# House Research Act Summary

**CHAPTER:** 164 **SESSION:** 2012 Regular Session

**TOPIC:** MDH requirement for Hospital Community Benefit Eliminated and Provider Peer-Grouping Modifications

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## Overview

This act eliminates a hospital community benefit requirement and modifies the provider peer-grouping program.

**1** **Community and family health promotion.** Amends a rider from Laws 2011, First Spec. Sess. ch. 9, art. 10, sec. 4, subd. 2. Removes provisions from the statewide health improvement program (SHIP) rider that required the commissioner of health to develop and implement a plan to use strategies from SHIP as part of hospital community benefit programs and HMO collaboration plans and required that the state forecast include estimates of health care cost savings attributable to strategies funded through SHIP.

**2** **Development of tools to improve costs and quality outcomes.** Amends § 62U.04, subd. 1. Removes obsolete language.

**3** **Calculation of health care costs and quality.** Amends § 62U.04, subd. 2. Amends the list of issues the commissioner of health must consider in developing a method for calculating providers' relative cost of care by directing the commissioner to consider case mix adjustments and other factors the advisory committee determines are needed.

**4** **Provider peer grouping; system development; advisory committee.** Amends § 62U.04, subd. 3. Requires the commissioner of health to establish an advisory committee and requires the commissioner to consult with this committee in developing and administering the peer grouping system.

**Subd. 3a. Provider peer grouping; dissemination of data to providers.** Removes obsolete language. Makes conforming technical changes. Requires that data used for total-cost-of-care and condition-specific analyses must be the most recent data available. Provides that, in giving providers the opportunity to review underlying data of their analyses, the commissioner must provide data necessary for the provider to verify the data is accurate and representative. Makes mandatory the provision that providers be given data for which they are the subject. Extends

the review periods from 30 to 60 days.

**Subd. 3b. Provider peer grouping; appeals process.** Modifies the existing appeal process by requiring that providers have the option to formally appeal the peer group which the provider is assigned, the accuracy of the data used to determine the peer group, and the methodology of the calculations. Provides that the commissioner shall not publish peer grouping results for a provider until the appeal is resolved. Makes conforming technical changes.

**Subd. 3c. Provider peer grouping; publication of information for the public.** (a) Removes obsolete language and modifies requirements for publishing peer grouping information. Permits the commissioner to publicly release summary data, as long as it does not identify any particular hospital, clinic, or provider.

(b) Permits the commissioner to publicly release hospital-, clinic- and provider-specific peer grouping analyses or results when certain specified criteria are met.

(c) Requires the commissioner to publish information no less frequently than annually, after the first report is made public. Requires that the published results be risk-adjusted and include case-mix adjustments.

(d) Requires the commissioner to convene a work group comprised of stakeholders to make recommendations on data that should be made available to providers for verification purposes.

**Subd. 3d. Provider peer grouping; standards for dissemination and publication.** Makes conforming technical changes. Modifies the process for developing the methodology by requiring the commissioner to consult with the advisory committee to provide certain assurances relative to the peer grouping results.

**5** **Encounter data.** Amends § 62U.04, subd. 4. Modifies the permitted use of encounter data by specifying that it may be used for provider-verification of their peer grouping results.

**6** **Pricing data.** Amends § 62U.04, subd. 5. Modifies the permitted use of pricing data by specifying that it may be used for provider-verification of their peer grouping results.

**7** **Uses of information.** Amends § 62U.04, subd. 9. Removes language mandating certain uses of provider peer grouping information and makes such uses permissive. Makes technical conforming changes. Removes obsolete language related to the commissioner of health reporting on methods for encouraging widespread use of high-quality, low-cost providers.

**8** **Payment reform.** Amends § 256B.0754, subd. 2. Makes technical conforming changes and removes language mandating that the commissioner of human services use provider peer grouping information to reform state health care program payment systems and makes such use permissive.

**9** **Effective date.** Provides that sections 2 to 8 of this act (related to provider peer grouping) are effective July 1, 2012, and apply to any provider peer grouping information given to health care providers or released to the public on or after that date. Provides that section 4 must be implemented by the Department of Health within available recourses.