

how many people or entities would be interested in purchasing this information if a web site becomes available that has this information displayed. LSC is assuming that any revenues received would be minimal. Also, LSC is assuming that revenues would be placed in Fund 470, Fee Supported Programs.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2006	FY 2007	FUTURE YEARS
County and Municipal Hospitals			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Potential increase	Potential increase

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The bill requires hospitals to submit performance measure data that shows the hospital's record in meeting measures established by the Agency for Health Care Research and Quality and the National Quality Forum, as well as others. According to the Ohio Hospital Association (OHA), it appears that hospitals may not currently submit information to these two entities; also, there could be increased costs for government-owned hospitals in regards to the submission of the performance measure data included in the national voluntary consensus standards for hospital care endorsed by the National Quality Forum. However, the bill requires that the Director of Health (when adopting rules) and the data collection and analysis group (when making recommendations) consider whether there are any excessive administrative or financial implications associated with the reporting of information by hospitals regarding their performance in meeting a particular measure. If financial implications are taken into consideration, it is possible that any potentially burdensome measures would not be required to be submitted. LSC assumes any costs will not begin until FY 2007.

- Currently, every hospital is required to annually disclose to ODH certain data for nongovernmental patients in each of the 100 diagnosis related groups (DRGs) most frequently treated on an inpatient basis as represented by discharges during the previous calendar year. The bill instead requires submission of data for all patients in the top 60 DRGs most frequently treated on an inpatient basis. The bill also requires that each hospital submit the information pertaining to outpatient services, regardless of who pays the charges, for patients in each of the 60 categories of outpatient services most frequently provided by the hospital as represented by outpatient discharges during the previous calendar year. According to OHA since the bill requires hospitals to submit means and medians for this price, admission, and discharge information, there should be very little expense to public hospitals associated with this provision. LSC assumes any costs will not begin until FY 2007.

For fiscal analyses, a "yes" local impact determination is defined as an annual cost of more than \$1,000 for any affected county, city, or township with a population of less than 5,000 or an annual cost of more than \$5,000 for any affected county, city, or township with a population of 5,000 *or more*.

Detailed Fiscal Analysis

The bill makes changes to the law governing information hospitals are to provide to the Department of Health (ODH) and the public. The changes are discussed below.

Fiscal impact to the department of health

Hospital Measures Advisory Council

The bill creates the Hospital Performance Measures Advisory Council. The bill specifies that the council members shall serve without remuneration (except to the extent that serving on the council is considered a part of their regular duties) and shall not be reimbursed for expenses. ODH shall provide meeting space and staff and other administrative support for the council. The bill specifies the responsibilities of the group. The bill specifies that the Hospital Measures Advisory Council shall convene a group of health care consumers, nurses, and experts in infection control to provide information about infection issues as needed for the Council to perform its duties. These members also shall serve without remuneration (except to the extent that serving in the group is considered a part of their regular employment duties) and they are not reimbursed for expenses incurred in performing group duties. The bill establishes the responsibilities of the group.

Data collection and analysis group

The bill requires the Director of Health to convene a group of experts in data collection and analysis or a related field. These members shall serve without remuneration (except to the extent that serving in the group is considered a part of their regular employment duties) and they are not reimbursed for expenses incurred in performing group duties. The bill establishes the responsibilities of the group.

Internet web site

The Director of Health shall make the data provided by hospitals available on an Internet web site. However, the bill also specifies that this web site requirement applies only to the extent that appropriations are made by the General Assembly to make this responsibility possible. The information submitted shall be presented on a web site in a manner that enables the public to compare hospitals' records in meeting the performance measures for hospital inpatient and outpatient services. In making the information available on a web site, the Director shall do all of the following:

- Enable the public to compare the hospitals' records in meeting the performance measures for specific diagnoses and procedures;
- Enable the public to make the comparisons by different geographic regions, such as by county or zip code;
- Include a report of each hospital's overall record in meeting the performance measures;

- To the extent possible, include state and federal benchmarks for the performance measures;
- Include contextual information and explanations that can be easily understood that explains why differences in the performance of hospitals may be misleading;
- Exclude a hospital's record in meeting a specific performance measure if the hospital's caseload for the diagnosis or procedure that the performance measure concerns is insufficient, to make the hospital's record for the diagnosis or procedure a reliable indicator of its ability to treat the diagnosis or provide the procedure in a quality manner; and
- Clearly identify the sources of data used on the web site and explain the analytical methods used in determining performance of hospitals in meeting the measures and the risk adjustment methodologies that hospitals use to adjust information submitted to the Director.

The Department of Health may accept gifts, grants, donations, and awards for purposes of paying the fees or other costs incurred when a contract is entered into. The Director of Health must also adopt rules governing hospitals in their submission of information. The bill also permits the Director of Health to audit any performance measure information submitted by hospitals to the Director, including information adjusted for risk. The bill allows the Department to make the submitted information available for sale to any interested person or government entity for a reasonable amount. It is unclear how many people or entities would purchase this information if access via the web site becomes available.

The bill requires the Director to adopt rules governing submission of information by hospitals. The Department is also to provide meeting space and staff and other administrative support for the Hospital Measures Advisory Council. The Department will have to compile the data received by hospitals and have it in a reportable form, so there will still be some expenses involved in this. However, the bill removes a provision regarding quality of care data reporting requirements. As a result, the employees currently responsible for quality of care data reporting will instead be utilized to compile the information submitted by hospitals. However, the bill specifies that the Director of Health shall enter into a contract with a person under which the Director's duties relating to the Internet web site are performed by the person pursuant to the contract. If no appropriations are made, then no contract will be entered into.

Fiscal impact to government owned hospitals

Performance measure data

The bill requires each hospital to semiannually submit data to the Director of Health that shows the hospital's performance in meeting each of the measures specified by Department of Health rule. The rules for submission of information shall include rules specifying the inpatient and outpatient services measures to be used by hospitals in submitting the information. The rules may include any of the measures recommended by the group of data collection and analysis experts and shall include measures from the following: (1) hospital quality measures publicly reported by the Centers for Medicare and Medicaid Services, (2) hospital quality measures publicly reported by the Joint Commission on Accreditation of Healthcare Organizations, (3) measures that examine volume of cases, adjusted length of stay, complications, infections, or

mortality rates and are developed by the Agency for Health Care Research and Quality, and (4) measures included in the national voluntary consensus standards for hospital care endorsed by the National Quality Forum. The bill also requires the Director (when adopting rules) and the data collection and analysis group (when making recommendations) to consider whether there are any excessive administrative or financial implications associated with a hospital's reporting of information regarding the measure.

According to the Ohio Hospital Association (OHA), hospitals currently submit performance measure data that shows the hospital's record in meeting measures established by the United States Centers for Medicare and Medicaid, the National Committee for Quality Assurance, and the Joint Commission on Accreditation of Healthcare Organizations. Some of this performance measure data is displayed on OHA's web site (<http://www.ohanet.org/portal/>). There are links to many organizations that rank or rate hospitals, as well as links that help consumers find the best hospital for their condition. Since hospitals currently submit this data to the previously mentioned entities there should be no costs to government-owned hospitals. However, the bill also requires hospitals to submit performance measure data that shows the hospital's record in meeting measures established by the Agency for Health Care Research and Quality and the National Quality Forum. According to OHA, it appears that hospitals do not currently submit information to these entities; also, there could be increased costs for government-owned hospitals in regards to the submission of the performance measure data established by the National Quality Forum. However, the bill requires that the Director of Health (when adopting rules) and the data collection and analysis group (when making recommendations) consider whether there are any excessive administrative or financial implications associated with the reporting of information by hospitals regarding their performance in meeting a particular measure. If financial implications are taken into consideration, it is possible that any potentially burdensome measures would not be required to be submitted.

Price, admission, and discharge data

Currently, every hospital is required to annually disclose to ODH certain data for nongovernmental patients in each of the 100 diagnosis related groups (DRGs) most frequently treated on an inpatient basis as represented by discharges during the previous calendar year. The disclosures must be made on or before May 1st of each year. Hospitals must disclose the following: (1) total number of patients discharged, (2) mean, median, and range of total hospital charges, (3) mean, median, and range of length of stay, (4) number of admissions, and (5) number of nongovernmental patients falling within certain diagnosis related group numbers used in federal Medicare regulations. The bill makes some changes to this. The bill repeals current law that permits ODH to obtain information about Medicare patients from the U.S. Department of Health & Human Services and Medicaid patients from the Ohio Department of Job and Family Services. The bill requires that hospitals disclose to ODH, on or before the first day of May each year, the previously mentioned data for all patients (not just nongovernmental patients), in each of the 60 (not 100) DRGs most frequently treated on an inpatient basis in the previous calendar year. The bill also requires that each hospital submit the information pertaining to outpatient services, regardless of who pays the charges, for patients in each of the 60 categories of outpatient services most frequently provided by the hospital as represented by outpatient discharges during the previous calendar year. The information required is: (1) mean

and median of total hospital charges, and (2) for each of the 60 categories, the number of patients for whom the hospital provided the services.

Hospitals currently report price, admission, and discharge information to ODH for nongovernmental patients in each of the top 100 DRGs for inpatient procedures. The bill requires hospitals to submit this data on all patients in each of the top 60 DRGs treated on an inpatient basis in the previous calendar year. The bill would also require information regarding outpatient services. According to OHA, since the bill requires hospitals to submit means and medians for this price, admission, and discharge information, there should be very little expense to public hospitals associated with this provision.

Price information list

Currently, hospitals are required to compile, make available for inspection by the public, and update a price information list. The bill adds a requirement that the list be compiled and made available in a format that complies with the electronic transactions standards and code sets adopted by the U.S. Secretary of Health & Human Services under the Health Insurance Portability and Accountability Act. The list must also include the hospital's billing policies in regards to interest charged on unpaid amounts. The bill also specifies that the list shall be made available free of charge on the hospital's web site.

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