

House BILL NO. 78

Cobb

INTRODUCED BY \_\_\_\_\_

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE HEALTH CARE AUTHORITY TO PUBLISH REGULAR REPORTS ON HEALTH CARE SERVICE RATES AND COSTS; AMENDING SECTION 50-4-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 50-4-502, MCA, is amended to read:

**"50-4-502. Health care data base -- information submitted -- enforcement.** (1) The authority shall develop and maintain a unified health care data base that enables the authority, on a statewide basis, to:

(a) determine the distribution and capacity of health care resources, including health care facilities, providers, and health care services;

(b) identify health care needs and direct statewide and regional health care policy to ensure high-quality and cost-effective health care;

(c) conduct evaluations of health care procedures and health care protocols;

(d) compare costs of commonly performed health care procedures between providers and health care facilities within a region and make the data readily available to the public; ~~and~~

(e) compare costs of various health care procedures in one location of providers and health care facilities with the costs of the same procedures in other locations of providers and health care facilities; and

(f) publish quarterly reports as provided in [section 2].

(2) The authority shall by rule require health care providers, health insurers, health care facilities, private entities, and entities of state and local governments to file with the authority the reports, data, schedules, statistics, and other information determined by the authority to be necessary to fulfill the purposes of the data base provided in subsection (1). Material to be filed with the authority may include health insurance claims and enrollment information used by health insurers.

(3) The authority may issue subpoenas for the production of information required under [section 2] and this section and may issue subpoenas for and administer oaths to any person. Noncompliance with a subpoena issued by the authority is, upon application by the authority, punishable by a district court as

1 contempt pursuant to Title 3, chapter 1, part 5.

2 (4) The data base must:

3 (a) use unique patient and provider identifiers and a uniform coding system identifying health care  
4 services; and

5 (b) reflect all health care utilization, costs, and resources in the state and the health care utilization  
6 and costs of services provided to Montana residents in another state.

7 (5) Information in the data base required by law to be kept confidential must be maintained in a  
8 manner that does not disclose the identity of the person to whom the information applies. Information in  
9 the data base not required by law to be kept confidential must be made available by the authority upon  
10 request of any person.

11 (6) The authority shall adopt by rule a confidentiality code to ensure that information in the data  
12 base is maintained and used according to state law governing confidential health care information."

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14 **NEW SECTION. Section 2. Publication of rates for health care services.** (1) Beginning October 1,  
15 1995, the authority shall publish quarterly reports on the range and average costs of commonly performed  
16 health care procedures of health care providers and health care facilities. In order to publish a report by  
17 October 1, 1995, the authority shall use data from existing sources to prepare preliminary reports until the  
18 data base is operational and the capability to provide data from the data base is established.

19 (2) Beginning July 1, 1996, the authority shall publish quarterly reports listing the rates charged  
20 by individual health care providers and health care facilities for health care services, by name of health care  
21 provider or health care facility and by customary categories of health care services.

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23 **NEW SECTION. Section 3. Codification instruction.** [Section 2] is intended to be codified as an  
24 integral part of Title 50, chapter 4, part 5, and the provisions of Title 50, chapter 4, part 5, apply to  
25 [section 2].

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27 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

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STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0078, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring the Health Care Authority to publish regular reports on health service rates and costs.

ASSUMPTIONS:

1. The Executive Budget contains present law base adjustments of \$425,000 in FY96, \$175,000 of which is general fund, and \$350,000 in FY97, with \$100,000 of this amount funded from the general fund, for the authority to continue to fulfill its obligations under Title 50, Chapter 4, MCA, the Montana Health Care Authority law. (This does not include Certificate of Need.) One of the duties of the authority is to develop and maintain a unified health care data base. This fiscal note assumes the present law base as a starting point and calculates any additional costs or savings due to information contained in the proposed legislation.
2. During FY96 and FY97, the authority will use existing databases, reports, or other information from state agencies, providers, insurers, and other sources to fulfill the requirements of this bill. No costs will be incurred to implement or maintain a new statewide health care database during the 1997 biennium.
3. New tasks to be performed as a result of this legislation will include creating a centralized listing of all health care providers and facilities in the state based on existing licensure or certification records in state agencies, contacting each provider and facility in order to explain the new requirement, and the data design where a format will be established to statistically analyze and determine ranges and average costs from data collected. The authority will define "customary categories of health care services" for publication of the quarterly reports. The authority estimates these tasks will cost approximately \$20,000 in FY96.
4. The authority plans to enter into interagency agreements with state agencies to allow for continual updating of the database provider and facility list in order to meet the quarterly publication requirements. The authority will use and reimburse Department of Health and Environmental Sciences (DHES) legal services staff to develop two interagency agreements, at a cost of \$600 per agreement, for a total cost of \$1,200.
5. There will be ongoing costs associated with printing and distribution of quarterly surveys and reports on health care services and providers. There are approximately 2,100 facilities and providers affected by HB78. A copy of each survey and report would be mailed to each participant in the survey as well as an estimated 400 reports mailed to the media, libraries, county courthouses, and to individuals requesting copies. The authority estimates printing costs for 2,500 copies of a 40 page report to be \$900 per quarter. Distribution of the 2,500 copies at a bulk mail rate of \$0.374 will total \$935 per quarter. In FY96, the authority anticipates producing reports during three quarters for a total cost of \$5,505. In FY97, the total cost will be \$7,340.
6. There will be ongoing costs for data entry and work on bulk mailings, which will be accomplished through contracted services. Through administrative rule, the authority will require providers to submit information in specified formats in order to reduce the amount of data entry. The authority estimates data entry and bulk mailing contracted services will cost approximately \$1,250 per quarter, based on estimates of other work done for the authority. The cost for each fiscal year is estimated to be \$5,000.

Dave Lewis 1-9-95

DAVE LEWIS, BUDGET DIRECTOR DATE  
Office of Budget and Program Planning

John Cobb 1/9/94

JOHN COBB, PRIMARY SPONSOR DATE

Fiscal Note for HB0078, as introduced

(continued)

7. Through the administrative rulemaking process, the authority will specify the entities required to file information, the format and content of filings, and all other necessary materials in order for the authority to publish the quarterly report. The authority anticipates a cost of \$1,200 in FY96 for the administrative rulemaking process and for filing the rules.
8. All health care providers or facilities licensed or certified by DHES and the Department of Commerce (DOC) will be included. This assumption does not include several provider types, such as pharmacists, respiratory therapists, radiological technologists, emergency medical services/technicians, physical therapists, occupational therapists, federal health care facilities, etc.
9. The authority assumes it will obtain 100% compliance from all health care providers and facilities, so no enforcement costs are included.

FISCAL IMPACT:

Expenditures:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Operating Expenses	32,905	12,340

Funding:

General Fund	32,905	12,340
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Net Impact:

General Fund Cost	32,905	12,340
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LONG-RANGE EFFECTS OF PROPOSED LEGISLATION: The Montana Health Care Authority anticipates that the Select Committee on Health Care will recommend revising Title 50, Chapter 4, MCA, with regards to the requirement of the authority to develop, implement, and maintain a unified health care database. The authority anticipates using existing data sources from state agencies and private sources to fulfill the requirements of HB78.