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SENATE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

AN ACT

RELATING TO HEALTH; ESTABLISHING AN ALL-PAYER CLAIMS DATABASE TO PROVIDE FOR THE SECURE STORAGE, MAINTENANCE AND ANALYSIS OF HEALTH CARE DATA; PROVIDING FOR FEES AND PENALTIES; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be cited as the "All-Payer Claims Database Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the All-Payer Claims Database Act:

A. "commission" means the all-payer claims database commission;

B. "database" means the all-payer claims database;

C. "health information exchange" means an arrangement among persons participating in a defined secure

1 electronic network service, such as a regional health
2 information organization, that allows the sharing of health
3 care information about individual patients among different
4 health care institutions or unaffiliated providers. The use of
5 an electronic medical record system by a health care provider,
6 by or within a health care institution or by an organized
7 health care arrangement as defined by the federal Health
8 Insurance Portability and Accountability Act of 1996 does not
9 constitute a health information exchange;

10 D. "limited insurance" means a limited-benefit
11 policy that is intended to supplement major medical coverage,
12 including vision, dental, disease-specific, accident-only or
13 hospital indemnity-only insurance policies, or that only issues
14 policies for long-term care or disability income;

15 E. "major medical coverage" means coverage offered
16 under authority of the New Mexico Insurance Code or the Health
17 Care Purchasing Act by a health insurer, nonprofit health
18 service provider, health maintenance organization, managed care
19 organization, fraternal benefit society or provider service
20 organization for hospital and medical expenses. "Major medical
21 coverage" excludes limited insurance;

22 F. "reporting entity" means:

23 (1) a person authorized pursuant to the New
24 Mexico Insurance Code as a health insurer, nonprofit health
25 service provider, health maintenance organization, managed care

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1 organization, fraternal benefit society or provider service
2 organization to offer major medical coverage in the state;

3 (2) an insurance administrator required to
4 obtain a license pursuant to Chapter 59A, Article 12A NMSA
5 1978;

6 (3) a pharmacy benefits manager, fiscal
7 intermediary or other person that is by statute, contract or
8 agreement legally responsible for payment of a claim for a
9 health care item or service;

10 (4) the state medicaid program operated by the
11 human services department pursuant to Title 19 or 21 of the
12 federal Social Security Act; or

13 (5) a person that provides coverage pursuant
14 to Part C of, or to supplement coverage under, Title 18 of the
15 federal Social Security Act Amendments of 1965, as then
16 constituted or later amended; and

17 G. "superintendent" means the superintendent of
18 insurance.

19 SECTION 3. [NEW MATERIAL] ALL-PAYER CLAIMS DATABASE--
20 REPORTING--RULEMAKING.--

21 A. By December 31, 2015, the superintendent shall
22 adopt and promulgate rules in accordance with the
23 recommendations of the commission to establish the "all-payer
24 claims database" in the state.

25 B. The superintendent shall contract with an entity

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1 with experience in operating a health information exchange in
2 the state to collect, store and maintain data for the database
3 in accordance with state and federal law.

4 C. Each reporting entity in the state shall report
5 to the entity designated pursuant to Subsection B of this
6 section, for purposes of collection in the database, health
7 care data specified pursuant to office of superintendent of
8 insurance rules for the following purposes:

9 (1) determining the maximum capacity and
10 distribution of existing resources allocated to health care;

11 (2) identifying the demands for health care;

12 (3) allowing health care policymakers to make
13 informed choices;

14 (4) evaluating the effectiveness of
15 intervention programs in improving health outcomes;

16 (5) comparing the costs and effectiveness of
17 various treatment settings and approaches;

18 (6) providing information to consumers and
19 purchasers of health care;

20 (7) improving the quality and affordability of
21 health care and health care coverage; and

22 (8) evaluating health disparities.

23 D. The superintendent shall prescribe, by rule,
24 standards that are consistent with standards adopted by the
25 accredited standards committee X12 of the American national

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1 standards institute, the centers for medicare and medicaid
2 services and the national council for prescription drug
3 programs and that:

4 (1) establish the time, place, form and manner
5 of reporting data under this section, including but not limited
6 to:

7 (a) requiring the use of unique patient
8 and provider identifiers;

9 (b) specifying a uniform coding system
10 that reflects all health care utilization and costs for health
11 care services provided to New Mexico residents in other states;
12 and

13 (c) establishing enrollment thresholds
14 below which reporting will not be required; and

15 (2) establish the types of data to be reported
16 under this section, including but not limited to:

17 (a) health care claims and enrollment
18 data used by reporting entities and paid health care claims
19 data;

20 (b) reports, schedules, statistics or
21 other data relating to health care costs, prices, quality,
22 utilization or resources determined by the superintendent to be
23 necessary to carry out the purposes of this section; and

24 (c) data related to race, ethnicity and
25 primary language collected in a manner consistent with

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1 established national standards.

2 SECTION 4. [NEW MATERIAL] ALL-PAYER CLAIMS DATABASE
3 COMMISSION--CREATED--MEMBERSHIP--DUTIES.--

4 A. By July 1, 2015, the superintendent shall
5 contract with an entity in the state with expertise in health
6 care cost and quality analysis to convene and coordinate the
7 "all-payer claims database commission". By December 1, 2015,
8 the commission shall make recommendations relating to the
9 following:

10 (1) sources among public and private entities
11 for health care claims data in the state and the manner in
12 which the database may receive data from these entities;

13 (2) sources of funding for the establishment
14 and operation of a database, including fees for the use of
15 data;

16 (3) the possibilities afforded in state and
17 other applicable law for a governance structure and an
18 operational entity that will provide for:

19 (a) the safe collection, management,
20 storage and sharing of health care claims data;

21 (b) a public-private partnership to
22 manage the database's duties; and

23 (c) accountability to the public and
24 state government;

25 (4) criteria for deeming persons eligible to

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1 receive data from the database and protocols for applying for
2 the use of data;

3 (5) applications for the data in the database
4 that will achieve the goal of high-quality health care while
5 cutting health care costs; and

6 (6) entities with which the database may
7 partner to achieve improvements in the quality and cost of
8 health care services in the state.

9 B. The commission shall meet at least once monthly
10 at the call of the superintendent until December 2015.

11 C. The commission shall consist of representatives
12 of the following:

13 (1) the medical assistance division of the
14 human services department, appointed by the secretary of human
15 services;

16 (2) the behavioral health services division of
17 the human services department, appointed by the secretary of
18 human services;

19 (3) the public health division of the
20 department of health, appointed by the secretary of health;

21 (4) the developmental disabilities supports
22 division of the department of health, appointed by the
23 secretary of health;

24 (5) the corrections department, appointed by
25 the secretary of corrections;

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1 (6) the university of New Mexico, appointed by
2 the president of the university of New Mexico; and

3 (7) New Mexico state university, appointed by
4 the president of New Mexico state university.

5 D. In addition to the commission members appointed
6 pursuant to Subsection C of this section, the commission shall
7 consist of representatives of the following entities, who shall
8 be appointed by the superintendent:

9 (1) the interagency benefits advisory
10 committee;

11 (2) the entity with experience in operating a
12 health information exchange with which the office of
13 superintendent of insurance contracts pursuant to Subsection B
14 of Section 3 of the All-Payer Claims Database Act;

15 (3) each reporting entity in the state;

16 (4) the New Mexico primary care association;

17 (5) the New Mexico hospital association;

18 (6) the New Mexico medical society;

19 (7) the New Mexico osteopathic medical
20 association;

21 (8) the New Mexico nurses association; and

22 (9) a health care consumer advocacy
23 organization.

24 SECTION 5. [NEW MATERIAL] FEES.--The superintendent shall
25 establish reasonable fees to users of the database to cover the

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1 costs of administering the database.

2 SECTION 6. [NEW MATERIAL] CIVIL PENALTIES FOR FAILURE TO
3 REPORT HEALTH CARE DATA.--The superintendent shall establish
4 civil penalties for reporting entities that fail to report
5 health care data as required pursuant to the All-Payer Claims
6 Database Act.

7 SECTION 7. APPROPRIATION.--One hundred thousand dollars
8 (\$100,000) is appropriated from the general fund to the office
9 of superintendent of insurance for expenditure in fiscal year
10 2016 to cover the costs of establishing the all-payer claims
11 database pursuant to the All-Payer Claims Database Act. Any
12 unexpended or unencumbered balance remaining at the end of
13 fiscal year 2016 shall revert to the general fund.