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HOUSE JOINT RESOLUTION NO. 513

Offered January 20, 1995

Requesting the Joint Commission on Health Care to study the organization and effectiveness of Virginia's health care cost and quality initiatives.

Patrons—DeBoer, Baker, Ball, Brickley, Connally, Heilig, Melvin, Morgan and Moss; Senators: Andrews, Holland, C.A., Holland, E.M., Lambert, Schewel, Walker and Woods

Referred to Committee on Rules

WHEREAS, health care cost inflation is a continuing problem in Virginia's economy; and
WHEREAS, the effectiveness of many medical procedures is uncertain, leading to wide variations in practice as well as unnecessary expenditures for medical services; and

WHEREAS, information about health care costs and quality has not been sufficient to allow consumers to make informed decisions in the choice of health care plans and providers; and

WHEREAS, as a catalyst for health care reform, the Commonwealth is committed to promoting public/private partnerships for developing consumer information on the cost and quality of health care; and

WHEREAS, in 1992 the General Assembly directed the Virginia Health Services Cost Review Council to develop a new methodology to measure the efficiency and productivity of health care institutions and to identify the most efficient and productive providers; and

WHEREAS, this methodology has been developed by the Williamson Institute of Virginia Commonwealth University under a contract with the Health Services Cost Review Council; and

WHEREAS, in 1993 the General Assembly created the Virginia Patient Level Data System, which is maintained by Virginia Health Information, Inc., a nonprofit, tax-exempt organization operating under a contract with the Health Services Cost Review Council; and

WHEREAS, the Virginia Patient Level Data Base is intended to allow purchasers to compare health care providers in terms of utilization rates, charges, and outcomes for various common or expensive inpatient and outpatient hospital treatments; and

WHEREAS, in 1994 the General Assembly directed the Health Services Cost Review Council to study the feasibility of developing an evaluation system which would allow consumers to compare health plans on measures of cost, quality, and accessibility as well as the role of the Commonwealth in developing such a system; and

WHEREAS, market forces are stimulating health care providers and health plans to place renewed emphasis on cost and quality management through such measures as internal continuous quality improvement programs, public reports on cost and quality indicators, and voluntary accreditation by the National Council on Quality Assurance; and

WHEREAS, the appropriate role of the Commonwealth in developing consumer information on the cost and quality of health care may change depending upon (i) the extent to which the Commonwealth, as a purchaser of health care, uses the information from the Health Services Cost Review Council and the Patient Level Data Base in selecting health care providers and health care plans; (ii) the extent to which the Commonwealth is willing to invest in ongoing research by and development and operations of the Health Services Cost Review Council and the Patient Level Data Base; (iii) the extent to which the private sector is willing to work with the state in supporting these initiatives; and (iv) the pace at which the private sector develops its own cost and quality measurement systems in response to market forces; now, therefore, be it

RESOLVED, by the House of Delegates, the Senate concurring, That the Joint Commission on Health Care be requested to study the organization and effectiveness of Virginia's health care cost and quality initiatives. The study shall include, but not be limited to, an evaluation of (i) the value of the efficiency and productivity methodology used by the Health Services Cost Review Council, including reports prepared for consumers; (ii) the value of the Virginia Patient Level Data Base, including reports prepared for consumers; (iii) the appropriate role of the Commonwealth versus the private sector as financier, researcher, administrator, and user of health care cost and quality data; and (iv) the appropriate organizational structure and location of the Health Services Cost Review Council and the Virginia Patient Level Data Base.

The Joint Commission on Health Care shall provide staff support for the study. All agencies of the Commonwealth shall provide assistance to the Commission, upon request.

The Joint Commission on Health Care shall complete its work in time to submit its findings and recommendations to the Governor and the 1996 Session of the General Assembly as provided in the

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60 procedures of the Division of Legislative Automated Systems for processing legislative documents.