AN ACT IMPLEMENTING THE GOVERNOR’S BUDGET RECOMMENDATIONS CONCERNING AN ALL-PAYER CLAIMS DATABASE PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (Effective from passage) (a) Subject to the ability of the Office of Health Reform and Innovation to secure funding in accordance with subsection (b) of this section, there is established an all-payer claims database program. The Office of Health Reform and Innovation shall: (1) Oversee the planning, implementation and administration of the all-payer claims database program for the purpose of collecting, assessing and reporting health care information relating to safety, quality, cost-effectiveness, access and efficiency for all levels of health care; (2) ensure that data received from reporting entities, as defined in section 19a-724 of the general statutes, as amended by this act, is securely collected, compiled and stored in accordance with state and federal law; and (3) conduct audits of data submitted by reporting entities in order to verify its accuracy.

(b) The Special Advisor to the Governor on Healthcare Reform shall seek funding from the federal government and other private sources to cover costs associated with the planning, implementation and administration of the all-payer claims database program. Not later
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than June fifteenth, annually, the special advisor shall submit to the Secretary of the Office of Policy and Management, for the secretary's approval, a proposed budget for said program for the fiscal year beginning the July first of the same calendar year in which the budget is submitted. The special advisor shall not incur costs or contract for services associated with said program for which funding has not been secured in accordance with this subsection.

(c) A reporting entity shall report health care information for inclusion in the all-payer claims database, as defined in section 19a-724 of the general statutes, as amended by this act, in the form and manner prescribed by the Special Advisor to the Governor on Healthcare Reform and the Secretary of the Office of Policy and Management.

(d) Notwithstanding the provisions of subsection (h) of section 19a-724 of the general statutes, as amended by this act, the Special Advisor to the Governor on Healthcare Reform may (1) in consultation with the All-Payer Claims Database Advisory Group, established pursuant to section 19a-724a of the general statutes, as amended by this act, enter into a contract with a person or entity to plan, implement or administer the all-payer claims database program; (2) enter into a contract or take any action that is necessary to obtain fee-for-service health claims data under the state medical assistance program or Medicare Part A or Part B; and (3) enter into a contract for the collection, management or analysis of data received from reporting entities. Any such contract for the collection, management or analysis of such data shall expressly prohibit the disclosure of such data for purposes other than the purposes described in this subsection.

(e) The Special Advisor to the Governor on Healthcare Reform shall: (1) Utilize data in the all-payer claims database to provide health care consumers in the state with information concerning the cost and quality of health care services that allows such consumers to make economically sound and medically appropriate health care decisions;
and (2) make data in the all-payer claims database available to any state agency, insurer, employer, health care provider, consumer of health care services, researcher or the Connecticut Health Insurance Exchange for the purpose of allowing such person or entity to review such data as it relates to health care utilization, costs or quality of health care services. Such disclosure shall be made in a manner to protect the confidentiality of health information, as defined in 45 CFR 160.103, and other information, as required by state and federal law.

(f) The Special Advisor to the Governor on Healthcare Reform may set a fee to be charged to each person or entity requesting access to data stored in the all-payer claims database.

(g) The Secretary of the Office of Policy and Management may, in consultation with the Office of Health Reform and Innovation, adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to implement and administer the all-payer claims database program.

(h) Upon the establishment of the specific reporting requirements prescribed in regulations adopted pursuant to this section, any reporting entity that fails to comply with such reporting requirements may be assessed a civil penalty in an amount not to exceed one thousand dollars per day. A civil penalty assessed under this subsection shall not be allowed as a cost for the purpose of rate determination or reimbursement by a third-party payer.

Sec. 2. Section 19a-724 of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) (1) As used in this section and section 19a-725, "Affordable Care Act" means the Patient Protection and Affordable Care Act, P.L. 111-148, as amended by the Health Care and Education Reconciliation Act,
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P.L. 111-152, as both may be amended from time to time, and federal regulations adopted thereunder.

(2) As used in this section, sections 1 and 4 of this act and section 19a-724a, as amended by this act: (A) "All-payer claims database" means a database that receives and stores data from a reporting entity relating to medical insurance claims, dental insurance claims, pharmacy claims and other insurance claims information from enrollment and eligibility files; and (B) "reporting entity" means (i) an insurer, as described in section 38a-1, licensed to do health insurance business in this state, (ii) a health care center, as defined in section 38a-175, (iii) an insurer or health care center that provides coverage under Part C or Part D of Title XVIII of the Social Security Act, as amended from time to time, to residents of this state, (iv) a third-party administrator, as defined in section 38a-720, (v) a pharmacy benefits manager, as defined in section 38a-479aaa, (vi) a hospital service corporation, as defined in section 38a-199, (vii) a nonprofit medical service corporation, as defined in section 38a-214, (viii) a fraternal benefit society, as described in section 38a-595, that transacts health insurance business in this state, (ix) a dental plan organization, as defined in section 38a-577, (x) a preferred provider network, as defined in section 38a-479aa, or (xi) any other person, as defined in section 38a-1, that administers health care claims and payments pursuant to a contract or agreement or is required by statute to administer such claims and payments. "Reporting entity" does not include an employee welfare benefit plan, as defined in the federal Employee Retirement Income Security Act of 1974, as amended from time to time, that is also a trust established pursuant to collective bargaining subject to the federal Labor Management Relations Act.

(b) There is established, in the office of the Lieutenant Governor, the Office of Health Reform and Innovation. The Special Advisor to the Governor on Healthcare Reform shall direct the activities of the Office
(c) The Office of Health Reform and Innovation shall:

(1) Coordinate and implement the state's responsibilities under state and federal health care reform;

(2) Identify (A) federal grants and other nonstate funding sources to assist with implementing the Affordable Care Act, and (B) other measures which further enhance access to health care, reduce costs and improve the quality of health care in the state;

(3) Recommend and advance executive action and legislation to effectively and efficiently implement the Affordable Care Act, and state health care reform initiatives;

(4) Design processes to maximize stakeholder and public input and ensure transparency in implementing health care reform;

(5) Ensure ongoing information sharing and coordination of efforts with the General Assembly and state agencies concerning public health and health care reform;

(6) Report on or after January 1, 2012, and annually thereafter, in accordance with section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, human services, insurance and public health on the progress of state agencies concerning implementation of the Affordable Care Act;

(7) Ensure coordination of efforts with state agencies concerning prevention and management of chronic illnesses;

(8) Ensure that the structures of state government are working in concert to effectively implement federal and state health care reform;
(9) Ensure, in consultation with the Connecticut Health Insurance Exchange and the Department of Social Services, the necessary coordination between said exchange and Medicaid enrollment planning; and

(10) Maximize private philanthropic support to advance health care reform initiatives; and

(11) Oversee the planning, implementation and administration of the all-payer claims database program, established pursuant to section 1 of this act.

(d) The Office of Health Reform and Innovation, in consultation with the SustiNet Health Care Cabinet established pursuant to section 19a-725, shall [on or before August 1, 2011,] convene a consumer advisory board that consists of not less than seven members.

(e) The Office of Health Reform and Innovation and the Office of the Healthcare Advocate shall provide staff support to the SustiNet Health Care Cabinet.

(f) The Office of Health Reform and Innovation shall maintain a central comprehensive health reform web site.

(g) State agencies shall, within available appropriations, use their best efforts to provide assistance to the Office of Health Reform and Innovation.

(h) The Office of Health Reform and Innovation, in consultation with the SustiNet Health Care Cabinet, may retain any consultants necessary to carry out the statutory responsibilities of said office. Consultants may be retained by said office for purposes that include, but are not limited to, conducting feasibility and risk assessments required to implement, as may be practicable, private and public mechanisms to provide adequate health insurance products to
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individuals, small employers, nonstate public employers, municipal-related employers and nonprofit employers, commencing on January 1, 2014. Not later than October 1, 2012, the Office of Health Reform and Innovation and the SustiNet Health Care Cabinet shall make recommendations to the Governor based on the results of the analyses undertaken pursuant to this subsection.

(i) The Office of Health Reform and Innovation may receive grants from the federal government or any other source to carry out its statutory responsibilities.

Sec. 3. Section 19a-724a of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

[(a) The Office of Health Reform and Innovation established under subsection (b) of section 19a-724] The Special Advisor to the Governor on Healthcare Reform shall convene a working group to be known as the All-Payer Claims Database Advisory Group. Said group shall develop a plan to implement a state-wide multipayer data initiative to enhance the state's use of health care data from multiple sources to increase efficiency, enhance outcomes and improve the understanding of health care expenditures in the public and private sectors. [Such] Said group shall include, but not be limited to, the Secretary of the Office of Policy and Management, the Comptroller, the Commissioners of Public Health, Social Services and Mental Health and Addiction Services, the Insurance Commissioner, the Health Care Advocate, the Chief Information Officer, a representative of the Connecticut State Medical Society, representatives of health insurance companies, health insurance purchasers, hospitals, consumer advocates and health care providers. The Special Advisor to the Governor on Healthcare Reform may appoint additional members to said group.
[(b) The Office of Health Reform and Innovation shall submit, in accordance with section 11-4a, a report on such plan to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations, insurance and public health.]

Sec. 4. (Effective from passage) Not later than December 1, 2012, the All-Payer Claims Database Advisory Group, established pursuant to section 19a-724a of the general statutes, as amended by this act, shall report to the Governor and the joint standing committees of the General Assembly having cognizance of matters relating to public health, insurance and appropriations concerning the all-payer claims database program, established pursuant to section 1 of this act. Such report shall include, but not be limited to: (1) Recommendations concerning the person or entity to implement and administer the all-payer claims database program; (2) a recommended timeline to transfer authority for the implementation or administration of such program to such person or entity; and (3) recommendations concerning the administration of such program.

Approved June 15, 2012