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HOUSE BILL NO. 1203

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Education and Health)
on March 5, 2000)

(Patron Prior to Substitute—Delegate DeBoer)

A *BILL to amend and reenact §§ 32.1-276.3, 32.1-276.6 and 32.1-276.8 of the Code of Virginia, relating to health care data reporting.*

Be it enacted by the General Assembly of Virginia:

1. That §§ 32.1-276.3, 32.1-276.6 and 32.1-276.8 of the Code of Virginia are amended and reenacted as follows:

§ 32.1-276.3. (Effective until July 1, 2003) Definitions.

As used in this chapter:

"Board" means the Board of Health.

"Consumer" means any person (i) whose occupation is other than the administration of health activities or the provision of health services, (ii) who has no fiduciary obligation to a health care institution or other health agency or to any organization, public or private, whose principal activity is an adjunct to the provision of health services, or (iii) who has no material financial interest in the rendering of health services.

"Health care provider" means (i) a general hospital, ordinary hospital, outpatient surgical hospital, nursing home or certified nursing facility licensed or certified pursuant to Article 1 of Chapter 5 (§ 32.1-123 et seq.) of ~~Title 32.1~~ *this title*; (ii) a mental or psychiatric hospital licensed pursuant to Chapter 8 (§ 37.1-179 et seq.) of Title 37.1; (iii) a hospital operated by the Department of Mental Health, Mental Retardation and Substance Abuse Services; (iv) a hospital operated by the University of Virginia or the Medical College of Virginia Hospitals Authority; (v) any person licensed to practice medicine or osteopathy in the Commonwealth pursuant to Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1; or (vi) any person licensed to furnish health care policies or plans pursuant to Chapter 34 (§ 38.2-3400 et seq.), Chapter 42 (§ 38.2-4200), or Chapter 43 (§ 38.2-4300) of Title 38.2. In no event shall such term be construed to include continuing care retirement communities which file annual financial reports with the State Corporation Commission pursuant to Chapter 49 (§ 38.2-4900 et seq.) of Title 38.2 or any nursing care facility of a religious body which depends upon prayer alone for healing.

"Inpatient hospital" means a hospital providing inpatient care and licensed pursuant to Article 1 (§ 32.1-123 et seq.) of Chapter 5 of ~~Title 32.1~~ *this title*, a hospital licensed pursuant to Chapter 8 (§ 37.1-179 et seq.) of Title 37.1, a hospital operated by the Department of Mental Health, Mental Retardation and Substance Abuse Services for the care and treatment of the mentally ill, or a hospital operated by the University of Virginia or the Medical College of Virginia Hospitals Authority.

"Nonprofit organization" means a nonprofit, tax-exempt health data organization with the characteristics, expertise, and capacity to execute the powers and duties set forth for such entity in this chapter.

"Outpatient surgery" means all surgical procedures performed on an outpatient basis in a general hospital, ordinary hospital, outpatient surgical hospital or other facility licensed or certified pursuant to Article 1 (§ 32.1-123 et seq.) of Chapter 5 of *this title* or in a physician's office. However, "surgical procedures" shall include only those procedures performed using general anesthesia or conscious sedation.

"Physician's office" means a place, owned or operated by a licensed physician or group of physicians practicing in any legal form whatsoever, which is designed and equipped solely for the provision of fundamental medical care, whether diagnostic, therapeutic, rehabilitative, preventive or palliative, to ambulatory patients and which does not participate in cost-based or facility reimbursement from third party health insurance programs or prepaid medical service plans excluding pharmaceuticals and other supplies administered in the office.

"Surgical procedures" means those procedures identified by the nonprofit organization designated pursuant to § 32.1-276.4 in compliance with regulations adopted by the Board, based on criteria that may include, but are not limited to, the frequency with which the procedure is performed, the level of anesthesia used, the invasiveness of the procedure, and the charges for the procedure.

"System" means the Virginia Patient Level Data System.

§ 32.1-276.6. (Effective until July 1, 2003) Patient level data system continued; reporting requirements.

A. The Virginia Patient Level Data System is hereby continued, hereinafter referred to as the "System." Its purpose shall be to establish and administer an integrated system for collection and analysis of data which shall be used by consumers, employers, providers, and purchasers of health care

60 and by state government to continuously assess and improve the quality, appropriateness, and
61 accessibility of health care in the Commonwealth and to enhance their ability to make effective health
62 care decisions.

63 B. Every inpatient hospital shall submit to the Board ~~patient~~ *inpatient* level data as set forth in this
64 subsection. *Every general hospital, ordinary hospital, outpatient surgical hospital or other facility*
65 *licensed or certified pursuant to Article 1 (§ 32.1-123 et seq.) of Chapter 5 of this title and every*
66 *physician performing surgical procedures in his office also shall submit to the Board outpatient surgical*
67 *data set forth in this subsection.* Any such hospital, facility or physician may report the required data
68 directly to the nonprofit organization cited in § 32.1-276.4. ~~Patient~~ *Unless otherwise noted, patient* level
69 data elements for hospital inpatients and outpatient surgery shall include:

- 70 1. Hospital or facility identifier;
- 71 2. Attending physician identifier (*inpatient only*);
- 72 3. Operating physician identifier;
- 73 4. Payor identifier;
- 74 5. Employer identifier;
- 75 6. Patient identifier;
- 76 7. Patient sex, race, date of birth (including century indicator), zip code, patient relationship to
77 insured, employment status code, status at discharge, and birth weight for ~~infants~~ *newborns*;
- 78 8. Admission type, source (*inpatient only*), date and hour, *discharge hour*, and diagnosis;
- 79 9. Discharge date (*inpatient only*) and status;
- 80 10. Principal and secondary diagnoses;
- 81 11. External cause of injury;
- 82 12. Co-morbid conditions existing but not treated;
- 83 13. Procedures and procedure dates;
- 84 14. Revenue center codes, units, and charges; and
- 85 15. Total charges.

86 C. State agencies providing coverage for outpatient services shall submit to the Board patient level
87 data regarding paid outpatient claims. Information to be submitted shall be extracted from standard
88 claims forms and, ~~where~~ *when* available, *will be submitted using the standards for electronic*
89 *transactions defined within the Administrative Simplification (AS) provisions promulgated to implement*
90 *the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191). Requirements for*
91 *submission in this format shall be in effect for outpatient claims processed on behalf of state agencies*
92 *ninety days after full implementation of the national standards. These data shall include:*

- 93 1. Provider identifier;
- 94 2. Patient identifier;
- 95 3. Physician identifier;
- 96 4. Dates of service and diagnostic, procedural, demographic, pharmaceutical, and financial
97 information; and
- 98 5. Other related information.

99 The Board shall promulgate regulations specifying the format for submission of such outpatient data.
100 State agencies may submit this data directly to the nonprofit organization cited in § 32.1-276.4.

101 § 32.1-276.8. (Effective until July 1, 2003) Fees for processing, verification, and dissemination of
102 data.

103 A. The Board shall prescribe a reasonable fee, not to exceed one dollar per discharge, for each health
104 care provider submitting patient level data pursuant to this chapter to cover the costs of the reasonable
105 expenses in processing and verifying such data. The Board shall also prescribe a reasonable fee for each
106 affected health care provider to cover the costs of the reasonable expenses of establishing and
107 administering the methodology developed pursuant to § 32.1-276.7. The payment of such fees shall be at
108 such time as the Board designates. The Board may assess a late charge on any fees paid after their due
109 date.

110 The Board shall (i) maintain records of its activities; (ii) collect and account for all fees and deposit
111 the moneys so collected into a special fund from which the expenses attributed to this chapter shall be
112 paid; and (iii) enforce all regulations promulgated by it pursuant to this chapter.

113 B. The nonprofit organization providing services pursuant to an agreement or contract as provided in
114 § 32.1-276.4 shall be authorized to charge and collect the fees prescribed by the Board in subsection A
115 of this section when the data are provided directly to the nonprofit organization. Such fees shall not
116 exceed the amount authorized by the Board as provided in subsection A of this section. The nonprofit
117 organization, at its discretion, may grant a reduction or waiver of the patient level data submission fees
118 upon a determination by the nonprofit organization that the health care provider has submitted
119 processed, verified data.

120 C. State agencies shall not be assessed fees for the submission of patient level data required by
121 subsection C of § 32.1-276.6. *However, state agencies submitting data shall work with the nonprofit*

organization to ensure that data submissions meet the definition of processed verified data as specified in regulation. Individual employers, insurers, and other organizations may voluntarily provide the nonprofit organization with outpatient data for processing, storage, and comparative analysis and shall be subject to fees negotiated with and charged by the nonprofit organization for services provided.

D. The nonprofit organization providing services pursuant to an agreement or contract with the Commissioner of Health shall be authorized to charge and collect reasonable fees for the dissemination of patient level data; however, the Commissioner of Health ~~and~~, the Commissioner of Mental Health, Mental Retardation and Substance Abuse Services, *the Director of the Department of Medical Assistance Services, and the Director of the Department of Personnel and Training* shall be entitled to receive publicly available data from the nonprofit organization at no charge.

2. That, except for enactment clause 3 which shall take effect in due course, the provisions of this act shall become effective on July 1, 2001.

3. That the nonprofit health data organization referenced in § 32.1-276.4 shall review the impact of requiring the submission of outpatient surgical data by physicians and the impact of the current inpatient reporting requirements on hospitals. The review shall be conducted in consultation with the various affected parties and shall include, but not be limited to: (i) estimating the number and type of outpatient surgical records to be submitted, (ii) developing logistical plans for processing the outpatient surgical data, and (iii) estimating any resources that may be necessary to process and analyze the data and publish any appropriate reports. The nonprofit health data organization shall include information regarding this matter in its annual report required by subdivision B 5 of § 32.1-276.4 and shall submit such report to the Joint Commission on Health Care by October 1, 2000, and to the General Assembly prior to the 2001 Session.