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

## REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction HOUSE BILL 10-1330

LLS NO. 10-0523.01 Kristen Forrestal

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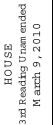
# A BILL FOR AN ACT

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



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.

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

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

1

19 THE ADVISORY COMMITTEE, CONSISTING OF THE FOLLOWING MEMBERS:

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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 FROM A COMMUNITY MENTAL HEALTH 4 CENTER THAT HAS EXPERIENCE IN BEHAVIORAL HEALTH DATA 5 COLLECTION; 6 (XV) A REPRESENTATIVE OF PHARMACISTS OR AN AFFILIATE 7 SOCIETY: 8 (XVI) A REPRESENTATIVE OF PHARMACY BENEFIT MANAGERS; 9 AND 10 (XVII) TWO REPRESENTATIVES OF NONPROFIT ORGANIZATIONS 11 THAT FACILITATE HEALTH INFORMATION EXCHANGE TO IMPROVE HEALTH 12 CARE FOR ALL COLORADANS. 13 THE FOLLOWING PERSONS SHALL SERVE AS EX OFFICIO (c)14 MEMBERS OF THE ADVISORY COMMITTEE: 15 (I) THE EXECUTIVE DIRECTOR OR HIS OR HER DESIGNEE; 16 (II) A REPRESENTATIVE OF THE DEPARTMENT OF PERSONNEL AND 17 ADMINISTRATION; 18 (III) THE COMMISSIONER OF INSURANCE OR HIS OR HER DESIGNEE; 19 20 (IV) THE DIRECTOR OF THE OFFICE OF INFORMATION TECHNOLOGY 21 OR HIS OR HER DESIGNEE: AND 22 (V) TWO MEMBERS OF THE GENERAL ASSEMBLY, ONE FROM THE 23 MAJORITY PARTY AND ONE FROM THE MINORITY PARTY. 24 (d) WHEN MAKING APPOINTMENTS TO THE ADVISORY COMMITTEE, 25 THE EXECUTIVE DIRECTOR SHALL INCLUDE AT LEAST TWO MEMBERS WHO 26 RESIDE IN A RURAL COMMUNITY WITH A POPULATION OF LESS THAN FIFTY 27 THOUSAND OR WHO REPRESENT RURAL INTERESTS.

(e) (I) THIS SUBSECTION (1) IS REPEALED, EFFECTIVE JULY 1, 2013.
 (II) PRIOR TO THE REPEAL OF THIS SUBSECTION (1), THE ADVISORY
 COMMITTEE SHALL BE REVIEWED AS PROVIDED FOR IN SECTION 2-3-1203,
 C.R.S.

5 (2) THE ADVISORY COMMITTEE SHALL MAKE RECOMMENDATIONS
6 TO THE ADMINISTRATOR REGARDING THE DATABASE THAT:

7 (a) INCLUDE SPECIFIC STRATEGIES TO MEASURE AND COLLECT
8 DATA RELATED TO HEALTH CARE SAFETY AND QUALITY, UTILIZATION,
9 HEALTH OUTCOMES, AND COST TO CONSUMERS, PAYERS, PROVIDERS, AND
10 PURCHASERS;

11 (b) FOCUS ON DATA ELEMENTS THAT FOSTER QUALITY12 IMPROVEMENT AND PEER GROUP COMPARISONS;

13 (c) FACILITATE VALUE-BASED, COST-EFFECTIVE PURCHASING OF
14 HEALTH CARE SERVICES BY PUBLIC AND PRIVATE PURCHASERS AND
15 CONSUMERS;

16 (d) RESULT IN USABLE AND COMPARABLE INFORMATION THAT
17 ALLOWS PUBLIC AND PRIVATE HEALTH CARE PURCHASERS, CONSUMERS,
18 AND DATA ANALYSTS TO IDENTIFY AND COMPARE HEALTH PLANS, HEALTH
19 INSURERS, HEALTH CARE FACILITIES, AND HEALTH CARE PROVIDERS
20 REGARDING THE PROVISION OF SAFE, COST-EFFECTIVE, HIGH-QUALITY
21 HEALTH CARE SERVICES;

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

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

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

5 (h) INCLUDE RECOMMENDATIONS ABOUT WHETHER TO INCLUDE
6 DATA ON THE UNINSURED;

7 (i) DISCUSS THE HARMONIZATION OF A COLORADO DATABASE
8 WITH OTHER STATES', REGIONS', AND FEDERAL EFFORTS CONCERNING
9 ALL-PAYER CLAIMS DATABASES;

10 (j) DISCUSS THE HARMONIZATION OF A COLORADO DATABASE
11 WITH FEDERAL LEGISLATION CONCERNING AN ALL-PAYER CLAIMS
12 DATABASE;

13 (k) DISCUSS A LIMIT ON THE NUMBER OF TIMES THE
14 ADMINISTRATOR MAY REQUIRE SUBMISSION OF THE REQUIRED DATA
15 ELEMENTS; AND

16 (1) DISCUSS A LIMIT ON THE NUMBER OF TIMES THE
17 ADMINISTRATOR MAY CHANGE THE REQUIRED DATA ELEMENTS FOR
18 SUBMISSION IN A CALENDAR YEAR CONSIDERING ADMINISTRATIVE COSTS,
19 RESOURCES, AND TIME REQUIRED TO FULFILL THE REQUESTS.

20 (3) THE ADVISORY COMMITTEE SHALL MAKE RECOMMENDATIONS
21 TO THE EXECUTIVE DIRECTOR TO DETERMINE HOW THE ONGOING
22 OVERSIGHT OF THE OPERATIONS OF THE ALL-PAYER HEALTH CLAIMS
23 DATABASE SHOULD FUNCTION.

(4) THE ADMINISTRATOR SHALL SEEK FUNDING FOR THE CREATION
OF THE ALL-PAYER HEALTH CLAIMS DATABASE AND DEVELOP A PLAN FOR
THE FINANCIAL STABILITY OF THE DATABASE. ON OR BEFORE MARCH 1,
2011, THE ADMINISTRATOR SHALL REPORT TO THE GOVERNOR AND THE

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1 GENERAL ASSEMBLY ON THE STATUS OF THE FUNDING EFFORT AND ON THE 2 STATUS OF THE RECOMMENDATIONS OF THE ADVISORY COMMITTEE. IF 3 SUFFICIENT FUNDING IS RECEIVED THROUGH GIFTS, GRANTS, AND 4 DONATIONS ON OR BEFORE JANUARY 1, 2012, AS DETERMINED BY THE 5 EXECUTIVE DIRECTOR, THE ADMINISTRATOR SHALL, IN CONSULTATION 6 WITH THE ADVISORY COMMITTEE, CREATE THE COLORADO ALL-PAYER 7 CLAIMS DATABASE. THE COLORADO ALL-PAYER CLAIMS DATABASE SHALL 8 BE OPERATIONAL NO LATER THAN JANUARY 1, 2013.

9 (5) IF SUFFICIENT FUNDING IS RECEIVED, THE EXECUTIVE DIRECTOR
10 SHALL DIRECT THE ADMINISTRATOR TO CREATE THE DATABASE AND THE
11 ADMINISTRATOR SHALL:

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

18 (b) SEEK TO ESTABLISH AGREEMENTS FOR VOLUNTARY REPORTING
19 OF HEALTH CARE CLAIMS DATA FROM HEALTH CARE PAYERS THAT ARE NOT
20 SUBJECT TO MANDATORY REPORTING REQUIREMENTS IN ORDER TO ENSURE
21 AVAILABILITY OF THE MOST COMPREHENSIVE AND SYSTEMWIDE DATA ON
22 HEALTH CARE COSTS AND QUALITY;

23 (c) SEEK TO ESTABLISH AGREEMENTS OR REQUESTS WITH THE
24 FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES TO OBTAIN
25 MEDICARE HEALTH CLAIMS DATA;

26 (d) DETERMINE THE MEASURES NECESSARY TO IMPLEMENT THE
 27 REPORTING REQUIREMENTS IN A MANNER THAT IS COST-EFFECTIVE AND

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REASONABLE FOR DATA SOURCES AND TIMELY, RELEVANT, AND RELIABLE
 FOR CONSUMERS, PUBLIC AND PRIVATE PURCHASERS, PROVIDERS, AND
 POLICYMAKERS;

4 (e) DETERMINE THE REPORTS AND DATA TO BE MADE AVAILABLE
5 TO THE PUBLIC WITH RECOMMENDATIONS FROM THE ADVISORY
6 COMMITTEE IN ORDER TO ACCOMPLISH THE PURPOSES OF THIS SECTION,
7 INCLUDING CONDUCTING STUDIES AND REPORTING THE RESULTS OF THE
8 STUDIES;

9 (f) COLLECT, AGGREGATE, DISTRIBUTE, AND PUBLICLY REPORT 10 PERFORMANCE DATA ON QUALITY, HEALTH OUTCOMES, HEALTH 11 DISPARITIES, COST, UTILIZATION, AND PRICING IN A MANNER ACCESSIBLE 12 FOR CONSUMERS, PUBLIC AND PRIVATE PURCHASERS, PROVIDERS, AND 13 POLICYMAKERS;

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

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

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

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1 (6) THE ADMINISTRATOR, WITH INPUT FROM THE ADVISORY 2 COMMITTEE:

3 (a) SHALL INCORPORATE AND UTILIZE PUBLICLY AVAILABLE DATA
4 OTHER THAN ADMINISTRATIVE CLAIMS DATA IF NECESSARY TO MEASURE
5 AND ANALYZE A SIGNIFICANT HEALTH CARE QUALITY, SAFETY, OR COST
6 ISSUE THAT CANNOT BE ADEQUATELY MEASURED WITH ADMINISTRATIVE
7 CLAIMS DATA ALONE;

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

10 (c) SHALL DETERMINE THE DATA ELEMENTS TO BE COLLECTED, THE
11 REPORTING FORMATS FOR DATA SUBMITTED, AND THE USE AND REPORTING
12 OF ANY DATA SUBMITTED. DATA COLLECTION SHALL ALIGN WITH
13 NATIONAL, REGIONAL, AND OTHER UNIFORM ALL-PAYER CLAIMS
14 DATABASES' STANDARDS WHERE POSSIBLE.

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

16 (e) MAY CONTRACT WITH THIRD PARTIES TO COLLECT AND PROCESS 17 THE HEALTH CARE DATA COLLECTED PURSUANT TO THIS SECTION. THE 18 CONTRACT SHALL PROHIBIT THE COLLECTION OF UNENCRYPTED SOCIAL 19 SECURITY NUMBERS AND THE USE OF THE DATA FOR ANY PURPOSE OTHER 20 THAN THOSE SPECIFICALLY AUTHORIZED BY THE CONTRACT. THE 21 CONTRACT SHALL REOUIRE THE THIRD PARTY TO TRANSMIT THE DATA 22 COLLECTED AND PROCESSED UNDER THE CONTRACT TO THE 23 ADMINISTRATOR OR OTHER DESIGNATED ENTITY.

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

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

27 (a) BE AVAILABLE TO THE PUBLIC WHEN DISCLOSED IN A FORM AND

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MANNER THAT ENSURES THE PRIVACY AND SECURITY OF PERSONAL HEALTH
 INFORMATION AS REQUIRED BY STATE AND FEDERAL LAW, AS A RESOURCE
 TO INSURERS, CONSUMERS, EMPLOYERS, PROVIDERS, PURCHASERS OF
 HEALTH CARE, AND STATE AGENCIES TO ALLOW FOR CONTINUOUS REVIEW
 OF HEALTH CARE UTILIZATION, EXPENDITURES, AND QUALITY AND SAFETY
 PERFORMANCE IN COLORADO;

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

10 (c) BE PRESENTED TO ALLOW FOR COMPARISONS OF GEOGRAPHIC,
 11 DEMOGRAPHIC, AND ECONOMIC FACTORS AND INSTITUTIONAL SIZE;

12

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

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

17 (9) THE EXECUTIVE DIRECTOR SHALL PROMULGATE RULES AS 18 NECESSARY TO IMPLEMENT THIS SECTION, WHICH RULES SHALL INCLUDE 19 THE ASSESSMENT OF A FINE FOR A PAYER REQUIRED TO SUBMIT DATA THAT 20 DOES NOT COMPLY WITH THIS SECTION. ANY FINES COLLECTED SHALL BE 21 DEPOSITED IN THE ALL-PAYER HEALTH CLAIMS DATABASE CASH FUND. 22 WHICH IS HEREBY CREATED IN THE STATE TREASURY. THE MONEYS IN THE 23 FUND SHALL BE APPROPRIATED TO THE DEPARTMENT OF HEALTH CARE 24 POLICY AND FINANCING FOR THE PURPOSE OF MAINTAINING THE ALL-PAYER 25 HEALTH CLAIMS DATABASE. THE MONEYS IN THE FUND SHALL REMAIN IN 26 THE FUND AND NOT REVERT TO THE GENERAL FUND OR ANY OTHER FUND 27 AT THE END OF ANY FISCAL YEAR.

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

7 (11) IF AT ANY TIME, THERE IS NOT SUFFICIENT FUNDING TO 8 FINANCE THE ONGOING OPERATIONS OF THE DATABASE, THE DATABASE 9 SHALL CEASE OPERATING AND THE ADVISORY COMMITTEE AND 10 ADMINISTRATOR SHALL NO LONGER HAVE THE DUTY TO CARRY OUT THE 11 FUNCTIONS REQUIRED PURSUANT TO THIS SECTION. IF THE DATABASE 12 CEASES TO OPERATE, THE DATA SUBMITTED SHALL BE DESTROYED OR 13 RETURNED TO ITS ORIGINAL SOURCE.

SECTION 2. 2-3-1203 (3) (z), Colorado Revised Statutes, is
 amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:
 2-3-1203. Sunset review of advisory committees. (3) The
 following dates are the dates for which the statutory authorization for the
 designated advisory committees is scheduled for repeal:

19 (z) July 1, 2013:

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

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