

By: Walle

H.B. No. 1907

Substitute the following for H.B. No. 1907:

By: Oliverson

C.S.H.B. No. 1907

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the establishment of a statewide all payor claims  
3 database to increase public transparency of health care data and  
4 improve quality of health care in this state.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Chapter 38, Insurance Code, is amended by adding  
7 Subchapter I to read as follows:

8 SUBCHAPTER I. TEXAS ALL PAYOR CLAIMS DATABASE

9 Sec. 38.401. PURPOSE OF SUBCHAPTER. The purpose of this  
10 subchapter is to authorize the department to establish an all payor  
11 claims database in this state to increase public transparency of  
12 health care data and improve the quality of health care in this  
13 state.

14 Sec. 38.402. DEFINITIONS. In this subchapter:

15 (1) "Center" means the Center for Healthcare Data at  
16 The University of Texas Health Science Center at Houston.

17 (2) "Data" means the specific claims and encounters,  
18 enrollment, and benefit information submitted to the center under  
19 this subchapter.

20 (3) "Database" means the Texas All Payor Claims  
21 Database established under this subchapter.

22 (4) "Payor" means any of the following entities that  
23 pay, reimburse, or otherwise contract with a health care provider  
24 for the provision of health care services or supplies to a patient:

1                   (A) an insurance company providing health or  
2 dental insurance;

3                   (B) the sponsor or administrator of a health or  
4 dental plan;

5                   (C) a health maintenance organization operating  
6 under Chapter 843;

7                   (D) the state Medicaid program, including the  
8 Medicaid managed care program operating under Chapter 533,  
9 Government Code;

10                   (E) a health benefit plan offered or administered  
11 by or on behalf of this state or a political subdivision of this  
12 state or an agency or instrumentality of the state or a political  
13 subdivision of this state, including contracted-for plans and plans  
14 not otherwise subject to regulation by the department;

15                   (F) a third-party administrator or  
16 administrative services organization;

17                   (G) a pharmacy benefit manager; or

18                   (H) any other entity providing a health insurance  
19 or health benefit plan subject to regulation by the department.

20                   (5) "Stakeholder advisory group" means the  
21 stakeholder advisory group established under Section 38.403.

22                   Sec. 38.403. STAKEHOLDER ADVISORY GROUP. (a) The  
23 commissioner, in consultation with the center, shall establish a  
24 stakeholder advisory group to assist the commissioner and the  
25 center in the administration of this subchapter.

26                   (b) The advisory group created under this section must be  
27 composed of:

1           (1) the state Medicaid director or the director's  
2 designee;

3           (2) a member designated by the Teacher Retirement  
4 System of Texas;

5           (3) a member designated by the Employees Retirement  
6 System of Texas; and

7           (4) nine members designated by the commissioner,  
8 including:

9                   (A) two members representing the business  
10 community, with at least one of those members representing small  
11 businesses that purchase health benefits but are not involved in  
12 the provision of health care services or health benefit plans;

13                   (B) two members who represent consumers and who  
14 are not professionally involved in the purchase, provision,  
15 administration, or review of health care services or health benefit  
16 plans;

17                   (C) one member representing hospitals;

18                   (D) one member representing health maintenance  
19 organizations;

20                   (E) one member representing physicians involved  
21 in direct patient care; and

22                   (F) two members who are not professionally  
23 involved in the purchase, provision, administration, or review of  
24 health care services or health benefit plans and who have expertise  
25 in:

26                                   (i) health planning;

27                                   (ii) health economics;

1                   (iii) provider quality assurance;  
2                   (iv) statistics or health data management;  
3 or  
4                   (v) the reimbursement of medical education  
5 and research costs.

6           Sec. 38.404. ESTABLISHMENT AND ADMINISTRATION OF DATABASE.

7 (a) The department shall collaborate with and leverage the  
8 existing resources and infrastructure of the center to establish  
9 the Texas All Payor Claims Database to collect, process, analyze,  
10 and store data relating to medical, dental, pharmaceutical, and  
11 other relevant health care claims and encounters, enrollment, and  
12 benefit information for the purposes of increasing cost  
13 transparency and improving the quality of health care in this  
14 state.

15           (b) The center shall serve as the administrator of the  
16 database, design and build the database infrastructure, and manage  
17 the data submitted for inclusion in the database.

18           (c) In determining the information a payor is required to  
19 submit to the center, the center must consider requiring inclusion  
20 of information useful to researchers, employers, and policy makers  
21 for improving health care quality and outcomes and lowering health  
22 care costs and information useful to consumers and employers for  
23 price transparency. The required data at a minimum must include the  
24 following information as it relates to all health care services and  
25 supplies paid or otherwise adjudicated by the payor:

26                   (1) the name and National Provider Identifier, as  
27 described in 45 C.F.R. Section 162.410, of each health care

1 provider paid by the payor;

2 (2) the claim line detail that documents the health  
3 care services or supplies provided by the health care provider; and

4 (3) the amount of charges billed by the health care  
5 provider and the allowed amount paid by the payor and the recipient  
6 of the health care services or supplies.

7 (d) Each payor shall submit the required data under  
8 Subsection (c) at a schedule and frequency determined by the  
9 department.

10 (e) In the manner and subject to the standards and  
11 requirements relating to the use of data contained in the database  
12 established by the center in consultation with the stakeholder  
13 advisory group, the department or the center may use the data  
14 contained in the database:

15 (1) to produce price, resource use, and quality  
16 information for consumers;

17 (2) for research and other analysis conducted by the  
18 department or the center; and

19 (3) for research and other analysis conducted by a  
20 third party to the extent that such use is consistent with all  
21 applicable federal and state law, including the data security  
22 requirements of Section 38.406.

23 (f) The center, in consultation with the stakeholder  
24 advisory group, shall monitor data collection procedures and test  
25 the quality of data submitted to the center under this section to  
26 ensure that the data is accurate, valid, reliable, and complete.

27 Sec. 38.405. PUBLIC ACCESS PORTAL. (a) Except as provided

1 by Sections 38.404 and 38.406 and in a manner consistent with all  
2 applicable federal and state law, the center shall collect,  
3 compile, and analyze data submitted to or stored in the database and  
4 disseminate information in a format that allows the public to  
5 easily access and navigate the information. The information must  
6 be accessible through an open access Internet portal that may be  
7 accessed by the public through an Internet website.

8 (b) The portal created under this section must allow the  
9 public and qualified research entities to easily search and  
10 retrieve the data contained in the database.

11 Sec. 38.406. DATA SECURITY. (a) The data contained in the  
12 database and any reports or information created by the center using  
13 that data are confidential, subject to applicable state and federal  
14 law pertaining to records privacy and protected health information,  
15 including Chapter 181, Health and Safety Code, and are not subject  
16 to disclosure under Chapter 552, Government Code.

17 (b) Notwithstanding any provision of this subchapter, the  
18 department and the center may not disclose an individual's personal  
19 health information in violation of any state or federal law.

20 (c) The center shall include in the database only the  
21 minimum amount of protected health information identifiers  
22 necessary to link public and private data sources and the  
23 geographic and services data to undertake studies.

24 (d) The center shall maintain protected health information  
25 identifiers collected under this subchapter but excluded from the  
26 database under Subsection (c) in a separate database. The separate  
27 database may not be aggregated with any other information and must

1 use a proxy or encrypted record identifier for analysis.

2 Sec. 38.407. CERTAIN ENTITIES NOT REQUIRED TO SUBMIT DATA.

3 Any sponsor or administrator of a health benefit plan subject to the  
4 Employee Retirement Income Security Act of 1974 (29 U.S.C. Section  
5 1001 et seq.) may elect or decline to participate in or submit data  
6 to the center for inclusion in the database as consistent with  
7 federal law.

8 Sec. 38.408. REPORT TO LEGISLATURE. Not later than  
9 September 1 of each even-numbered year, the department shall submit  
10 to the legislature a written report containing:

11 (1) an analysis of the data submitted to the center for  
12 use in the database;

13 (2) information regarding the submission of data to  
14 the center for use in the database and the maintenance, analysis,  
15 and use of the data; and

16 (3) recommendations to further improve the  
17 transparency, cost-effectiveness, and quality of health care in  
18 this state.

19 Sec. 38.409. RULES. (a) The commissioner, in consultation  
20 with the center, shall adopt rules:

21 (1) specifying the types of data a payor is required to  
22 provide to the center under Section 38.404 to determine health  
23 benefits costs and other reporting metrics, including, if  
24 necessary, types of data not expressly identified in that section;

25 (2) specifying the schedule, frequency, and manner in  
26 which a payor must provide data to the center under Section 38.404,  
27 which must:

1           (A) require the payor to provide data to the  
2 center not less frequently than annually; and

3           (B) include provisions relating to data layout,  
4 data governance, historical data, data submission, use and sharing,  
5 information security, privacy protection, reporting, and any other  
6 matter necessary for the department to perform its functions under  
7 this section; and

8           (3) establishing oversight and enforcement mechanisms  
9 to ensure that the database is operated and maintained in  
10 accordance with this subchapter.

11           (b) In adopting rules governing methods for data  
12 submission, the commissioner shall to the maximum extent  
13 practicable use methods that are reasonable and cost-effective for  
14 payors.

15           SECTION 2. (a) Not later than January 1, 2022, the  
16 commissioner of insurance shall establish the stakeholder advisory  
17 group in accordance with Section 38.403, Insurance Code, as added  
18 by this Act.

19           (b) Not later than June 1, 2022, the Texas Department of  
20 Insurance shall adopt rules necessary to implement Subchapter I,  
21 Chapter 38, Insurance Code, as added by this Act.

22           SECTION 3. As soon as practicable after the effective date  
23 of this Act, the commissioner of insurance, in consultation with  
24 the Center for Healthcare Data at The University of Texas Health  
25 Science Center at Houston, shall actively seek financial support  
26 from the federal grant program for development of state all payer  
27 claims databases established under the Consolidated Appropriations

1 Act, 2021 (Pub. L. No. 116-260) and from any other available source  
2 of financial support provided by the federal government for  
3 purposes of implementing Subchapter I, Chapter 38, Insurance Code,  
4 as added by this Act.

5 SECTION 4. If before implementing any provision of this Act  
6 the commissioner of insurance determines that a waiver or  
7 authorization from a federal agency is necessary for implementation  
8 of that provision, the commissioner shall request the waiver or  
9 authorization and may delay implementing that provision until the  
10 waiver or authorization is granted.

11 SECTION 5. This Act takes effect September 1, 2021.