



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2005 Wisconsin Act 228
[2005 Assembly Bill 907]

Health Care Data

2005 Wisconsin Act 228 allows the Department of Employee Trust Funds (DETF) and the Department of Health and Family Services (DHFS) to contract jointly with a data organization to perform specified services under ch. 153, Stats., the chapter of the statutes that relates to health care information. DETF is authorized to expend up to \$150,000 and DHFS is authorized to expend funds that it collects as assessments from health care providers and other specified fees for purposes of the joint contract with the data organization.

The data organization described in the Act must be a nonstock corporation under s. 501 (c) (3) of the Internal Revenue Code. It must represent health care consumers, insurers, third-party administrators, and health care providers. In addition, it must be formed specifically to create a centralized claims repository with credible and useful data elements for the purposes of quality improvement, health care provider performance comparisons, ready understandability, and consumer decision-making. It must also use the information it collects to develop and disseminate unified public health reports on health care quality, safety, and efficiency. During the period of the contract, the data organization must include as voting members of its board of directors the secretaries of DHFS and DETF. It must also provide matching funds, which may include in-kind contributions, as specified in the contract.

The Act provides that the data organization may request health care claims information from insurers and third-party administrators. The data organization is required to analyze and publicly report the health care claims information with respect to the cost, quality, and effectiveness of health care, in language that is understandable by laypersons.

If the secretaries of DHFS and DETF determine that the data organization is not in compliance with the contract with respect to the performance of the collection and public reporting of information regarding the cost, quality, and effectiveness of health care, including the development and maintenance of a centralized data repository, or if they determine that there is insufficient statewide participation under the requirements of the contract, the secretaries may modify or terminate the contract. If they terminate the contract, they are required to recommend to the Department of Administration (DOA) that

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

DOA use a competitive request-for-proposal process to solicit offers from other organizations for performance of the services required of the data organization under the terminated contract. If no organization responds to the request for proposals or a successor contract cannot be achieved, DHFS, in its capacity as a public health authority, is required to collect health care information, including that specified under current rules of DHFS.

The Act requires DHFS and DETF to prepare an annual report on the activities of the data organization and to submit the report to the Legislature's standing committees with jurisdiction over health issues.

The Act also eliminates the Board on Health Care Information, the Independent Review Board, and the Interagency Coordinating Council.

Effective Date: The Act generally takes effect on April 13, 2006, except that the elimination of the boards and the council takes effect on July 1, 2006.

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RNS:wu