



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB2343

Introduced 2/16/2005, by Rep. Julie Hamos

SYNOPSIS AS INTRODUCED:

20 ILCS 2215/4-2

from Ch. 111 1/2, par. 6504-2

20 ILCS 2215/4-4

from Ch. 111 1/2, par. 6504-4

Amends the Illinois Health Finance Reform Act. Provides that the Department of Public Health must require ambulatory surgical treatment centers licensed to operate in the State of Illinois to adopt a uniform system, based on certain federal laws, for submitting patient charges for payment from public and private payors. Provides that no later than 60 days after the end of each calendar quarter, each hospital and ambulatory surgical treatment center must submit billing data to the Department and sets forth information that must be included in the submission (now, hospitals must submit billing data for conditions and procedures required for public disclosure in the "Consumer Guide to Health Care" and for all inpatient surgical cases). Requires the Department to collect and compile the billing data on a quarterly basis. Sets forth additional information that must be included in the "Consumer Guide to Health Care". Requires that ambulatory surgical treatment centers, organizations representing ambulatory surgical treatment centers, purchasers, consumer groups, and health plans be meaningfully involved in the development of all aspects of the Department's methodology for collecting, analyzing, and disclosing the information collected under this Act. Requires the Department to evaluate additional methods for comparing the performance of hospitals and ambulatory surgical treatment centers and report its findings and recommendations on its Internet website and to the Governor and General Assembly no later than January 1, 2006. Requires the Department to study methods to collect and report data on mortality and nosocomial infection rates from hospitals and ambulatory surgical treatment centers for outpatient services and report its findings and recommendations on its Internet website and to the Governor and General Assembly no later than January 1, 2006. Requires the Department to authorize electronic access to patient billing data collected pursuant to these provisions for use by certain entities. Requires ambulatory surgical treatment centers to make available to prospective patients information on the normal charge incurred for any procedure or operation the prospective patient is considering. Requires the Department to adopt rules for inpatient and outpatient data collection and reporting no later than January 1, 2006. Makes other changes. Effective immediately.

LRB094 05025 BDD 39283 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning State government.

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

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

6 (20 ILCS 2215/4-2) (from Ch. 111 1/2, par. 6504-2)

7 Sec. 4-2. Powers and duties.

8 (a) (Blank).

9 (b) (Blank).

10 (c) (Blank).

11 (d) Uniform Provider Utilization and Charge Information.

12 (1) The Department of Public Health shall require that
13 all hospitals and ambulatory surgical treatment centers
14 licensed to operate in the State of Illinois adopt a
15 uniform system for submitting patient charges for payment
16 from public and private payors. This system shall be based
17 upon adoption of the uniform electronic ~~hospital~~ billing
18 form pursuant to requirements adopted by the Secretary of
19 Health and Human Services under the the Health Insurance
20 Portability and Accountability Act 42 U.S.C. 1320d-2.

21 (2) (Blank).

22 (3) The Department of Insurance shall require all
23 third-party payors, including but not limited to, licensed
24 insurers, medical and hospital service corporations,
25 health maintenance organizations, and self-funded employee
26 health plans, to accept the uniform billing form, without
27 attachment as submitted by hospitals pursuant to paragraph
28 (1) of subsection (d) above, effective January 1, 1985;
29 provided, however, nothing shall prevent all such third
30 party payors from requesting additional information
31 necessary to determine eligibility for benefits or
32 liability for reimbursement for services provided.

1 (4) By no later than 60 days after the end of each
2 calendar quarter, each ~~Each~~ hospital licensed in the State
3 shall electronically submit to the Department inpatient
4 and outpatient ~~patient~~ billing data collected under
5 paragraph (5) for each patient.

6 By no later than 60 days after the end of each calendar
7 quarter, each ambulatory surgical treatment center
8 licensed in the State shall electronically submit to the
9 Department outpatient billing data collected under
10 paragraph (5) for each patient. ~~conditions and procedures~~
11 ~~required for public disclosure pursuant to paragraph (6).~~
12 ~~For hospitals, the billing data to be reported shall~~
13 ~~include all inpatient surgical cases.~~

14 Billing data submitted under this Act shall not include
15 a patient's name, address, or Social Security number.

16 (5) ~~The~~ By no later than January 1, 2005, the
17 Department must collect and compile billing data , on a
18 quarterly basis, ~~required under paragraph (6)~~ according to
19 uniform electronic submission formats as required under
20 the Health Insurance Portability and Accountability Act
21 and adopted by the Secretary of Health and Human Services
22 under 42 U.S.C. 1320d-2. The collection and compilation of
23 billing data under this paragraph must begin no later than:

24 (i) January 1, 2006, for hospitals; and

25 (ii) January 1, 2006, for ambulatory surgical
26 treatment centers.

27 (6) The Department shall make available on its website
28 the "Consumer Guide to Health Care" by January 1, 2006.

29 The "Consumer Guide to Health Care" shall include, for
30 each hospital licensed in the State, information on at
31 least 30 inpatient conditions and procedures identified by
32 the Department that demonstrate the highest degree of
33 variation in patient charges and quality of care. As to
34 each condition or procedure, the "Consumer Guide to Health
35 Care" shall include up-to-date comparison information
36 relating to volume of cases, average charges,

1 risk-adjusted mortality rates, and nosocomial infection
2 rates for each hospital. Information disclosed pursuant to
3 this paragraph on mortality and infection rates shall be
4 based upon information hospitals have previously submitted
5 to the Department pursuant to their obligations to report
6 health care information under other public health
7 reporting laws and regulations outside of this Act.

8 The Department shall include in the "Consumer Guide to
9 Health Care" information for each hospital and ambulatory
10 surgical treatment center on at least 30 outpatient
11 conditions and procedures by July 1, 2006. As to each
12 outpatient procedure, the "Consumer Guide to Health Care"
13 shall include up-to-date comparison information relating
14 to average charges and volume of cases for each hospital
15 and ambulatory surgical treatment center.

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

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

23 (i) Hospitals and ambulatory surgical treatment
24 centers, and organizations representing hospitals and
25 ambulatory surgical treatment centers, purchasers,
26 consumer groups, and health plans are meaningfully
27 involved in the development of all aspects of the
28 Department's methodology for collecting, analyzing,
29 and disclosing the information collected under this
30 Act, including collection methods, formatting, and
31 methods and means for release and dissemination;

32 (ii) The entire methodology for collecting
33 ~~collection~~ and analyzing the data is disclosed to all
34 relevant organizations and to all providers that are
35 the subject of any information to be made available to
36 the public before any public disclosure of such

1 information;

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

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

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

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

26 (vii) Comparisons among hospitals and among
27 ambulatory surgical treatment centers adjust for
28 patient case mix and other relevant risk factors and
29 control for provider peer groups, if applicable;

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

34 (ix) Effective safeguards to protect against the
35 dissemination of inconsistent, incomplete, invalid,
36 inaccurate, or subjective provider data are developed

1 and implemented;

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

7 (xi) Only the most basic identifying information
8 from mandatory reports is used, and patient
9 identifiable information is not released. The input
10 data collected by the Department shall not be a public
11 record under the Illinois Freedom of Information Act.

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

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

18 (10) ~~The~~ Within 12 months after the effective date of
19 ~~this amendatory Act of the 93rd General Assembly, the~~
20 Department must study the most effective methods for public
21 disclosure of patient charge data and health care quality
22 information that will be useful to consumers in making
23 health care decisions and report its recommendations to the
24 Governor and to the General Assembly no later than January
25 1, 2006.

26 (11) The Department must undertake all steps necessary
27 under State and Federal law, including the
28 Gramm-Leach-Bliley Act (12 U.S.C. §1811 et. seq.) and the
29 Health Insurance Portability and Accountability Act
30 privacy regulations (45 C.F.R. Part 164), to protect
31 patient confidentiality in order to prevent the
32 identification of individual patient records.

33 (12) The department must evaluate additional methods
34 for comparing the performance of hospitals and ambulatory
35 surgical treatment centers, including the value of
36 disclosing additional measures that are adopted by the

1 National Quality Forum, The Joint Commission on
2 Accreditation of Healthcare Organizations, or a similar
3 national entity that establishes standards to measure the
4 performance of health care providers. The Department shall
5 report its findings and recommendations on its Internet
6 website and to the Governor and General Assembly no later
7 than January 1, 2006.

8 (13) The Department shall study methods to collect and
9 report data on mortality and nosocomial infection rates
10 from hospitals and ambulatory surgical treatment centers
11 for outpatient services and report its findings and
12 recommendations on its Internet website and to the Governor
13 and General Assembly no later than January 1, 2006.

14 (14) The Department must authorize electronic access
15 to patient billing data collected pursuant to this Section
16 for use by a requesting entity, including, but not limited
17 to, an agency, academic research organization, or private
18 sector organization for purposes of clinical performance
19 measurement, including making information available to
20 compare individual hospitals and ambulatory surgical
21 treatment centers based on performance outcomes data,
22 promoting evidence-based medicine and best practices,
23 patient safety and quality improvement, public health
24 research and other purposes as determined by the
25 Department, by no later than September 1, 2005.

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

29 (e) (Blank).

30 (Source: P.A. 92-597, eff. 7-1-02; 93-144, eff. 7-10-03.)

31 (20 ILCS 2215/4-4) (from Ch. 111 1/2, par. 6504-4)

32 Sec. 4-4. (a) Hospitals and ambulatory surgical treatment
33 centers shall make available to prospective patients
34 information on the normal charge incurred for any procedure or
35 operation the prospective patient is considering.

1 (b) The Department of Public Health shall require hospitals
2 and ambulatory surgical treatment centers to post in letters no
3 more than one inch in height the established charges for
4 services, where applicable, including but not limited to the
5 hospital's private room charge, semi-private room charge,
6 charge for a room with 3 or more beds, intensive care room
7 charges, emergency room charge, operating room charge,
8 electrocardiogram charge, anesthesia charge, chest x-ray
9 charge, blood sugar charge, blood chemistry charge, tissue exam
10 charge, blood typing charge and Rh factor charge. The
11 definitions of each charge to be posted shall be determined by
12 the Department.

13 (Source: P.A. 92-597, eff. 7-1-02.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.