A Review of 2008 State Legislative Activity On
Transparency: Health IT & Administration Simplification

September, 2008

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Outline For Presentation

▪ CORE: CAQH Activity In States

▪ Universal Provider Data Source: CAQH Activity In States

▪ Transparency: Varying Ways State Legislators View The Definition of Transparency

▪ Forecast For 2009: State Focus On Transparency
State Discussions: CORE With CAQH

- Colorado
  - Cost savings that can be achieved through healthcare administrative simplification were outlined in a commission report that was delivered to state legislature in February 2008. Committee formed.

- Ohio
  - Recent legislation called for the formation of an advisory committee to present recommendations on issues related to electronic information exchange, including eligibility. Committee formed and presentations have been received.

- Texas
  - Texas Department of Insurance received a CAQH presentation in response to state legislation that focuses on administrative simplification and mentions. Presentations have been made.

- Virginia
  - The Secretary of Technology is reviewing how technology can reduce the state’s healthcare costs. Presentations have been made.
Universal Provider Data Source

States Examining The National Standard Application include:

- **District of Columbia, Indiana, Kentucky, Maryland, Ohio and Vermont:** Adopted CAQH application as their own mandated form
- **Louisiana, New Jersey and Tennessee:** Require or allow health plans to use either the standard CAQH application or a state-specific alternative
- **Kansas and Rhode Island:** Insurance Commissioners have agreed to promote voluntary statewide adoption of CAQH application
- **New York:** Rejected mandating a state specific application because the CAQH application was enjoying widespread voluntary adoption
- **Missouri:** Is actively considering switching from the current state-mandated form to the CAQH form
- **Washington:** Insurance Department is interested in exploring a unified credentialing data collection solution for the state and has asked CAQH to participate in effort.
Transparency

- Colorado
  - DOI to create a website to provide information to consumers regarding health plans.
  - Commissioner will use carrier’s filings to determine what information is made available to consumers.
  - Commissioner is to post hospitals data reflecting the average charges for most common procedures.
  - Commissioner to develop electronic ID Card.
Transparency

- Florida
  - Providers and facilities to provide an uninsured person with a reasonable estimate of charges for planned non-emergency medical services before services are provided.
  
  - Requires certain elements on an ID Card.

- The Florida eHealth Initiative Act, promote and coordinate the establishment of a secure, privacy-protected, and interconnected statewide health information exchange.
**Transparency**

- **Iowa**
  - Create a statewide health IT program focusing on use of electronic health records, E-Rx, uniform data exchange methodologies, & standard forms.
  - Insurance Commissioner adopt rules to "promote the uniformity, cost efficiency, transparency, and fairness" of such plans to physicians and hospitals "for the purpose of maximizing administrative efficiencies and minimizing administrative costs of health care providers and health insurers."
  - Health information technology bill that would have established a statewide health IT commission to promote the use of interoperable standards and the development of a network infrastructure and adopt a statewide health IT plan by 2009.
Minnesota

- Mandates that the Commissioner of Health develop a plan to create transparent prices, encourage provider innovation, and reduce administrative burden by January 2010.

- Electronic Records Transfer bill allowing hospital records to be transferred by electronic image or other "state-of-the-art electronic preservation technology" in the interests of best preserving medical records.

- Health Information Exchange bill grants the Commissioner of Human Services the authority to join and participate in a statewide health information exchange.
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New Mexico

▪ The “Electronic Medical Records Act,” would have resulted in the development of an implementation plan for statewide electronic medical records and increased utilization of telemedicine.

Oklahoma

▪ Would have created the “Task Force on Health Care Information Technology” board charged with studying and recommending steps to decrease cost and administrative inefficiency in health care through the use of information technology.

▪ Would have charged the Department of Health with establishing rules for the implementation of a statewide electronic health records system and setting minimum standards for privacy, availability, and the use of medical records.

▪ Would have required the Department of Health to identify and track hospital acquired infections. Would have required health benefit plans to report aggregate reimbursement rates by region paid for services identified by the Department.
Transparency

- **SD**
  - Expand inpatient hospital charges that must be disclosed to the public and develop system for disclosure of charges for outpatient procedures.

- **UT**
  - DOI to adopt standards for exchange of electronic clinical health information.
Impose a tax on a quarterly basis at the rate of 0.199 of one percent of all health claims paid by a health insurer for its Vermont members in the previous fiscal quarter.

- Generate $35 million over seven years.
- The money is to go into a special health IT fund and is to be disbursed to the Vermont Information Technology Leaders, Inc. (VITL).
- VITL is a private-public partnership devoted to the deployment of health information technology in Vermont.
- The money generated by the tax will be used to provide grants to primary care practitioners for the purpose of purchasing and maintaining electronic health information systems, and for other health care related IT initiatives.
Transparency

**Virginia**
- Require health insurance carriers, including HMOs and third-party administrators, to disclose annually to the State Health Commissioner the terms of its contracts with hospitals that establish the amount that the carrier is required to pay the provider for health care services.

- Require the Commissioner to make the information available to the public through a website and permits portions, or aggregations, of the information to be made available to the public if the Board of Health determines it may be disclosed without compromising the identities of the carrier and hospital.
National Conference of State Legislatures:

“As state lawmakers were enacting FY 2009 budgets, state fiscal conditions worsened. It is unclear if FY 2009 spending plans will remain stable, especially if programs that grow during economic downturns (like Medicaid) start exceeding their budgeted levels. The same revenue problems that undermined FY 2008 budgets are affecting FY 2009 budgets as well.”
Budget Downturn

- More states reported gaps for FY 2009 than for FY 2008, with the cumulative total more than tripling from about $13 billion to more than $40 billion.

- Principal focus was on cutting spending.

Other actions included:
- Four states will reduce the size of the state workforce, in some instances by not filling vacant positions.
- Nine states reported a hiring freeze.
- States like Minnesota, Massachusetts and Nevada have tapped their rainy day fund or some other state fund.
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