

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 10-0523.01 Kristen Forrestal

HOUSE BILL 10-1330

HOUSE SPONSORSHIP

Kefalas and Kagan, Apuan, Court, Fischer, Gagliardi, Levy, Miklosi, Pace, Primavera,
Rice, Riesberg, Solano, Tyler, Vigil

SENATE SPONSORSHIP

Morse,

House Committees

Health and Human Services

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF AN ADVISORY COMMITTEE TO MAKE**
102 **RECOMMENDATIONS REGARDING THE CREATION OF A**
103 **COLORADO ALL-PAYER HEALTH CLAIMS DATABASE FOR THE**
104 **PURPOSE OF TRANSPARENT PUBLIC REPORTING OF HEALTH CARE**
105 **INFORMATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill requires the executive director of the department of health

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

care policy and financing (executive director) to appoint an advisory committee to make recommendations regarding the creation of a Colorado all-payer health claims database for the purpose of transparent public reporting of health care information. The executive director is required to appoint an administrator to create the database. The administrator, in consultation with the advisory committee, shall create the database if sufficient gifts, grants, and donations are received on or before January 1, 2012, to pay for the creation and maintenance of the database. The executive director shall promulgate rules to create and maintain the database. The data shall be made available to the public, state agencies, and private entities consistent with privacy laws. The advisory committee is scheduled to sunset July 1, 2016.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Part 2 of article 1 of title 25.5, Colorado Revised
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
4 read:

5 **25.5-1-204. Advisory committee to establish an all-payer**
6 **health claims database - creation - members - duties - creation of**
7 **all-payer health claims database - rules - repeal.** (1) (a) WITHIN
8 FORTY-FIVE BUSINESS DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION,
9 THE EXECUTIVE DIRECTOR SHALL APPOINT AN ADVISORY COMMITTEE TO
10 MAKE RECOMMENDATIONS REGARDING THE CREATION OF THE
11 FRAMEWORK AND IMPLEMENTATION PLAN FOR A COLORADO ALL-PAYER
12 CLAIMS DATABASE FOR THE PURPOSE OF FACILITATING THE REPORTING OF
13 HEALTH CARE AND HEALTH QUALITY DATA THAT RESULTS IN
14 TRANSPARENT AND PUBLIC REPORTING OF SAFETY, QUALITY, COST, AND
15 EFFICIENCY INFORMATION AT ALL LEVELS OF HEALTH CARE. THE
16 EXECUTIVE DIRECTOR SHALL APPOINT AN ADMINISTRATOR OF THE
17 **DATABASE.**

18 (b) THE EXECUTIVE DIRECTOR SHALL APPOINT THE MEMBERS OF
19 THE ADVISORY COMMITTEE, CONSISTING OF THE FOLLOWING MEMBERS:

1 (I) A MEMBER OF ACADEMIA WITH EXPERIENCE IN HEALTH CARE
2 DATA AND COST EFFICIENCY RESEARCH;

3 (II) A REPRESENTATIVE OF A STATEWIDE ASSOCIATION OF
4 HOSPITALS;

5 (III) A REPRESENTATIVE OF AN INTEGRATED MULTI-SPECIALTY
6 ORGANIZATION;

7 (IV) A REPRESENTATIVE OF PHYSICIANS AND SURGEONS;

8 (V) A REPRESENTATIVE OF SMALL EMPLOYERS THAT PURCHASE
9 GROUP HEALTH INSURANCE FOR EMPLOYEES, WHICH REPRESENTATIVE IS
10 NOT A SUPPLIER OR BROKER OF HEALTH INSURANCE;

11 (VI) A REPRESENTATIVE OF LARGE EMPLOYERS THAT PURCHASE
12 HEALTH INSURANCE FOR EMPLOYEES, WHICH REPRESENTATIVE IS NOT A
13 SUPPLIER OR BROKER OF HEALTH INSURANCE;

14 (VII) A REPRESENTATIVE OF SELF-INSURED EMPLOYERS, WHICH
15 REPRESENTATIVE IS NOT A SUPPLIER OR BROKER OF HEALTH INSURANCE;

16 (VIII) A REPRESENTATIVE OF AN ORGANIZATION THAT PROCESSES
17 INSURANCE CLAIMS OR CERTAIN ASPECTS OF EMPLOYEE BENEFIT PLANS
18 FOR A SEPARATE ENTITY;

19 (IX) A REPRESENTATIVE OF A NONPROFIT ORGANIZATION THAT
20 DEMONSTRATES EXPERIENCE WORKING WITH EMPLOYERS TO ENHANCE
21 VALUE AND AFFORDABILITY IN HEALTH INSURANCE;

22 (X) A PERSON WITH A DEMONSTRATED RECORD OF ADVOCATING
23 HEALTH CARE PRIVACY ISSUES ON BEHALF OF CONSUMERS;

24 (XI) A PERSON WITH A DEMONSTRATED RECORD OF ADVOCATING
25 HEALTH CARE ISSUES ON BEHALF OF CONSUMERS;

26 (XII) TWO REPRESENTATIVES OF HEALTH INSURERS, ONE WHO
27 REPRESENTS NONPROFIT INSURERS AND ONE WHO REPRESENTS FOR-PROFIT

1 INSURERS;

2 (XIII) A REPRESENTATIVE OF DENTAL INSURERS;

3 (XIV) A REPRESENTATIVE OF SAFETY NET CLINICS WHO HAS

4 EXPERIENCE IN BEHAVIORAL HEALTH AND DATA COLLECTION;

5 (XV) A REPRESENTATIVE OF PHARMACISTS OR AN AFFILIATE

6 SOCIETY;

7 (XVI) A REPRESENTATIVE OF PHARMACY BENEFIT MANAGERS;

8 AND

9 (XVII) TWO REPRESENTATIVES OF NONPROFIT ORGANIZATIONS

10 THAT FACILITATE HEALTH INFORMATION EXCHANGE TO IMPROVE HEALTH

11 CARE FOR ALL COLORADANS.

12 (c) THE FOLLOWING PERSONS SHALL SERVE AS EX OFFICIO

13 MEMBERS OF THE ADVISORY COMMITTEE:

14 (I) THE EXECUTIVE DIRECTOR OR HIS OR HER DESIGNEE;

15 (II) A REPRESENTATIVE OF THE DEPARTMENT OF PERSONNEL AND

16 ADMINISTRATION;

17 (III) THE COMMISSIONER OF INSURANCE OR HIS OR HER DESIGNEE;

18 AND

19 (IV) THE DIRECTOR OF THE OFFICE OF INFORMATION TECHNOLOGY

20 OR HIS OR HER DESIGNEE.

21 (d) (I) THIS SUBSECTION (1) IS REPEALED, EFFECTIVE JULY 1, 2013.

22 (II) PRIOR TO THE REPEAL OF THIS SUBSECTION (1), THE ADVISORY

23 COMMITTEE SHALL BE REVIEWED AS PROVIDED FOR IN SECTION 2-3-1203,

24 C.R.S.

25 (2) THE ADVISORY COMMITTEE SHALL MAKE RECOMMENDATIONS

26 TO THE ADMINISTRATOR REGARDING THE DATABASE THAT:

27 (a) INCLUDE SPECIFIC STRATEGIES TO MEASURE AND COLLECT

1 DATA RELATED TO HEALTH CARE SAFETY AND QUALITY, UTILIZATION,
2 HEALTH OUTCOMES, AND COST TO CONSUMERS, PAYERS, PROVIDERS, AND
3 PURCHASERS;

4 (b) FOCUS ON DATA ELEMENTS THAT FOSTER QUALITY
5 IMPROVEMENT AND PEER GROUP COMPARISONS;

6 (c) FACILITATE VALUE-BASED, COST-EFFECTIVE PURCHASING OF
7 HEALTH CARE SERVICES BY PUBLIC AND PRIVATE PURCHASERS AND
8 CONSUMERS;

9 (d) RESULT IN USABLE AND COMPARABLE INFORMATION THAT
10 ALLOWS PUBLIC AND PRIVATE HEALTH CARE PURCHASERS, CONSUMERS,
11 AND DATA ANALYSTS TO IDENTIFY AND COMPARE HEALTH PLANS, HEALTH
12 INSURERS, HEALTH CARE FACILITIES, AND HEALTH CARE PROVIDERS
13 REGARDING THE PROVISION OF SAFE, COST-EFFECTIVE, HIGH-QUALITY
14 HEALTH CARE SERVICES;

15 (e) USE AND BUILD UPON EXISTING DATA COLLECTION STANDARDS
16 AND METHODS TO ESTABLISH AND MAINTAIN THE DATABASE IN A
17 COST-EFFECTIVE AND EFFICIENT MANNER;

18 (f) ARE DESIGNED TO MEASURE THE FOLLOWING PERFORMANCE
19 DOMAINS: SAFETY, TIMELINESS, EFFECTIVENESS, EFFICIENCY, EQUITY,
20 AND PATIENT-CENTEREDNESS;

21 (g) INCORPORATE AND UTILIZE CLAIMS, ELIGIBILITY, AND OTHER
22 PUBLICLY AVAILABLE DATA TO THE EXTENT IT IS THE MOST
23 COST-EFFECTIVE METHOD OF COLLECTING DATA TO MINIMIZE THE COST
24 AND ADMINISTRATIVE BURDEN ON DATA SOURCES;

25 (h) INCLUDE RECOMMENDATIONS ABOUT WHETHER TO INCLUDE
26 DATA ON THE UNINSURED;

27 (i) DISCUSS THE HARMONIZATION OF A COLORADO DATABASE

1 WITH OTHER STATES', REGIONS', AND FEDERAL EFFORTS CONCERNING
2 ALL-PAYER CLAIMS DATABASES;

3 (j) DISCUSS THE HARMONIZATION OF A COLORADO DATABASE
4 WITH FEDERAL LEGISLATION CONCERNING AN ALL-PAYER CLAIMS
5 DATABASE;

6 (k) DISCUSS A LIMIT ON THE NUMBER OF TIMES THE
7 ADMINISTRATOR MAY REQUIRE SUBMISSION OF THE REQUIRED DATA
8 ELEMENTS; AND

9 (l) DISCUSS A LIMIT ON THE NUMBER OF TIMES THE
10 ADMINISTRATOR MAY CHANGE THE REQUIRED DATA ELEMENTS FOR
11 SUBMISSION IN A CALENDAR YEAR CONSIDERING ADMINISTRATIVE COSTS,
12 RESOURCES, AND TIME REQUIRED TO FULFILL THE REQUESTS.

13 (3) THE ADVISORY COMMITTEE SHALL MAKE RECOMMENDATIONS
14 TO THE EXECUTIVE DIRECTOR TO DETERMINE HOW THE ONGOING
15 OVERSIGHT OF THE OPERATIONS OF THE ALL-PAYER HEALTH CLAIMS
16 DATABASE SHOULD FUNCTION.

17 (4) THE ADMINISTRATOR SHALL SEEK FUNDING FOR THE CREATION
18 OF THE ALL-PAYER HEALTH CLAIMS DATABASE AND DEVELOP A PLAN FOR
19 THE FINANCIAL STABILITY OF THE DATABASE. IF SUFFICIENT FUNDING IS
20 RECEIVED THROUGH GIFTS, GRANTS, AND DONATIONS ON OR BEFORE
21 JANUARY 1, 2012, AS DETERMINED BY THE EXECUTIVE DIRECTOR, THE
22 ADMINISTRATOR SHALL, IN CONSULTATION WITH THE ADVISORY
23 COMMITTEE, CREATE THE COLORADO ALL-PAYER CLAIMS DATABASE. THE
24 COLORADO ALL-PAYER CLAIMS DATABASE SHALL BE OPERATIONAL NO
25 LATER THAN JANUARY 1, 2013.

26 (5) IF SUFFICIENT FUNDING IS RECEIVED, THE EXECUTIVE DIRECTOR
27 SHALL DIRECT THE ADMINISTRATOR TO CREATE THE DATABASE AND THE

1 ADMINISTRATOR SHALL:

2 (a) DETERMINE THE DATA TO BE COLLECTED FROM PAYERS AND
3 THE METHOD OF COLLECTION, INCLUDING MANDATORY AND VOLUNTARY
4 REPORTING OF HEALTH CARE AND HEALTH QUALITY DATA. IF THE
5 ADMINISTRATOR REQUIRES MANDATORY REPORTING, COVERCOLORADO,
6 CREATED IN PART 5 OF ARTICLE 8 OF TITLE 10, C.R.S., SHALL BE INCLUDED
7 IN THE MANDATORY REPORTING REQUIREMENTS.

8 (b) SEEK TO ESTABLISH AGREEMENTS FOR VOLUNTARY REPORTING
9 OF HEALTH CARE CLAIMS DATA FROM HEALTH CARE PAYERS THAT ARE NOT
10 SUBJECT TO MANDATORY REPORTING REQUIREMENTS IN ORDER TO ENSURE
11 AVAILABILITY OF THE MOST COMPREHENSIVE AND SYSTEMWIDE DATA ON
12 HEALTH CARE COSTS AND QUALITY;

13 (c) SEEK TO ESTABLISH AGREEMENTS OR REQUESTS WITH THE
14 FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES TO OBTAIN
15 MEDICARE HEALTH CLAIMS DATA;

16 (d) DETERMINE THE MEASURES NECESSARY TO IMPLEMENT THE
17 REPORTING REQUIREMENTS IN A MANNER THAT IS COST-EFFECTIVE AND
18 REASONABLE FOR DATA SOURCES AND TIMELY, RELEVANT, AND RELIABLE
19 FOR CONSUMERS, PUBLIC AND PRIVATE PURCHASERS, PROVIDERS, AND
20 POLICYMAKERS;

21 (e) DETERMINE THE REPORTS AND DATA TO BE MADE AVAILABLE
22 TO THE PUBLIC WITH RECOMMENDATIONS FROM THE ADVISORY
23 COMMITTEE IN ORDER TO ACCOMPLISH THE PURPOSES OF THIS SECTION,
24 INCLUDING CONDUCTING STUDIES AND REPORTING THE RESULTS OF THE
25 STUDIES;

26 (f) COLLECT, AGGREGATE, DISTRIBUTE, AND PUBLICLY REPORT
27 PERFORMANCE DATA ON QUALITY, HEALTH OUTCOMES, HEALTH

1 DISPARITIES, COST, UTILIZATION, AND PRICING IN A MANNER ACCESSIBLE
2 FOR CONSUMERS, PUBLIC AND PRIVATE PURCHASERS, PROVIDERS, AND
3 POLICYMAKERS;

4 (g) PROTECT PATIENT PRIVACY IN COMPLIANCE WITH STATE AND
5 FEDERAL MEDICAL PRIVACY LAWS WHILE PRESERVING THE ABILITY TO
6 ANALYZE DATA AND SHARE WITH PROVIDERS AND PAYERS TO ENSURE
7 ACCURACY PRIOR TO THE PUBLIC RELEASE OF INFORMATION;

8 (h) REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY ON
9 OR BEFORE MARCH 1 OF EACH YEAR ON THE STATUS OF IMPLEMENTING
10 THE DATABASE AND ANY RECOMMENDATIONS FOR STATUTORY OR
11 REGULATORY CHANGES, WITH INPUT FROM THE ADVISORY COMMITTEE OR
12 ITS SUCCESSOR GOVERNANCE ENTITY, THAT WOULD ADVANCE THE
13 PURPOSES OF THIS SECTION;

14 (i) PROVIDE LEADERSHIP AND COORDINATION OF PUBLIC AND
15 PRIVATE HEALTH CARE QUALITY AND PERFORMANCE MEASUREMENTS TO
16 ENSURE EFFICIENCY, COST-EFFECTIVENESS, TRANSPARENCY, AND
17 INFORMED CHOICE BY CONSUMERS AND PUBLIC AND PRIVATE PURCHASERS.

18 (6) THE ADMINISTRATOR, WITH INPUT FROM THE ADVISORY
19 COMMITTEE:

20 (a) SHALL INCORPORATE AND UTILIZE PUBLICLY AVAILABLE DATA
21 OTHER THAN ADMINISTRATIVE CLAIMS DATA IF NECESSARY TO MEASURE
22 AND ANALYZE A SIGNIFICANT HEALTH CARE QUALITY, SAFETY, OR COST
23 ISSUE THAT CANNOT BE ADEQUATELY MEASURED WITH ADMINISTRATIVE
24 CLAIMS DATA ALONE;

25 (b) SHALL REQUIRE PAYER DATA SOURCES TO SUBMIT DATA
26 NECESSARY TO IMPLEMENT THE ALL-PAYER CLAIMS DATABASE;

27 (c) SHALL DETERMINE THE DATA ELEMENTS TO BE COLLECTED, THE

1 REPORTING FORMATS FOR DATA SUBMITTED, AND THE USE AND REPORTING
2 OF ANY DATA SUBMITTED. DATA COLLECTION SHALL ALIGN WITH
3 NATIONAL, REGIONAL, AND OTHER UNIFORM ALL-PAYER CLAIMS
4 DATABASES' STANDARDS WHERE POSSIBLE.

5 (d) MAY AUDIT THE ACCURACY OF ALL DATA SUBMITTED;

6 (e) MAY CONTRACT WITH THIRD PARTIES TO COLLECT AND PROCESS
7 THE HEALTH CARE DATA COLLECTED PURSUANT TO THIS SECTION. THE
8 CONTRACT SHALL PROHIBIT THE COLLECTION OF UNENCRYPTED SOCIAL
9 SECURITY NUMBERS AND THE USE OF THE DATA FOR ANY PURPOSE OTHER
10 THAN THOSE SPECIFICALLY AUTHORIZED BY THE CONTRACT. THE
11 CONTRACT SHALL REQUIRE THE THIRD PARTY TO TRANSMIT THE DATA
12 COLLECTED AND PROCESSED UNDER THE CONTRACT TO THE
13 ADMINISTRATOR OR OTHER DESIGNATED ENTITY.

14 (f) MAY SHARE DATA REGIONALLY OR HELP DEVELOP A
15 MULTI-STATE EFFORT IF RECOMMENDED BY THE ADVISORY COMMITTEE.

16 (7) THE ALL-PAYER HEALTH CLAIMS DATABASE SHALL:

17 (a) BE AVAILABLE TO THE PUBLIC WHEN DISCLOSED IN A FORM AND
18 MANNER THAT ENSURES THE PRIVACY AND SECURITY OF PERSONAL HEALTH
19 INFORMATION AS REQUIRED BY STATE AND FEDERAL LAW, AS A RESOURCE
20 TO INSURERS, CONSUMERS, EMPLOYERS, PROVIDERS, PURCHASERS OF
21 HEALTH CARE, AND STATE AGENCIES TO ALLOW FOR CONTINUOUS REVIEW
22 OF HEALTH CARE UTILIZATION, EXPENDITURES, AND QUALITY AND SAFETY
23 PERFORMANCE IN COLORADO;

24 (b) BE AVAILABLE TO STATE AGENCIES AND PRIVATE ENTITIES IN
25 COLORADO ENGAGED IN EFFORTS TO IMPROVE HEALTH CARE, SUBJECT TO
26 RULES PROMULGATED BY THE EXECUTIVE DIRECTOR;

27 (c) BE PRESENTED TO ALLOW FOR COMPARISONS OF GEOGRAPHIC,

1 DEMOGRAPHIC, AND ECONOMIC FACTORS AND INSTITUTIONAL SIZE;

2 (d) PRESENT DATA IN A CONSUMER-FRIENDLY MANNER.

3 (8) THE COLLECTION, STORAGE, AND RELEASE OF HEALTH CARE
4 DATA AND OTHER INFORMATION PURSUANT TO THIS SECTION IS SUBJECT TO
5 THE FEDERAL "HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY
6 ACT OF 1996", PUB.L. 104-191, AS AMENDED.

7 (9) THE EXECUTIVE DIRECTOR SHALL PROMULGATE RULES AS
8 NECESSARY TO IMPLEMENT THIS SECTION, WHICH RULES SHALL INCLUDE
9 THE ASSESSMENT OF A FINE FOR A PAYER REQUIRED TO SUBMIT DATA THAT
10 DOES NOT COMPLY WITH THIS SECTION.

11 (10) THIS SECTION IS REPEALED, JANUARY 1, 2012, UNLESS THE
12 EXECUTIVE DIRECTOR NOTIFIES THE REVISOR OF STATUTES ON OR BEFORE
13 SUCH DATE THAT SUFFICIENT FUNDING TO CREATE THE DATABASE, AS
14 DETERMINED BY THE EXECUTIVE DIRECTOR, ADVISORY COMMITTEE, AND
15 ADMINISTRATOR, HAS BEEN RECEIVED THROUGH GIFTS, GRANTS, AND
16 DONATIONS.

17 (11) IF AT ANY TIME, THERE IS NOT SUFFICIENT FUNDING TO
18 FINANCE THE ONGOING OPERATIONS OF THE DATABASE, THE DATABASE
19 SHALL CEASE OPERATING AND THE ADVISORY COMMITTEE AND
20 ADMINISTRATOR SHALL NO LONGER HAVE THE DUTY TO CARRY OUT THE
21 FUNCTIONS REQUIRED PURSUANT TO THIS SECTION. IF THE DATABASE
22 CEASES TO OPERATE, THE DATA SUBMITTED SHALL BE DESTROYED OR
23 RETURNED TO ITS ORIGINAL SOURCE.

24 **SECTION 2.** 2-3-1203 (3) (z), Colorado Revised Statutes, is
25 amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

26 **2-3-1203. Sunset review of advisory committees.** (3) The
27 following dates are the dates for which the statutory authorization for the

1 designated advisory committees is scheduled for repeal:

2 (z) July 1, 2013:

3 (VI) THE ADVISORY COMMITTEE TO ESTABLISH AN ALL-PAYER
4 HEALTH CLAIMS DATABASE CREATED IN SECTION 25.5-1-204 (1), C.R.S.

5 **SECTION 3. Act subject to petition - effective date.** This act
6 shall take effect at 12:01 a.m. on the day following the expiration of the
7 ninety-day period after final adjournment of the general assembly (August
8 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a
9 referendum petition is filed pursuant to section 1 (3) of article V of the
10 state constitution against this act or an item, section, or part of this act
11 within such period, then the act, item, section, or part shall not take effect
12 unless approved by the people at the general election to be held in
13 November 2010 and shall take effect on the date of the official declaration
14 of the vote thereon by the governor.