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HOUSE BILL NO. 710

Offered January 13, 2010

Prefiled January 12, 2010

A BILL to amend and reenact §§ 32.1-276.2, 32.1-276.4, and 32.1-276.7 of the Code of Virginia, relating to health care data and reporting; ranking of health care providers.

Patron—Peace

Referred to Committee on Health, Welfare and Institutions

Be it enacted by the General Assembly of Virginia:

1. That §§ 32.1-276.2, 32.1-276.4, and 32.1-276.7 of the Code of Virginia are amended and reenacted as follows:

§ 32.1-276.2. Health care data reporting; purpose.

The General Assembly finds that the establishment of effective health care data analysis and reporting initiatives is essential to ~~the improvement of~~ *improving* the quality and cost of health care, *fostering competition among health care providers, and increasing consumer choice with regard to health care services* in the Commonwealth, and that accurate and valuable health care data can best be identified by representatives of state government and the consumer, hospital, nursing home, physician, insurance, and business communities. For this reason, the State Board of Health and the State Health Commissioner, assisted by the State Department of Health, shall administer the health care data reporting initiatives established by this chapter.

§ 32.1-276.4. Agreements for certain data services.

A. The Commissioner shall negotiate and enter into contracts or agreements with a nonprofit organization for the compilation, storage, analysis, and evaluation of data submitted by health care providers pursuant to this chapter and for the development and administration of a methodology for the measurement and review of the efficiency and productivity of health care providers. Such nonprofit organization shall be governed by a board of directors composed of representatives of state government, including the Commissioner, and the consumer, health care provider, and business communities. Of the health care provider representatives, there shall be an equal number of hospital, nursing home, physician and health plan representatives. The articles of incorporation of such nonprofit organization shall require the nomination of such board members by organizations and associations representing those categories of persons specified for representation on the board of directors.

B. In addition to providing for the compilation, storage, analysis, and evaluation services described in subsection A, any contract or agreement with a nonprofit, tax-exempt health data organization made pursuant to this section shall require the board of directors of such organization to:

1. *Develop a system of ranking or grading health care providers required to submit data, and make such rankings or grades of health care providers available to the public through its website. Health care providers shall be ranked or graded with regard to the quality of care and the cost of care for those services about which the providers are required to submit data;*

2. Develop and disseminate other health care cost and quality information designed to assist businesses and consumers in purchasing health care and long-term care services;

2.3. Prepare and make public summaries, compilations, or other supplementary reports based on the data provided by health care providers pursuant to this chapter;

3.4. Collect, compile, and publish Health Employer Data and Information Set (HEDIS) information or reports or other quality of care or performance information sets approved by the Board, pursuant to § 32.1-276.5, and submitted by health maintenance organizations or other health care plans;

4.5. Jointly determine with the Board of Medicine any data concerning safety services and quality health care services rendered by physicians to Medicaid recipients that should be identified, collected, and disseminated. The board of directors shall further determine jointly with the Board of Medicine the costs of requiring physicians to identify, submit, or collect such information and identify sufficient funding sources to appropriate to physicians for the collection of the same. No physician shall be required to collect or submit safety and quality of health care services information that is already identified, collected, or submitted under this chapter; or for which funds for collection are not appropriated;

5-6. Maintain the confidentiality of data as set forth in § 32.1-276.9;

6-7. Submit a report to the Board, the Governor, and the General Assembly no later than October 1 of each year for the preceding fiscal year. Such report shall include a certified audit and provide information on the accomplishments, priorities, and current and planned activities of the nonprofit

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59 organization;

60 7-8. Submit, as appropriate, strategic plans to the Board, the Governor, and the General Assembly
61 recommending specific data projects to be undertaken and specifying data elements that will be required
62 from health care providers. In developing strategic plans, the nonprofit organization shall incorporate
63 similar activities of other public and private entities to maximize the quality of data projects and to
64 minimize the cost and duplication of data projects. In its strategic plans, the nonprofit organization shall
65 also evaluate the continued need for and efficacy of current data initiatives, including the use of patient
66 level data for public health purposes. The nonprofit organization shall submit the first such strategic plan
67 to the Board, the Governor, and the General Assembly by October 1, 1996. Such initial plan shall
68 include recommendations for measuring quality of care for all health care providers and for funding all
69 data projects undertaken pursuant to this chapter. The approval of the General Assembly shall be
70 required prior to the implementation of any recommendations set forth in a strategic plan submitted
71 pursuant to this section;

72 8-9. Competitively bid or competitively negotiate all aspects of all data projects, if feasible.

73 *C. The Department shall prominently display a link to the website developed and maintained by the*
74 *nonprofit organization on the Department's website. The Department shall also include information*
75 *about accessing and searching data available through the nonprofit organization's website, and*
76 *information about how consumers can use data available through the nonprofit organization's website to*
77 *evaluate and make decisions about health care providers and services.*

78 *The Department shall take steps to increase public awareness of the data and information available*
79 *through the nonprofit organization's website, and how consumers can use the data and information*
80 *when making decisions about health care providers and services.*

81 D. Except as provided in subdivision A 2 of § 2.2-4345, the provisions of the Virginia Public
82 Procurement Act (§ 2.2-4300 et seq.) shall not apply to the activities of the Commissioner authorized by
83 this section. Funding for services provided pursuant to any such contract or agreement shall come from
84 general appropriations and from fees determined pursuant to § 32.1-276.8.

85 § 32.1-276.7. Methodology to review and measure the efficiency and productivity of health care
86 providers.

87 A. Pursuant to the contract identified in § 32.1-276.4, and consistent with recommendations set forth
88 in strategic plans submitted and approved pursuant to § 32.1-276.4, the nonprofit organization shall
89 administer and modify, as appropriate, the methodology to review and measure the efficiency and
90 productivity of health care providers. The methodology shall provide for, but not be limited to,
91 comparisons of a health care provider's performance to national and regional data, where available, and
92 may include different methodologies and reporting requirements for the assessment of the various types
93 of health care providers which report to it. Health care providers shall submit the data necessary for
94 implementation of the requirements of this section pursuant to regulations of the Board. Individual
95 health care provider filings shall be open to public inspection once they have been received pursuant to
96 the methodology adopted by the Board as required by this section.

97 *B. The nonprofit organization shall also develop, administer, and modify, as appropriate, a*
98 *methodology for ranking or grading health care providers as required by § 32.1-276.4.*

99 B.C. The data reporting requirements of this section shall not apply to those health care providers
100 enumerated in (iv) and (v) of the definition of health care providers set forth in § 32.1-276.3 until a
101 strategic plan submitted pursuant to § 32.1-276.4 is approved requiring such reporting and any
102 implementing laws and regulations take effect.