



General Assembly

February Session, 2012

Governor's Bill No. 5038

LCO No. 519

*00519 _____ *

Referred to Committee on Public Health

Introduced by:

REP. DONOVAN, 84th Dist.

REP. SHARKEY, 88th Dist.

SEN. WILLIAMS, 29th Dist.

SEN. LOONEY, 11th Dist.

**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:

1 Section 1. Section 19a-724 of the 2012 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2012*):

4 (a) (1) As used in this section and section 19a-725, "Affordable Care
5 Act" means the Patient Protection and Affordable Care Act, P.L. 111-
6 148, as amended by the Health Care and Education Reconciliation Act,
7 P.L. 111-152, as both may be amended from time to time, and federal
8 regulations adopted thereunder.

9 (2) As used in this section and section 19a-724a, as amended by this
10 act: (A) "All-payer claims database" means a database that receives and
11 stores data from a reporting entity relating to medical insurance

12 claims, dental insurance claims, pharmacy claims and information
13 from enrollment and eligibility files; and (B) "reporting entity" means
14 (i) an insurer, as defined in section 38a-1, licensed to do health
15 insurance business in this state, (ii) a health care center, as defined in
16 section 38a-175, (iii) an insurer or health care center that provides
17 coverage under Part C or Part D of Title XVIII of the Social Security
18 Act, as amended from time to time, to residents of this state, (iv) a
19 third-party administrator, as defined in section 38a-720, (v) a
20 pharmacy benefits manager, as defined in section 38a-479aaa, (vi) a
21 hospital service corporation, as defined in section 38a-199, (vii) a
22 medical service corporation, as defined in section 38a-214, (viii) a
23 fraternal benefit society, as described in section 38a-595, that transacts
24 health insurance business in this state, (ix) a dental plan organization,
25 as defined in section 38a-577, (x) a preferred provider network, as
26 defined in section 38a-479aa, or (xi) any other person, as defined in
27 section 38a-1, that administers health care claims and payments
28 pursuant to a contract or agreement or is required by statute to
29 administer such claims and payments.

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

34 (c) The Office of Health Reform and Innovation shall:

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

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

41 (3) Recommend and advance executive action and legislation to
42 effectively and efficiently implement the Affordable Care Act, and

43 state health care reform initiatives;

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

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

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

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

57 (8) Ensure that the structures of state government are working in
58 concert to effectively implement federal and state health care reform;

59 (9) Ensure, in consultation with the Connecticut Health Insurance
60 Exchange and the Department of Social Services, the necessary
61 coordination between said exchange and Medicaid enrollment
62 planning; [and]

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

65 (11) Establish and maintain an all-payer claims database program
66 for the purpose of providing transparent and public reporting of
67 health care information relating to safety, quality, cost-effectiveness,
68 access and efficiency for all levels of health care;

69 (12) Oversee the initial planning and implementation of the all-
70 payer claims database program; and

71 (13) Ensure that reporting entities report health care data for the
72 purpose of allowing: (A) A determination of the maximum capacity
73 and distribution of existing resources allocated to health care; (B)
74 identification of the demands of the health care system; (C) health care
75 policymakers to make informed choices; (D) an evaluation of the
76 effectiveness of intervention programs to improve health outcomes; (E)
77 a comparison of the costs and effectiveness of various treatment
78 settings and approaches to offering treatment; (F) consumers of health
79 care services to be informed with regard to consumer health care
80 services; (G) improvement in the quality and affordability of health
81 care and health care coverage in the state; and (H) an evaluation of
82 health disparities in the state, including, but not limited to, any health
83 disparities relating to race or ethnicity.

84 (d) The Office of Health Reform and Innovation, in consultation
85 with the Sustinet Health Care Cabinet established pursuant to section
86 19a-725, shall [, on or before August 1, 2011,] convene a consumer
87 advisory board that consists of not less than seven members.

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

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

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

96 (h) The Office of Health Reform and Innovation, in consultation
97 with the Sustinet Health Care Cabinet, may retain any consultants
98 necessary to carry out the statutory responsibilities of said office,
99 except the Office of Health Reform and Innovation may, without
100 consulting with said cabinet, retain any consultants necessary to assist
101 with the planning or implementation of the all-payer claims database

102 program. Consultants may be retained by said office for purposes that
103 include, but are not limited to, conducting feasibility and risk
104 assessments required to implement, as may be practicable, private and
105 public mechanisms to provide adequate health insurance products to
106 individuals, small employers, nonstate public employers, municipal-
107 related employers and nonprofit employers, commencing on January
108 1, 2014. Not later than October 1, 2012, the Office of Health Reform and
109 Innovation and the SustiNet Health Care Cabinet shall make
110 recommendations to the Governor based on the results of the analyses
111 undertaken pursuant to this subsection.

112 (i) The Governor may, in consultation with the All-Payer Claims
113 Database Advisory Group, described in section 19a-724a, as amended
114 by this act, transfer responsibility for the implementation or
115 administration of the all-payer claims database program from the
116 Office of Health Reform and Innovation to any other person or entity
117 designated by the Governor to act as the claims database
118 administrator. The responsibilities of the claims database administrator
119 may include the adoption of rules, policies and procedures for
120 implementation or administration of the all-payer claims database
121 program. The claims database administrator may retain any
122 consultants necessary to assist with the implementation or
123 administration of the all-payer claims database program.

124 (j) The Special Advisor to the Governor on Healthcare Reform or the
125 claims database administrator, in consultation with the All-Payer
126 Claims Database Advisory Group, described in section 19a-724a, as
127 amended by this act, shall prescribe rules for the all-payer claims
128 database program that are consistent with standards adopted by the
129 Accredited Standards Committee X12 of the American National
130 Standards Institute, the National Council for Prescription Drug
131 Programs, the All-Payer Claims Database Council, the Center for
132 Medicare and Medicaid Services and the Office of the National
133 Coordinator for Health Information Technology. Such rules shall (1)
134 establish the time, place, form and manner for a reporting entity to

135 report data, including, but not limited to, (A) requiring the use of
136 unique patient and provider identifiers; (B) implementing the use of a
137 uniform coding system that reflects health care utilization and costs for
138 health care services; and (C) establishing an exemption to reporting
139 requirements based on a minimum enrollment level, (2) establish
140 reporting requirements based on data type that includes, but is not
141 limited to, (A) data relating to health care claims; (B) information
142 contained in enrollment and eligibility files; and (C) reports, schedules,
143 statistics and other data relating to health care costs, prices, quality,
144 utilization or resources, (3) establish protocols for auditing the
145 accuracy of reported data, and (4) establish protocols for the disclosure
146 of data contained in the all-payer claims database that protects the
147 confidentiality of health information, as defined in 45 CFR 160.103, and
148 other information, as required by state and federal law.

149 (k) The Special Advisor to the Governor on Healthcare Reform or
150 the claims database administrator may (1) enter into a contract or take
151 any other action that is necessary to obtain fee-for-service health claims
152 data under the state medical assistance program or Medicare Part A or
153 Part B; or (2) enter into a contract for the collection, management or
154 analysis of data. Any such contract for the collection, management or
155 analysis of data shall expressly prohibit the disclosure of such data for
156 purposes other than the collection, management or analysis of such
157 data pursuant to the terms of the contract.

158 (l) The Special Advisor to the Governor on Healthcare Reform or the
159 claims database administrator shall: (1) Utilize data in the all-payer
160 claims database to provide health care consumers in the state with
161 information concerning the cost and quality of health care services that
162 will allow such consumers to make economically sound and medically
163 appropriate health care decisions; and (2) make data in the all-payer
164 claims database available to any state agency, insurer, employer,
165 health care provider, consumer of health care services, researcher or
166 the Connecticut Health Insurance Exchange for the purpose of
167 allowing such person or entity to review such data as it relates to

168 health care utilization, costs or quality of health care services. Such
169 disclosure shall be made in a manner to protect the confidentiality of
170 health information, as defined in 45 CFR 160.103, and other
171 information, as required by state and federal law, and in accordance
172 with the protocols for the disclosure of data established by the Special
173 Advisor to the Governor on Healthcare Reform or the claims database
174 administrator.

175 (m) The Special Advisor to the Governor on Healthcare Reform or
176 the claims database administrator may set a fee to be charged to each
177 person to access data stored in the all-payer claims database.

178 (n) The Office of Health Reform and Innovation and the claims
179 database administrator may accept grants from the federal
180 government, a municipality or any other source for the purpose of
181 planning, implementing or administering the all-payer claims database
182 program.

183 (o) Any reporting entity that fails to report in accordance with the
184 provisions of this section or rules established under this section shall
185 be assessed a civil penalty in an amount not to exceed one thousand
186 dollars per day. A civil penalty assessed under this section is not
187 allowable as a cost for the purpose of rate determination or
188 reimbursement by a third-party payer.

189 Sec. 2. Section 19a-724a of the 2012 supplement to the general
190 statutes is repealed and the following is substituted in lieu thereof
191 (*Effective October 1, 2012*):

192 (a) The Office of Health Reform and Innovation established under
193 subsection (b) of section 19a-724 shall convene a working group to be
194 known as the All-Payer Claims Database Advisory Group. Said group
195 shall (1) develop a plan to implement a state-wide multipayer data
196 initiative to enhance the state's use of health care data from multiple
197 sources to increase efficiency, enhance outcomes and improve the
198 understanding of health care expenditures in the public and private

199 sectors; and (2) advise the Special Advisor to the Governor on
 200 Healthcare Reform or the claims database administrator on matters
 201 relating to the planning, implementation and administration of the all-
 202 payer claims database program, including, but not limited to, the
 203 establishment of protocols for the disclosure of data in the all-payer
 204 claims database, as required by section 19a-724, as amended by this
 205 act. [Such] Said group shall include, but not be limited to, the Secretary
 206 of the Office of Policy and Management, the Comptroller, the
 207 Commissioners of Public Health, [and] Social Services, and Mental
 208 Health and Addiction Services, the Insurance Commissioner, the
 209 Health Care Advocate, representatives of health insurance companies,
 210 health insurance purchasers, hospitals, consumer advocates and health
 211 care providers. The Special Advisor to the Governor on Healthcare
 212 Reform or the claims database administrator may appoint additional
 213 members to said group.

214 (b) The Office of Health Reform and Innovation shall submit, in
 215 accordance with section 11-4a, a report on such plan to the joint
 216 standing committees of the General Assembly having cognizance of
 217 matters relating to appropriations, insurance and public health.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2012</i> | 19a-724 |
| Sec. 2 | <i>October 1, 2012</i> | 19a-724a |

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]