87R20216 RDS-F

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

AN ACT

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

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

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

SUBCHAPTER I. TEXAS ALL PAYOR CLAIMS DATABASE

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

Sec. 38.402.  DEFINITIONS. In this subchapter:

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

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

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

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

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

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

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

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

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

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

(G)  a pharmacy benefit manager; or

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

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

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

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

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

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

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

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

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

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

(C)  one member representing hospitals;

(D)  one member representing health maintenance organizations;

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

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

(i)  health planning;

(ii)  health economics;

(iii)  provider quality assurance;

(iv)  statistics or health data management; or

(v)  the reimbursement of medical education and research costs.

Sec. 38.404.  ESTABLISHMENT AND ADMINISTRATION OF DATABASE. (a) The department shall collaborate with and leverage the existing resources and infrastructure of the center to establish the Texas All Payor Claims Database to collect, process, analyze, and store data relating to medical, dental, pharmaceutical, and other relevant health care claims and encounters, enrollment, and benefit information for the purposes of increasing cost transparency and improving the quality of health care in this state.

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

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

(1)  the name and National Provider Identifier, as described in 45 C.F.R. Section 162.410, of each health care provider paid by the payor;

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

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

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

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

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

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

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

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

Sec. 38.405.  PUBLIC ACCESS PORTAL. (a) Except as provided by Sections 38.404 and 38.406 and in a manner consistent with all applicable federal and state law, the center shall collect, compile, and analyze data submitted to or stored in the database and disseminate information in a format that allows the public to easily access and navigate the information. The information must be accessible through an open access Internet portal that may be accessed by the public through an Internet website.

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

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

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

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

(d)  The center shall maintain protected health information identifiers collected under this subchapter but excluded from the database under Subsection (c) in a separate database. The separate database may not be aggregated with any other information and must use a proxy or encrypted record identifier for analysis.

Sec. 38.407.  CERTAIN ENTITIES NOT REQUIRED TO SUBMIT DATA. Any sponsor or administrator of a health benefit plan subject to the Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.) may elect or decline to participate in or submit data to the center for inclusion in the database as consistent with federal law.

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 3.  As soon as practicable after the effective date of this Act, the commissioner of insurance, in consultation with the Center for Healthcare Data at The University of Texas Health Science Center at Houston, shall actively seek financial support from the federal grant program for development of state all payer claims databases established under the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260) and from any other available source of financial support provided by the federal government for purposes of implementing Subchapter I, Chapter 38, Insurance Code, as added by this Act.

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

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