

# HOUSE RESEARCH

## Bill Summary

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### Overview

The commissioner of health is required to develop a peer grouping system for providers that incorporates risk-adjusted cost of care and quality of care. One of the goals of provider peer grouping is to provide comparative information to consumers on variation in health care cost and quality across providers. As part of the provider peer grouping process, health plan companies and third-party administrators are required to submit encounter and pricing data to an entity designated by the commissioner of health. The commissioner is allowed to use the data submitted only to carry out responsibilities related to administering the provider peer grouping system.

This bill suspends the development and implementation of the provider peer grouping system, expands the allowable uses of the encounter and pricing data submitted, requires the commissioner to work with vendors to assess encounter data and ensure data quality, and establishes a work group to develop a framework for the expanded use of the all-payer claims data base.

### Section

- 1**      **Encounter data.** Amends § 62U.04, subd. 4. Requires the commissioner to compile summary information on the encounter data submitted by health plan companies and third-party administrators. Requires the commissioner to work with its vendors to assess the data submitted in terms of compliance with data submission requirements and the completeness of data, by comparing the data with summary information and with established and emerging data quality standards, to ensure data quality.
- 2**      **Suspension.** Amends § 62U.04, by adding subd. 10. Directs the commissioner to suspend

### Section

the development and implementation of the provider peer grouping system. Provides that the suspension continues until the legislature authorizes the commissioner to resume the activity.

**3** **Restricted uses of the all-payer claims data.** Amends § 62U.04, by adding subd. 11. (a) States that the commissioner or a designee shall use the encounter and pricing data submitted under subdivisions 4 and 5 only to:

- (1) evaluate the performance of the health care home program;
  - (2) study hospital readmission trends and rates, in collaboration with the Reducing Avoidable Readmissions Effectively campaign;
  - (3) analyze variations in health care costs, quality, utilization, and illness burden, based on geographical areas or populations; and
  - (4) evaluate the state innovation model (SIM) grant, including an analysis of health care cost, quality, and utilization baseline and trend information for targeted populations and communities.
- (b) Allows the commissioner to publish the results of the authorized uses in paragraph (a), as long as the data released publicly do not contain information or descriptions that would allow the identification of individual hospitals, clinics, or other providers.
- (c) States that nothing in the subdivision shall be construed to prohibit the commissioner from using the encounter data collected under subdivision 4 to complete the state-based risk adjustment system assessment due to the legislature on October 1, 2015.
- (d) Allows the commissioner or a designee to use the encounter and pricing data submitted for purposes of paragraph (a), clause (3) – analyze variations in health care costs, quality, utilization, and illness burden – until July 1, 2016.

**4** **All-payer claims database work group.** Amends § 62U.04, by adding subd. 12. (a) Requires the commissioner of health to convene a work group to develop a framework for the expanded use of the all-payer claims database. Requires the work group to develop recommendations based on specified questions, and other topics identified by the work group. The specified questions address issues related to: parameters for allowable uses, the appropriate advisory or governing body, funding and fee structures, mechanisms for releasing or accessing data, privacy and security protections, and additional resources that may be needed.

(b) Specifies membership of the work group.

(c) Requires the commissioner to submit a report on the recommendations of the work group to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services, judiciary, and civil law, by February 1, 2015. States that in considering these recommendations, the legislature may consider whether the currently authorized uses of the all-payer claims data under § 62U.04 should continue to be authorized.

**Section**

Provides an immediate effective date.