

MINUTES
HOUSE HEALTH & WELFARE COMMITTEE

DATE: Tuesday, February 11, 2014

TIME: 9:00 A.M.

PLACE: Room EW20

MEMBERS: Chairman Wood(27), Vice Chairman Perry, Representative(s) Hancey, Henderson, Hixon, Malek, Morse, Romrell, Vander Woude, Rusche, Chew

**ABSENT/
EXCUSED:** Representative Vander Woude

GUESTS: Jeff Cilek, St. Luke's; Toni Lawson, Idaho Hospital Association; Jodi Osburn and Dave Taylor, IDHW; Elli Brown, Veritas Advisors; Stacey Satterlee, ACS CAN; Kris Ellis, Benton & Associates; Julie Taylor, Blue Cross; Woody Richards, AHIP

Chairman Wood(27) called the meeting to order at 9:00 a.m.

MOTION: **Vice Chairman Perry** made a motion to approve the Committee minutes for January 31 and February 3, 2014. **Motion carried by voice vote.**

RS 22816: **Rep. Brandon Hixon**, presented **RS 22816**, proposed legislation for the Idaho Healthcare Transparency Act. He explained the issue of increasing health care costs for Idaho families, with many contributing factors and a notable lack of both free market buying power and disclosure. Forty-seven states already collect data from hospitals, with some states having enacted transparency legislation.

Through this proposed legislation, patient data will be collected from hospitals in accordance with Rules established by the Idaho Department of Health and Welfare (DHW). A public use website and mobile application will also be developed. The website will feature the fifty most common nonsurgical procedures and the twenty-five most common surgical procedures performed in each county. This transparency is the basis for a range of health care cost, access, and quality indicators, which are important in light of the growing number of bankruptcies from medical bills.

Rep. Hixon shared that some states have more than one data website. Of the sixty-two patient oriented state-based websites, 48.2% were provided by a state government agency, 38.7% were voluntarily developed by state hospitals and medical associations, and the remaining 14.5% were from other sources.

Inpatient hospital costs represent a significant portion of health care costs. Capturing this data is an essential first step in understanding and improving our health care delivery system by identifying high variations in utilization, charges, and outcomes at geographic, provider, and population levels.

Rep. Hixon stressed, the time to do nothing is past because costs, variations in quality, and variations in outcomes continue to increase. The national trend for industry transparency is essential as consumers pay more of their household incomes toward deductibles, out-of-pocket expenses, and non-covered services. This proposed legislation enhances patient rights and codifies best practices in a model language from established systems.

Answering questions, **Rep. Hixon** said the data analytics used by other states have risk adjustment levelers to allow for small and large hospitals. Through the Request For Proposal (RFP) an experienced vendor would be selected to collect and disseminate the data for reporting. Section E specifies a website link for not-for-profit hospital IRS public information. By allowing consumers hospital costs review, they can decide to save money by going to a facility farther away.

The fiscal impact shows the use of General Funds for the initial set up costs, although it is possible that facilities could cover the cost. To maintain propriety contracts between hospitals and providers, an average for all payers for service would be used. This would allow an uninsured individual an accurate cost. To assure true information, the data analytics would indicate what the vendor costs are, not what might be paid to them by Medicaid and other such entities.

Health Insurance Portability and Accountability Act (HIPAA) guidelines remain in place for DHW access. Other than one section that refers to financial information links for the not-for-profit hospitals, this data collection and website applies to all hospitals and centers across Idaho. Information would deal with the procedure cost, not personal patient information.

Responding to further questions, **Rep. Hixon** explained the selected vendor would gather the information and then supply reports to the DHW, which would not increase the Department's manpower. The Department would manage the reporting as they see fit and bear any unknown costs associated with that management. The DHW would be able to establish by Rule what data sets will be used. The vendor would use discharge data to establish the top twenty-five procedures by county matrix. Some language is general to allow stakeholder input on the type of data and still keep the true meaning of the legislation.

MOTION: **Rep. Rusche** made a motion to introduce **RS 22816**.

In answer to a suggestion that the fiscal note needs more information about implementation costs, **Rep. Hixon** said some of the information is already being reported to the Centers for Medicare and Medicaid Services (CMS) and more data regarding the cost will need to come from hospitals and organizations. Vendors report they provide training which helps the data be reported.

VOTE ON MOTION: **Chairman Wood(27)** called for a vote on the motion to introduce **RS 22816**. **Motion carried by voice vote.**

The Committee then discussed the upcoming germane committee presentation to the Joint Finance and Appropriations Committee (JFAC). After his presentation, **Chairman Wood(27)** will report back to the Committee why the 2015 Base Replacement Item amounts differ between the Governor's recommendation and the DHW request.

ADJOURN: There being no further business to come before the Committee, the meeting was adjourned at 9:55 a.m.

Representative Wood(27)
Chair

Irene Moore
Secretary