

HCS HB 475 -- DISCLOSURE OF HEALTH CARE DATA

SPONSOR: Molendorp (Funderburk)

COMMITTEE ACTION: Voted "do pass" by the Committee on Health Insurance by a vote of 9 to 0.

This substitute changes the laws regarding health care quality data standardization and transparency and establishes criteria for programs of insurers that publicly assess and compare the quality and cost efficiency of health care providers.

A health care provider must furnish a patient without health insurance, upon request, a timely cost estimate for any elective or non-emergency health care service. The health insurer of a covered individual must furnish, upon request, a timely cost estimate and all patient cost-sharing obligations for any elective or non-emergency service. Data regarding cost estimates may be provided to the public via the Internet.

An insurer must retain, at its own expense, the services of a nationally recognized independent health care quality standard-setting organization to review the plan's programs for consumers that measure, report, and tier providers based on its performance. The program measures must provide performance information that reflects consumers' health needs and includes both quality and cost-efficiency information.

Consumers or consumer organizations, relevant providers, and provider organizations must be solicited to provide input on the program, including methods used to determine performance strata. A clearly defined process must be established for receiving and resolving consumer complaints and for providers to request review of their own performance results. All quality measures must be endorsed by the National Quality Forum (NQF) or other certain specified national organizations when NQF-endorsed measures do not exist for a particular level of measures.

A health plan must be deemed compliant with the provisions of the substitute regarding the measurement of quality if it currently offers a program that has been granted or awarded certification from the National Committee for Quality Assurance (NCQA) as of August 28, 2011. Any non-accredited health plan must offer an accredited program upon a contract renewal with a provider on or after January 1, 2013.

Any person or entity who sells or distributes health care quality and cost-efficiency data in a comparative format to the public must identify the measure source or evidence-based science used to confirm the validity of the data and its analysis as an

objective indicator of health care quality. Articles or research studies that are published in peer-reviewed academic journals which do not receive funding from or are not affiliated with a health care insurer or by state or local governments are exempt from this requirement.

The Department of Health and Senior Services must investigate a complaint of an alleged violation of these provisions by a person or entity other than a health carrier and is authorized to impose a penalty of up to \$1,000. An alleged violation by a health insurer must be investigated by the Department of Insurance, Financial Institutions and Professional Registration.

FISCAL NOTE: Estimated Net Cost on General Revenue Fund of Unknown greater than \$833,334 in FY 2012, Unknown greater than \$1,000,000 in FY 2013, and Unknown greater than \$1,000,000 in FY 2014. Estimated Net Cost on Other State Funds of Unknown greater than \$83,333 in FY 2012, Unknown greater than \$100,000 in FY 2013, and Unknown greater than \$100,000 in FY 2014.

PROPOSERS: Supporters say that the bill is built on a compromise because the General Assembly has not been able to pass a health care transparency bill the last three years. The bill only applies to non-emergency care data to measure quality. The bill is similar to the patient charter developed by the New York Attorney General settlement. National Quality Forum, a national group composed of health care industry representatives, is the entity that will set the standard so that there is only one standard. As the need arises, the forum will address the issue and develop a standard. The Centers for Medicare and Medicaid are working with the forum on standards for Medicaid and Medicare. Currently, quality information requests require staffing and time that are costly. By using a forum standard, those costs will be saved. This will decrease paperwork for hospitals and insurers which will decrease costs to consumers.

Testifying for the bill were Representative Funderburk; Missouri Hospital Association; Missouri State Medical Association; and Missouri Academy of Family Physicians.

OPPOSERS: Those who oppose the bill say that it could set back previous efforts to increase consumer protections for health care transparency and quality. The bill needs to allow the law to adjust for changes in technology and medicine and does not directly increase information to consumers. The National Committee for Quality Assurance (NCQA) is a better organization to set standards because it measures quality and cost. Excluding NCQA would be cost prohibitive to those programs that have already taken steps to invest in quality measurement standards and that are innovators in the current marketplace. Transparency

regarding cost estimates needs to be delivered to the consumer in an appropriate manner that does not create a false sense of security.

Testifying against the bill were St. Louis Area Business Health Coalition; United Healthcare Services, Incorporated; Anthem Blue Cross and Blue Shield; America's Health Insurance Plans; and Coventry Health Care of Kansas, Incorporated.