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House BILL NO. *582*
James Durbin

INTRODUCED BY _____

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO ESTABLISH A HEALTH INFORMATION NETWORK; PROVIDING FOR THE FUNCTIONS OF THE NETWORK; REQUIRING A REPORT; PROVIDING CONDITIONS FOR THE OPERATION OF THE NETWORK; AMENDING SECTIONS 50-4-312 AND 50-4-504, MCA; REPEALING SECTION 50-4-502, MCA; AND PROVIDING AN EFFECTIVE DATE."

WHEREAS, Montana, like other states, has experienced a significant increase in the cost of health care over the past decade; and

WHEREAS, in 1994, Montana's total health care payments were approximately \$2.7 billion, or more than \$7 million per day, these payments representing more than 15% of the state's gross state product; and

WHEREAS, a health information network is critical to making informed personal, business, and policy decisions as they relate to access, cost, and quality of health care; and

WHEREAS, the development of a health information network will aide the improvement of access to health care, promote cost containment, and maintain or improve quality of care.

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

NEW SECTION. **Section 1. Health information network.** (1) The department may establish a health information network. The purpose of the network is to analyze, coordinate, and distribute health information in order to increase access to health care services, promote cost containment and efficiency, avoid reporting duplication, and maintain quality of care. The functions of the network include but are not limited to:

(a) identifying, cataloging, and maintaining current information on health data sources and other health-related information;

(b) preparing a health information report that includes:

(i) uniform health care data, including charges for health care, that will enable consumers to

- 1 evaluate the costs of medical procedures; and
- 2 (i) data about insurance policies and health care plans, such as benefit and cost provisions, and
- 3 information that may assist consumers in making informed choices about their medical care;
- 4 (c) preparing and disseminating reports concerning the health status of Montanans;
- 5 (d) coordinating and promoting the use of health information, including responding to requests for
- 6 health information, developing educational materials, and participating in collaborative activities with other
- 7 health-related organizations;
- 8 (e) identifying health care trends and treatment protocols by comparing information on diagnoses
- 9 and procedures over time and working collaboratively with other organizations having responsibilities for
- 10 evaluating the quality of health care;
- 11 (f) monitoring health policy decisions to determine the impact of the policies on the health of
- 12 Montanans by comparing baseline and postimplementation data;
- 13 (g) functioning as an agent for the dissemination of health data and information;
- 14 (h) establishing voluntary agreements with health data sources to gain access to health data and
- 15 providing technical expertise and assistance to link health data from a variety of sources;
- 16 (i) encouraging standards for uniformity of health data and supporting electronic data transfer; and
- 17 (j) identifying gaps in the availability of needed health information and recommending strategies for
- 18 filling the gaps.
- 19 (2) If the department establishes a health information network, the department shall work with
- 20 consumers, health care providers, health insurers, health payors, managed care organizations, health care
- 21 facilities, private entities, and state and local governments to determine the information necessary to fulfill
- 22 the purposes of the network as provided in subsection (1).
- 23 (3) The department or its agent may establish fees to be charged to users of the health information
- 24 network in order to offset the costs of the network. The fees should be commensurate with the costs of
- 25 using and maintaining the network and assist in the creation of a permanent network that will be
- 26 self-supporting.
- 27 (4) If the department establishes a health information network, the department shall prepare a report
- 28 to the legislature in the manner provided by 5-11-210 explaining the department's progress in establishing
- 29 the health information network.
- 30 (5) If the department establishes a health information network, the department shall implement

1 subsections (1) through (4) by contract.

2

3 **Section 2.** Section 50-4-312, MCA, is amended to read:

4 **"50-4-312. Consumer report cards.** (1) The Montana health care advisory council shall appoint
5 a task force of consumers, employers, health insurers, hospitals, health care providers, and legislators to
6 design a consumer report card that will enhance consumer responsibility in the use of health care services.

7 (2) The Montana health care advisory council shall, ~~by October 1, 1996,~~ submit the task force's
8 proposal to the legislature containing the information needed to prepare the consumer report card. The
9 information must include:

10 (a) uniform data, including charges, that will enable consumers to evaluate the cost of medical
11 procedures;

12 (b) data about insurance plans, such as benefit and cost provisions; and

13 (c) additional information that may assist consumers in making informed choices about their
14 medical care; ~~and~~

15 ~~(d) any further applicable information generated as a result of efforts undertaken pursuant to~~
16 ~~50-4-502.~~

17 (3) The Montana health care advisory council shall also develop standards for uniform data to be
18 provided by health insurers, hospitals, and health care providers and shall take into account the feasibility
19 and cost-effectiveness of the standards.

20 (4) To the extent possible, data collected for the consumer report card must be provided by data
21 sources that currently exist."

22

23 **Section 3.** Section 50-4-504, MCA, is amended to read:

24 **"50-4-504. Definitions.** As used in this part, the following definitions apply:

25 (1) ~~"Data base" means the health care data base created pursuant to 50-4-502.~~

26 ~~(2)~~ "Department" means the department of public health and human services provided for in Title
27 2, chapter 15, part 22.

28 ~~(3)~~ (2) "Health care" includes both physical health care and mental health care.

29 ~~(4)~~ "Health care advisory council" means the council provided for in 50-4-103, 50-4-104, 50-4-203
30 through 50-4-206, and 50-4-403.

1 ~~(6)(3)~~ "Health care facility" means all facilities and institutions, whether public or private,
2 proprietary or nonprofit, that offer diagnosis, treatment, and inpatient or ambulatory care to two or more
3 unrelated persons. The term includes all facilities and institutions included in 50-5-101(19). The term does
4 not apply to a facility operated by religious groups relying solely on spiritual means, through prayer, for
5 healing.

6 ~~(6)(4)~~ "Health care provider" or "provider" means a person, including a health care facility, who
7 is licensed, certified, or otherwise authorized by the laws of this state to provide health care in the ordinary
8 course of business or practice of a profession.

9 ~~(7)(5)~~ "Health insurer" means any health insurance company, health service corporation, health
10 maintenance organization, insurer providing disability insurance as described in 33-1-207, and, to the extent
11 permitted under federal law, any administrator of an insured, self-insured, or publicly funded health care
12 benefit plan offered by public and private entities."

13
14 NEW SECTION. Section 4. Codification instruction. [Section 1] is intended to be codified as an
15 integral part of Title 50, chapter 4, part 5, and the provisions of Title 50, chapter 4, part 5, apply to
16 [section 1].

17
18 NEW SECTION. Section 5. Coordination instruction. If House Bill No. 298 is passed and approved,
19 [section 1(4)] of [this act] must read:

20 "(4) If the department establishes a health information network, the department shall prepare a
21 report to the health care advisory council explaining the department's progress in establishing the health
22 information network."

23
24 NEW SECTION. Section 6. Repealer. Section 50-4-502, MCA, is repealed.

25
26 NEW SECTION. Section 7. Effective date. [This act] is effective July 1, 1997.

27 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0582, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

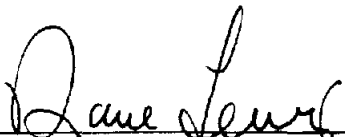
An act authorizing the Department of Public Health and Human Services to establish a health information network; providing for the functions of the network; requiring a report; and providing conditions for the operation of the network.

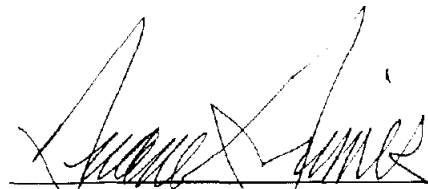
ASSUMPTIONS:

1. The program will be managed in Health Policy & Services Division.
2. The program will be funded with 50% general fund and 50% federal special revenue.
3. The services and functions of the health information network will be obtained by contract with one or more private entities. These contract amounts are estimated to be \$211,464 per year during the 1999 biennium.
4. Revenues generated by user fees in the future will not be forthcoming in significant amounts during the 1999 biennium. At this time revenues can not be estimated.
5. The effective date is July 1, 1997.

FISCAL IMPACT:

	<u>FY98</u>	<u>FY99</u>
<u>Expenditures:</u>	<u>Difference</u>	<u>Difference</u>
Operating Expenses	\$211,464	\$211,464
<u>Funding:</u>		
General Fund (01)	\$105,732	\$105,732
Federal Special Revenue (03)	<u>105,732</u>	<u>105,732</u>
Total	\$211,464	\$211,464

 2-20-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 2-20-97
DUANE GRIMES, PRIMARY SPONSOR DATE
Fiscal Note for HB0582, as introduced

HB 582

1 HOUSE BILL NO. 582

2 INTRODUCED BY GRIMES, SWANSON

3
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13 than \$7 million per day, these payments representing more than 15% of the state's gross state product;
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- 28 to the legislature in the manner provided by 5-11-210 explaining the department's progress in establishing
- 29 the health information network.
- 30 (5) If the department establishes a health information network, the department shall implement

1 subsections (1) through (4) by contract.

2 (6) IF THE DEPARTMENT ESTABLISHES A HEALTH INFORMATION NETWORK, THE DEPARTMENT
 3 SHALL ADOPT BY RULE A CONFIDENTIALITY CODE TO ENSURE THAT INFORMATION RECEIVED BY THE
 4 NETWORK IS MAINTAINED AND USED ACCORDING TO STATE LAW GOVERNING CONFIDENTIAL
 5 HEALTH CARE INFORMATION.

6

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