

AN ACT concerning State government.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Health Finance Reform Act is amended by changing Section 4-2 as follows:

(20 ILCS 2215/4-2) (from Ch. 111 1/2, par. 6504-2)

Sec. 4-2. Powers and duties.

(a) (Blank).

(b) (Blank).

(c) (Blank).

(d) Uniform Provider Utilization and Charge Information.

(1) The Department of Public Health shall require that all hospitals and ambulatory surgical treatment centers licensed to operate in the State of Illinois adopt a uniform system for submitting patient claims and encounter data for payment from public and private payors. This system shall be based upon adoption of the uniform electronic billing form pursuant to the Health Insurance Portability and Accountability Act.

(2) (Blank).

(3) The Department of Insurance shall require all third-party payors, including but not limited to, licensed insurers, medical and hospital service corporations,

health maintenance organizations, and self-funded employee health plans, to accept the uniform billing form, without attachment as submitted by hospitals pursuant to paragraph (1) of subsection (d) above, effective January 1, 1985; provided, however, nothing shall prevent all such third party payors from requesting additional information necessary to determine eligibility for benefits or liability for reimbursement for services provided.

(4) By no later than 60 days after the end of each calendar quarter, each hospital licensed in the State shall electronically submit to the Department inpatient and outpatient claims and encounter data related to surgical and invasive procedures collected under paragraph (5) for each patient.

By no later than 60 days after the end of each calendar quarter, each ambulatory surgical treatment center licensed in the State shall electronically submit to the Department outpatient claims and encounter data collected under paragraph (5) for each patient, provided however, that, until July 1, 2006, ambulatory surgical treatment centers who cannot electronically submit data may submit data by computer diskette. For hospitals, the claims and encounter data to be reported shall include all inpatient surgical cases. Claims and encounter data submitted under this Act shall not include a patient's ~~name, address, or~~ Social Security number; provided, however, that the

Department may require, by rule, the inclusion of a unique patient identifier that may be based upon the last four digits of the patient's Social Security number. The Department shall promulgate regulations to protect the patient's rights of confidentiality and privacy. The regulations shall ensure that patient names, addresses, Social Security numbers, or any other data that the Department believes could be used to determine the identity of an individual patient shall be stored and processed in the most secure manner possible.

(5) By no later than January 1, 2006, the Department must collect and compile claims and encounter data related to surgical and invasive procedures according to uniform electronic submission formats as required under the Health Insurance Portability and Accountability Act. By no later than January 1, 2006, the Department must collect and compile from ambulatory surgical treatment centers the claims and encounter data according to uniform electronic data element formats as required under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

(6) The Department shall make available on its website the "Consumer Guide to Health Care" by January 1, 2006. The "Consumer Guide to Health Care" shall include information on at least 30 inpatient conditions and procedures identified by the Department that demonstrate the highest degree of variation in patient charges and quality of care.

By no later than January 1, 2007, the "Consumer Guide to Health Care" shall also include information on at least 30 outpatient conditions and procedures identified by the Department that demonstrate the highest degree of variation in patient charges and quality care. As to each condition or procedure, the "Consumer Guide to Health Care" shall include up-to-date comparison information relating to volume of cases, average charges, risk-adjusted mortality rates, and nosocomial infection rates and, with respect to outpatient surgical and invasive procedures, shall include information regarding surgical infections, complications, and direct admissions of outpatient cases to hospitals for selected procedures, as determined by the Department, based on review by the Department of its own, local, or national studies. Information disclosed pursuant to this paragraph on mortality and infection rates shall be based upon information hospitals and ambulatory surgical treatment centers have either (i) previously submitted to the Department pursuant to their obligations to report health care information under this Act or other public health reporting laws and regulations outside of this Act or (ii) submitted to the Department under the provisions of the Hospital Report Card Act.

(7) Publicly disclosed information must be provided in language that is easy to understand and accessible to consumers using an interactive query system. The guide

shall include such additional information as is necessary to enhance decision making among consumer and health care purchasers, which shall include, at a minimum, appropriate guidance on how to interpret the data and an explanation of why the data may vary from provider to provider. The "Consumer Guide to Health Care" shall also cite standards that facilities meet under state and federal law and, if applicable, to achieve voluntary accreditation.

(8) None of the information the Department discloses to the public under this subsection may be made available unless the information has been reviewed, adjusted, and validated according to the following process:

(i) Hospitals, ambulatory surgical treatment centers, and organizations representing hospitals, ambulatory surgical treatment centers, purchasers, consumer groups, and health plans are meaningfully involved in providing advice and consultation to the Department in the development of all aspects of the Department's methodology for collecting, analyzing, and disclosing the information collected under this Act, including collection methods, formatting, and methods and means for release and dissemination;

(ii) The entire methodology for collecting and analyzing the data is disclosed to all relevant organizations and to all providers that are the subject of any information to be made available to the public

before any public disclosure of such information;

(iii) Data collection and analytical methodologies are used that meet accepted standards of validity and reliability before any information is made available to the public;

(iv) The limitations of the data sources and analytic methodologies used to develop comparative provider information are clearly identified and acknowledged, including, but not limited to, appropriate and inappropriate uses of the data;

(v) To the greatest extent possible, comparative hospital and ambulatory surgical treatment center information initiatives use standard-based norms derived from widely accepted provider-developed practice guidelines;

(vi) Comparative hospital and ambulatory surgical treatment center information and other information that the Department has compiled regarding hospitals and ambulatory surgical treatment centers is shared with the hospitals and ambulatory surgical treatment centers under review prior to public dissemination of the information and these providers have an opportunity to make corrections and additions of helpful explanatory comments about the information before the publication;

(vii) Comparisons among hospitals and ambulatory

surgical treatment centers adjust for patient case mix and other relevant risk factors and control for provider peer groups, if applicable;

(viii) Effective safeguards to protect against the unauthorized use or disclosure of hospital and ambulatory surgical treatment center information are developed and implemented;

(ix) Effective safeguards to protect against the dissemination of inconsistent, incomplete, invalid, inaccurate, or subjective provider data are developed and implemented;

(x) The quality and accuracy of hospital and ambulatory surgical treatment center information reported under this Act and its data collection, analysis, and dissemination methodologies are evaluated regularly; and

(xi) Only the most basic hospital or ambulatory surgical treatment center identifying information from mandatory reports is used. Information regarding a hospital or ambulatory surgical center may be released regardless of the number of employees or health care professionals whose data are reflected in the data for the hospital or ambulatory surgical treatment center as long as no specific information identifying an employee or a health care professional is released. Further, patient identifiable information is not

released. The input data collected by the Department shall not be a public record under the Illinois Freedom of Information Act.

None of the information the Department discloses to the public under this Act may be used to establish a standard of care in a private civil action.

(9) The Department must develop and implement an outreach campaign to educate the public regarding the availability of the "Consumer Guide to Health Care".

(10) By January 1, 2006, the Department must study the most effective methods for public disclosure of patient claims and encounter data and health care quality information that will be useful to consumers in making health care decisions and report its recommendations to the Governor and to the General Assembly.

(11) The Department must undertake all steps necessary under State and Federal law to protect patient confidentiality in order to prevent the identification of individual patient records.

(12) The Department must adopt rules for inpatient and outpatient data collection and reporting no later than January 1, 2006.

(13) In addition to the data products indicated above, the Department shall respond to requests by government agencies, academic research organizations, and private sector organizations for purposes of clinical performance

measurements and analyses of data collected pursuant to this Section.

(14) The Department, with the advice of and in consultation with hospitals, ambulatory surgical treatment centers, organizations representing hospitals, organizations representing ambulatory treatment centers, purchasers, consumer groups, and health plans, must evaluate additional methods for comparing the performance of hospitals and ambulatory surgical treatment centers, including the value of disclosing additional measures that are adopted by the National Quality Forum, The Joint Commission on Accreditation of Healthcare Organizations, the Accreditation Association for Ambulatory Health Care, the Centers for Medicare and Medicaid Services, or similar national entities that establish standards to measure the performance of health care providers. The Department shall report its findings and recommendations on its Internet website and to the Governor and General Assembly no later than July 1, 2006.

(e) (Blank).

(Source: P.A. 93-144, eff. 7-10-03; 94-27, eff. 6-14-05.)