H.B. NO. <sup>2482</sup> H.D. 2 S.D. 1 C.D. 1

## A BILL FOR AN ACT

RELATING TO INSURANCE.

## BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The department of health and the state health
planning and development agency is tasked with promoting
accessibility to quality health care services for all people of
the State at a reasonable cost.

5 The legislature finds that health care payers collect and analyze health care services claims and payment information for 6 federal regulatory compliance and business accounting purposes. 7 Reporting health care services claims and payment information to 8 9 the state health planning and development agency would support 10 collection, analysis, and dissemination of medical treatment claims and payment information, lend transparency to the health 11 12 care sector, and support public policy decision making. The 13 legislature believes that consumers of health care and state 14 decision makers who regulate health care and insurance should have access to health care claims payment data and analytics. 15 Access to such data will benefit members and retirants under the 16 Hawaii employee-union health benefits trust fund, as well as 17

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medicaid and medicare recipients, and will serve other public 1 2 purposes.

3 The purpose of this Act is to facilitate greater transparency in the health care sector by broadening the scope 4 of health and health care data and other information, including 5 certain health care services claims and payment information, 6 submitted to the state health planning and development agency. 7 SECTION 2. Section 323D-18.5, Hawaii Revised Statutes, is 8 amended to read as follows: 9 "[+]§323D-18.5[] Information-from providers-of health 10 insurance.] Access to health and dental insurance data; 11 mandatory reporting for certain insurers; uses; confidentiality. 12 [The-state agency may request providers] (a) Providers of 13 health insurance doing business in the State [to] and who are 14 not subject to subsection (b) may submit to the state agency 15 16 [available statistical, financial, and other reports of information] or its designee, upon request of the state agency, 17 administrative data that the state agency [finds] deems 18 necessary to perform its functions. 19 (b) Beginning November 1, 2016, providers of health 20 insurance that provide health benefit plans funded by the Hawaii



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1	employer-union health benefits trust fund, the state medicaid
2	agency, or both, shall provide to the state agency, or its
3	designee, administrative data required by the state agency to
4	determine health benefits costs, including health care services
5	claims and payment data regarding beneficiaries of health
6	benefits plans funded by the Hawaii employer-union health
7	benefits trust fund, the state medicaid agency, or both.
8	(c) The state agency shall submit data collected pursuant
9	to this section to the college of social sciences, social
10	sciences research institute, pacific health informatics and data
11	center at the University of Hawaii for processing, assignment of
12	encrypted identifiers, and any other task deemed necessary by
13	the state agency. After July 1, 2018, the state agency may
14	designate another data center to which to submit the data
15	obtained pursuant to this section; provided that the data center
16	is established under and meets the conflict of interest
17	requirements of 42 United States Code section 300gg-94. The
18	state agency may contract with entities for the analysis of data
19	collected under this section and processed by a data center
20	pursuant to this subsection to benefit medicaid and medicare

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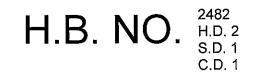
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1	recipients, public employees, and public sector retirees and for
2	other public purposes.
3	(d) The state agency shall develop and update an annual
4	plan for the analysis, maintenance, and publication of data
5	collected pursuant to this section. The state agency shall seek
6	approval for the annual plan from the director of health,
7	administrator of the MedQuest division of the department of
8	human services, and the chief information officer of the State.
9	(e) The state agency shall adopt rules, pursuant to
10	chapter 91, for the schedule and frequency with which providers
11	of health insurance shall provide administrative data to the
12	state agency. Administrative rules shall also include
13	provisions relating to data governance, data submission, use and
14	sharing, information security, privacy protection, reporting,
15	and any other matter necessary for the state agency to perform
16	its functions under this section. In adopting administrative
17	rules, the state agency shall consider the measures necessary to
18	implement data submission requirements by providers of health
19	insurance subject to this section, using methods that are
20	reasonable and cost-effective for data submitters.

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1	(f) The state agency or its designee shall not disclose
2	any individual patient's personal health information in
3	violation of state or federal law.
4	(g) To minimize any risk of data breaches and re-
5	identification of data, the data and information submitted to
6	the state agency shall include only the minimum protected health
7	information identifiers necessary to link public and private
8	data sources and the geographic and services data to undertake
9	studies.
10	(h) The state agency or its designee, and any recipient of
11	data collected pursuant to this section, shall maintain the
12	original protected health information identifier in a separate
13	database that is not linked with any other data and shall use a
14	proxy or encrypted record identifier for data analysis.
15	(i) Under no circumstances shall a person attempt to re-
16	identify subjects of protected health information from the data
17	submitted to the state agency or its designee. No person may
18	disclose data that contains direct personal identifiers,
19	including but not limited to name, mailing address, email,
20	telephone number, date of birth, or social security number.



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1	<u>(j)</u>	The state agency or its designee may acquire federal
2	<u>Medicare</u> d	ata sets specific to Hawaii and made available to
3	states. A	ny public agency that possesses Medicare data sets
4	specific t	o Hawaii shall share the data with the state agency or
5	its design	ee at no additional cost to the state agency or its
6	<u>designee.</u>	
7	<u>(k)</u>	No later than twenty days prior to the convening of
8	each regul	ar session, the state agency shall submit an annual
9	report to	the legislature on the submission, maintenance, and
10	use of dat	a submitted to the state agency pursuant to this
11	section.	
12	(1)	For the purposes of this section:
13	<u>"Admi</u>	inistrative data" means:
14	(1)	Statistical and financial reports of information;
15	(2)	Patient invoices or similar patient encounter data;
16	(3)	Records of services used for or resulting from
17		administering delivery of health care, pharmacy
18		benefits, or dental care, including records of
19		services provided under health benefits plans as
20		defined in section 87A-1; and

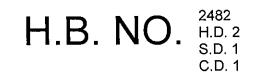
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1	(4) Any other records as established pursuant to
2	administrative rules adopted pursuant to chapter 91.
3	"Provider of health insurance" means a group health
4	insurance contract or service agreement that may include
5	medical, hospital, surgical, prescription drug, vision, or
6	dental services, in which a carrier agrees to provide, pay for,
7	arrange for, or reimburse the cost of the services, including
8	third party administrators."
9	SECTION 3. The state health planning and development
10	agency, without regard to the notice and public hearing
11	requirements of chapter 91, Hawaii Revised Statutes, shall adopt
12	interim rules for the schedule and frequency with which
13	providers of health insurance, dental insurance, and health
14	benefits plans shall provide administrative data to the state
15	health planning and development agency. Interim administrative
16	rules shall also include provisions relating to data governance,
17	data submission, use and sharing, information security, privacy
18	protection, reporting, and any other matter necessary for the
19	state health planning and development agency to perform its
20	functions pursuant to this Act. Interim rules adopted pursuant
21	to this Act shall remain in effect until June 30, 2017, or until

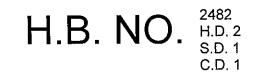




1	rules are adopted pursuant to section 323D-18.5(e), Hawaii
2	Revised Statutes, to replace the interim rule or rules.
3	SECTION 4. No later than twenty days prior to the
4	convening of the regular sessions of 2017 and 2018, the state
5	health planning and development agency shall submit a report to
6	the legislature that includes:
7	(1) Information on the progress of establishing procedures
8	for submitting data pursuant to this Act;
9	(2) The means of financing, use, and status of any state
10	or federal moneys received for the purposes of
11	establishing or contracting the services of a data
12	center to collect and process data submitted pursuant
13	to this Act; and
14	(3) The means of financing, use, and status of any state
15	or federal moneys received for the purposes of
16	contracting the services of private entities to
17	analyze data submitted pursuant to this Act.
18	SECTION 5. If any provision of this Act, or the
<b>`19</b>	application thereof to any person or circumstance, is held
20	invalid, the invalidity does not affect other provisions or
21	applications of the Act that can be given effect without the

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invalid provision or application, and to this end the provisions
of this Act are severable.
SECTION 6. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.
SECTION 7. This Act shall take effect on July 1, 2016.



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Report Title: State Health Planning and Development Agency; Health and Health Care Information and Data

**Description:** Broadens the scope of health and health care data and other information submitted to the state health planning and development agency. (CD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

