



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB1562

Introduced 2/15/2011, by Rep. Kay Hatcher

SYNOPSIS AS INTRODUCED:

20 ILCS 2215/4-2

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

Amends the Illinois Health Finance Reform Act. Provides that claims and encounter data required to be submitted by hospitals and ambulatory surgical treatment centers shall state the percentage of claims and encounter data that is attributable to administrative costs and provide an explanation of all assumptions and factors used to calculate such percentages.

LRB097 06679 KTG 46765 b

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 for payment from public and private payors. This
17 system shall be based upon adoption of the uniform
18 electronic billing form pursuant to the Health Insurance
19 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,

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

9 (4) By no later than 60 days after the end of each
10 calendar quarter, each hospital licensed in the State shall
11 electronically submit to the Department inpatient and
12 outpatient claims and encounter data related to surgical
13 and invasive procedures collected under paragraph (5) for
14 each patient. Claims and encounter data required to be
15 submitted under this Section shall state the percentage of
16 claims and encounter data that is attributable to
17 administrative costs and provide an explanation of all
18 assumptions and factors used to calculate such
19 percentages.

20 By no later than 60 days after the end of each calendar
21 quarter, each ambulatory surgical treatment center
22 licensed in the State shall electronically submit to the
23 Department outpatient claims and encounter data collected
24 under paragraph (5) for each patient, provided however,
25 that, until July 1, 2006, ambulatory surgical treatment
26 centers who cannot electronically submit data may submit

1 data by computer diskette. For hospitals, the claims and
2 encounter data to be reported shall include all inpatient
3 surgical cases. Claims and encounter data submitted under
4 this Act shall not include a patient's name, address, or
5 Social Security number. Claims and encounter data required
6 to be submitted under this Section shall state the
7 percentage of claims and encounter data that is
8 attributable to administrative costs and provide an
9 explanation of all assumptions and factors used to
10 calculate such percentages.

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

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

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

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

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

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

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

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

1 before any public disclosure of such 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 ambulatory

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

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

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

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

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

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

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

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

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

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

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

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

1 measurements and analyses of data collected pursuant to
2 this Section.

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

20 (e) (Blank).

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