

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 Section 4-2 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 claims and encounter
16 data ~~charges~~ for payment from public and private payors.
17 This system shall be based upon adoption of the uniform
18 electronic ~~hospital~~ billing form pursuant to the Health
19 Insurance Portability and Accountability Act.

20 (2) (Blank).

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

32 (4) By no later than 60 days after the end of each

1 calendar quarter, each ~~Each~~ hospital licensed in the State
2 shall electronically submit to the Department inpatient
3 and outpatient claims and encounter ~~patient billing~~ data
4 related to surgical and invasive procedures collected
5 under 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 claims and encounter data collected
10 under paragraph (5) for each patient, provided however,
11 that, until July 1, 2006, ambulatory surgical treatment
12 centers who cannot electronically submit data may submit
13 data by computer diskette. ~~conditions and procedures~~
14 ~~required for public disclosure pursuant to paragraph (6).~~
15 For hospitals, the claims and encounter ~~billing~~ data to be
16 reported shall include all inpatient surgical cases.
17 Claims and encounter ~~Billing~~ data submitted under this Act
18 shall not include a patient's name, address, or Social
19 Security number.

20 (5) By no later than January 1, 2006 ~~January 1, 2005,~~
21 the Department must collect and compile claims and
22 encounter ~~billing~~ data related to surgical and invasive
23 procedures ~~required under paragraph (6)~~ according to
24 uniform electronic submission formats as required under
25 the Health Insurance Portability and Accountability Act.
26 By no later than January 1, 2006, the Department must
27 collect and compile from ambulatory surgical treatment
28 centers the claims and encounter data according to uniform
29 electronic data element formats as required under the
30 Health Insurance Portability and Accountability Act of
31 1996 (HIPAA).

32 (6) The Department shall make available on its website
33 the "Consumer Guide to Health Care" by January 1, 2006. The
34 "Consumer Guide to Health Care" shall include information
35 on at least 30 inpatient conditions and procedures
36 identified by the Department that demonstrate the highest

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

25 (7) Publicly disclosed information must be provided in
26 language that is easy to understand and accessible to
27 consumers using an interactive query system. The guide
28 shall include such additional information as is necessary
29 to enhance decision making among consumer and health care
30 purchasers, which shall include, at a minimum, appropriate
31 guidance on how to interpret the data and an explanation of
32 why the data may vary from provider to provider. The
33 "Consumer Guide to Health Care" shall also cite standards
34 that facilities meet under state and federal law and, if
35 applicable, to achieve voluntary accreditation.

36 (8) None of the information the Department discloses to

1 the public under this subsection may be made available
2 unless the information has been reviewed, adjusted, and
3 validated according to the following process:

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

14 (ii) The entire methodology for collecting
15 ~~collection~~ and analyzing the data is disclosed to all
16 relevant organizations and to all providers that are
17 the subject of any information to be made available to
18 the public before any public disclosure of such
19 information;

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

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

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

34 (vi) Comparative hospital and ambulatory surgical
35 treatment center information and other information
36 that the Department has compiled regarding hospitals

1 and ambulatory surgical treatment centers is shared
2 with the hospitals and ambulatory surgical treatment
3 centers under review prior to public dissemination of
4 the information and these providers have an
5 opportunity to make corrections and additions of
6 helpful explanatory comments about the information
7 before the publication;

8 (vii) Comparisons among hospitals and ambulatory
9 surgical treatment centers adjust for patient case mix
10 and other relevant risk factors and control for
11 provider peer groups, if applicable;

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

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

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

25 (xi) Only the most basic hospital or ambulatory
26 surgical treatment center identifying information from
27 mandatory reports is used. Information regarding a
28 hospital or ambulatory surgical center may be released
29 regardless of the number of employees or health care
30 professionals whose data are reflected in the data for
31 the hospital or ambulatory surgical treatment center
32 as long as no specific information identifying an
33 employee or a health care professional is released.
34 ~~identifying information from mandatory reports is~~
35 ~~used, and~~ Further, patient identifiable information is
36 not released. The input data collected by the

1 Department shall not be a public record under the
2 Illinois Freedom of Information Act.

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

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

9 (10) By January 1, 2006, ~~Within 12 months after the~~
10 ~~effective date of this amendatory Act of the 93rd General~~
11 ~~Assembly,~~ the Department must study the most effective
12 methods for public disclosure of patient claims and
13 encounter charge data and health care quality information
14 that will be useful to consumers in making health care
15 decisions and report its recommendations to the Governor
16 and to the General Assembly.

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

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

24 (13) In addition to the data products indicated above,
25 the Department shall respond to requests by government
26 agencies, academic research organizations, and private
27 sector organizations for purposes of clinical performance
28 measurements and analyses of data collected pursuant to
29 this Section.

30 (14) The Department, with the advice of and in
31 consultation with hospitals, ambulatory surgical treatment
32 centers, organizations representing hospitals,
33 organizations representing ambulatory treatment centers,
34 purchasers, consumer groups, and health plans, must
35 evaluate additional methods for comparing the performance
36 of hospitals and ambulatory surgical treatment centers,

1 including the value of disclosing additional measures that
2 are adopted by the National Quality Forum, The Joint
3 Commission on Accreditation of Healthcare Organizations,
4 the Accreditation Association for Ambulatory Health Care,
5 the Centers for Medicare and Medicaid Services, or similar
6 national entities that establish standards to measure the
7 performance of health care providers. The Department shall
8 report its findings and recommendations on its Internet
9 website and to the Governor and General Assembly no later
10 than July 1, 2006.

11 (e) (Blank).

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

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