ASSOC OF LIFE UNDERWRITERS			✓
TOM HORGWOOD	HIAA			✓

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HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Select Health Care COMMITTEE BILL NO. HB 78
DATE Jan. 19, 1995 SPONSOR(S) Rep. John Cobb

PLEASE PRINT

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PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Steven Lapier	MNA			✓
Arlette Randolph	EAGLE Forum		✓	
Ed Capley	MSCA			✓
Jim Ahrens	MHA		✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Select Health Care COMMITTEE BILL NO. HB 78
DATE Jan. 17, 1995 SPONSOR(S) Rep. John Cobb

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Ed Caplis	MSCA			X
Riley Johnson	NFIB	HB 78		
TOM CROOK	YELLOWSTONE Community HEALTH PLAN BILLING		X	

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