



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB1863

Introduced 2/25/2005, by Sen. Susan Garrett - Jeffrey M. Schoenberg - Dale A. Righter - Todd Sieben

SYNOPSIS AS INTRODUCED:

20 ILCS 2215/4-2

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

Amends the Illinois Health Care Finance Reform Act. Requires the Department of Public Health to require all ambulatory surgical treatment centers licensed to operate in the State (now, the requirement applies only to hospitals licensed to operate in the State) to adopt a uniform system for submitting patient claims and encounter data (now, patient billing data) for payment from public and private payors. Requires hospitals and ambulatory surgical centers to submit billing data to the Department of Public Health no later than 60 days after the end of each calendar quarter. Requires the Department to include certain information in its "Consumer Guide to Health Care" on its website. Authorizes the Department to disclose certain information on its website. Authorizes the Department to promulgate rules concerning the provisions of the Illinois Health Care Finance Reform Act. 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. Makes other changes. Effective immediately.

LRB094 11581 BDD 42602 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 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. ~~conditions and~~
11 ~~procedures required for public disclosure pursuant to~~
12 ~~paragraph (6). For hospitals, the billing data to be~~
13 ~~reported shall include all inpatient surgical cases.~~
14 ~~Billing data submitted under this Act shall not include a~~
15 ~~patient's name, address, or Social Security number.~~

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

28 (6) The Department shall make available on its website
29 the "Consumer Guide to Health Care" by January 1, 2006. The
30 "Consumer Guide to Health Care" shall include information
31 on at least 30 inpatient conditions and procedures
32 identified by the Department that demonstrate the highest
33 degree of variation in patient charges and quality of care.
34 By no later than January 1, 2007, the "Consumer Guide to
35 Health Care" shall include information for both inpatient
36 and outpatient conditions and procedures. As to each

1 condition or procedure, the "Consumer Guide to Health Care"
2 shall include up-to-date comparison information relating
3 to volume of cases, average charges, risk-adjusted
4 mortality rates, and nosocomial infection rates.
5 Information disclosed pursuant to this paragraph on
6 mortality and infection rates shall be based upon
7 information hospitals and ambulatory surgical treatment
8 centers have either (i) previously submitted to the
9 Department pursuant to their obligations to report health
10 care information under this Act or other public health
11 reporting laws and regulations outside of this Act or (ii)
12 submitted to the Department under the provisions of the
13 Hospital Report Card Act.

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

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

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

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

36 (iii) Data collection and analytical methodologies

1 are used that meet accepted standards of validity and
2 reliability before any information is made available
3 to the public;

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

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

14 (v-5) For ambulatory services, information is
15 provided on surgical infections and mortality for
16 selected procedures, as determined by the Department,
17 based on review by the Department of its own, local, or
18 national studies.

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

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

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

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

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

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

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

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

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

29 (11) The Department must undertake all steps necessary
30 under State and Federal law, including the
31 Gramm-Leach-Bliley Act and the HIPAA privacy regulations,
32 to protect patient confidentiality in order to prevent the
33 identification of individual patient records.

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

1 (13) In addition to the data products indicated above,
2 the Department shall respond to requests by government
3 agencies, academic research organizations, and private
4 sector organizations for purposes of clinical performance
5 measurements and analyses of data collected pursuant to
6 this Section.

7 (14) The Department must evaluate additional methods
8 for comparing the performance of hospitals and ambulatory
9 surgical treatment centers, including the value of
10 disclosing additional measures that are adopted by the
11 National Quality Forum, The Joint Commission on
12 Accreditation of Healthcare Organizations, the Centers for
13 Medicare and Medicaid Services, or a similar national
14 entity that establishes standards to measure the
15 performance of health care providers. The Department shall
16 report its findings and recommendations on its Internet
17 website and to the Governor and General Assembly no later
18 than January 1, 2006.

19 (e) (Blank).

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

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.