

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.

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

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

11           (6) The Department shall make available on its website  
12 the "Consumer Guide to Health Care" by January 1, 2006. The  
13 Department shall also make available on its website the  
14 Hospital Report Card Act. The "Consumer Guide to Health  
15 Care" and the Hospital Report Card Act were established to  
16 educate and assist Illinois health care consumers as they  
17 make health care choices for themselves, their families,  
18 and their loved ones. Significant and useful information is  
19 available through the "Consumer Guide to Health Care" and  
20 the Hospital Report Card Act. The links to the "Consumer  
21 Guide to Health Care" and the Hospital Report Card Act on  
22 the Department's website shall include a brief description  
23 of the information available in both. When the Department  
24 creates new or updates existing consumer fact sheets and  
25 other information or materials for the purpose of educating  
26 the Illinois health care consumer, it shall reference the

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

1 health care information under this Act or other public  
2 health reporting laws and regulations outside of this Act  
3 or (ii) submitted to the Department under the provisions of  
4 the Hospital Report Card Act.

5 (7) Publicly disclosed information must be provided in  
6 language that is easy to understand and accessible to  
7 consumers using an interactive query system. The guide  
8 shall include such additional information as is necessary  
9 to enhance decision making among consumer and health care  
10 purchasers, which shall include, at a minimum, appropriate  
11 guidance on how to interpret the data and an explanation of  
12 why the data may vary from provider to provider. The  
13 "Consumer Guide to Health Care" shall also cite standards  
14 that facilities meet under state and federal law and, if  
15 applicable, to achieve voluntary accreditation.

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

20 (i) Hospitals, ambulatory surgical treatment  
21 centers, and organizations representing hospitals,  
22 ambulatory surgical treatment centers, purchasers,  
23 consumer groups, and health plans are meaningfully  
24 involved in providing advice and consultation to the  
25 Department in the development of all aspects of the  
26 Department's methodology for collecting, analyzing,

1           and disclosing the information collected under this  
2           Act, including collection methods, formatting, and  
3           methods and means for release and dissemination;

4           (ii) The entire methodology for collecting and  
5           analyzing the data is disclosed to all relevant  
6           organizations and to all providers that are the subject  
7           of any information to be made available to the public  
8           before any public disclosure of such information;

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

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

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

23          (vi) Comparative hospital and ambulatory surgical  
24          treatment center information and other information  
25          that the Department has compiled regarding hospitals  
26          and ambulatory surgical treatment centers is shared

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

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

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

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

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

24 (xi) Only the most basic hospital or ambulatory  
25 surgical treatment center identifying information from  
26 mandatory reports is used. Information regarding a

1 hospital or ambulatory surgical center may be released  
2 regardless of the number of employees or health care  
3 professionals whose data are reflected in the data for  
4 the hospital or ambulatory surgical treatment center  
5 as long as no specific information identifying an  
6 employee or a health care professional is released.  
7 Further, patient identifiable information is not  
8 released. The input data collected by the Department  
9 shall not be a public record under the Illinois Freedom  
10 of Information Act.

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

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

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

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



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

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

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

1 (e) (Blank).

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