



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Assembly Bill 907

**Assembly Amendments 1, 2, 3,
and 4 (and Amendment 1 to
Amendment 4)**

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Assembly Bill 907 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 bill 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 bill 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 costs, quality, and effects 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 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 bill also modifies the current law on assessment of forfeitures on health care providers. Under current law, an individual health care provider (i.e., not a facility) may not be assessed more than \$75 per year. The bill deletes this limit and replaces it with a provision stating that if DHFS proposes to increase the assessment on an individual health care provider to more than \$70 per year, this proposal is subject to passive review approval by the Joint Committee on Finance.

Assembly Amendment 1 deletes the changes in the statute regarding assessments on individual health care providers described in the previous paragraph and restores the \$75 per year limit on such assessments.

Assembly Amendment 2 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.

Assembly Amendment 3 corrects an error in the bill. The bill eliminates the Interagency Coordinating Council, but also inadvertently eliminates a reference to a different coordinating council. The amendment corrects that error.

Assembly Amendment 4, as amended by *Assembly Amendment 1 to Assembly Amendment 4*, changes the appropriation account from which DETF may expend up to \$150,000.

Legislative History

On January 10, 2006, the Assembly Committee on Health recommended adoption of Assembly Amendments 1, 2, and 3, and passage of the bill as amended, all by votes of Ayes, 13; Noes, 0. On January 25, 2006, the Joint Committee on Finance recommended adoption of Assembly Amendments 1, 2, 3, and 4, and passage of the bill as amended, all by votes of Ayes, 16; Noes, 0. On January 31, 2006, the Assembly adopted Assembly Amendments 1, 2, 3, and 4, and Assembly Amendment 1 to Assembly Amendment 4, and passed the bill as amended, all by voice votes.

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