



January 26, 2021

HOUSE BILL No. 1402

DIGEST OF HB 1402 (Updated January 25, 2021 4:36 pm - DI 55)

Citations Affected: IC 27-1.

Synopsis: All payer claims data base. Establishes requirements for the development and administration of the all payer claims data base. Establishes the all payer claims data base advisory board (board). Provides that individuals appointed to the board must have certain professional qualification or experience or must represent certain types of employers, organizations, or interests. Provides that six of the twelve initial appointees to the board will be appointed to terms of only two years. Specifies the duties of the board.

Effective: July 1, 2021.

Schaibley

January 14, 2021, read first time and referred to Committee on Financial Institutions and Insurance.

January 26, 2021, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

HB 1402—LS 7252/DI 137



January 26, 2021

First Regular Session of the 122nd General Assembly (2021)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2020 Regular Session of the General Assembly.

HOUSE BILL No. 1402

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-1-44.5-0.2 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2021]: **Sec. 0.2. As used in this chapter,**
4 **"administrator" means the entity that contracts with the**
5 **department to create, operate, and maintain the data base.**

6 SECTION 2. IC 27-1-44.5-0.4 IS ADDED TO THE INDIANA
7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2021]: **Sec. 0.4. As used in this chapter,**
9 **"advisory board" means the all payer claims data base advisory**
10 **board established under IC 27-1-44.6-5.**

11 SECTION 3. IC 27-1-44.5-0.6 IS ADDED TO THE INDIANA
12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2021]: **Sec. 0.6. As used in this chapter,**
14 **"executive director" means the individual or entity appointed by**
15 **the advisory board under IC 27-1-44.6-5(1) to oversee the**
16 **operations of the data base.**

17 SECTION 4. IC 27-1-44.5-5, AS ADDED BY P.L.50-2020,

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1 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2021]: Sec. 5. (a) A health payer shall begin submitting the
3 required data in a format specified by the administrator of the data base
4 not later than three (3) months from the first day the department
5 declares the data base to be fully operational.

6 (b) An employer may opt-in to share claims data with the data base.

7 **(c) The state, the Indiana Medicaid state plan, and Medicaid
8 managed care entities must submit data for the data base.**

9 SECTION 5. IC 27-1-44.5-6 IS ADDED TO THE INDIANA CODE
10 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
11 1, 2021]: Sec. 6. **The administrator, with input from the executive
12 director, shall do the following when developing the data base:**

13 **(1) Determine the data to be collected from health payers and
14 the method of collection, including mandatory and voluntary
15 reporting of health care and health quality data. The data
16 must, at a minimum, include the hospital negotiated price for
17 the three hundred (300) "shoppable" services identified in 84
18 FR 65524.**

19 **(2) Seek to establish agreements for voluntary reporting of
20 health care claims data from health payers that are not
21 subject to mandatory reporting requirements in order to
22 ensure availability of the most comprehensive and systemwide
23 data on health care costs and quality.**

24 **(3) Seek to establish agreements or requests with the federal
25 centers for Medicare and Medicaid services to obtain their
26 health claims data.**

27 **(4) Determine the measures necessary to implement the
28 reporting requirements in a manner that is cost effective and
29 reasonable for data sources and timely, relevant, and reliable
30 for consumers, public and private purchasers, providers, and
31 policymakers.**

32 **(5) Determine the reports and data to be made available to the
33 public, with recommendations from the advisory board, in
34 order to accomplish the purposes of this chapter, including
35 conducting studies and reporting the results of the studies.**

36 **(6) Collect, aggregate, distribute, and publicly report
37 performance data on quality, health outcomes, health
38 disparities, cost, utilization, and pricing in a manner
39 accessible for consumers, public and private purchasers,
40 providers, and policymakers.**

41 **(7) Protect patient privacy in compliance with state and
42 federal medical privacy laws while preserving the ability to**



1 analyze data and share with providers and health payers to
2 ensure accuracy prior to the public release of information.

3 **(8) Report to the governor and the general assembly not later**
4 **than November 1 of each year on the status of implementing**
5 **the data base and any recommendations for statutory or**
6 **regulatory changes, with input from the advisory board, that**
7 **would advance the purposes of this chapter.**

8 **(9) Provide leadership and coordination of public and private**
9 **health care quality and performance measurements to ensure**
10 **efficiency, cost effectiveness, transparency, and informed**
11 **choice by consumers and public and private purchasers.**

12 **(10) Seek out federal funding opportunities for the costs of**
13 **implementing and operating the data base.**

14 SECTION 6. IC 27-1-44.5-7 IS ADDED TO THE INDIANA CODE
15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
16 1, 2021]: **Sec. 7. The administrator, with input from the executive**
17 **director and the advisory board:**

18 **(1) shall incorporate and utilize publicly available data other**
19 **than administrative claims data if necessary to measure and**
20 **analyze a significant health care quality, safety, or cost issue**
21 **that cannot be adequately measured with administrative**
22 **claims data alone;**

23 **(2) shall ensure uniform data collection and determine the**
24 **data elements to be collected, the reporting formats for data**
25 **submitted, and the use and reporting of any data submitted,**
26 **which shall align with national, regional, and other uniform**
27 **all payer claims data bases' standards where possible;**

28 **(3) may audit the accuracy of all data submitted;**

29 **(4) may contract with third parties to collect and process the**
30 **health care data collected under this chapter;**

31 **(5) may share data nationally or help develop a multistate**
32 **effort if recommended by the advisory board; and**

33 **(6) may share data for research and publication purposes if**
34 **approved by the advisory board.**

35 SECTION 7. IC 27-1-44.5-8 IS ADDED TO THE INDIANA CODE
36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
37 1, 2021]: **Sec. 8. The data base must do the following:**

38 **(1) Provide an online, public web portal that is free to use and**
39 **allows the public to view the average negotiated charges by**
40 **each health carrier for specific health care services provided**
41 **by an individual health care provider, as well as the quality**
42 **metrics for facilities and providers for specific health care**



1 services. Facilities and providers include hospitals, physician
 2 groups, ambulatory surgical centers, physical therapy offices,
 3 imaging centers, laboratories, infusion clinics, pharmacies,
 4 and any other location providing health care services.

5 (2) Be available to the public when disclosed in a form and
 6 manner that ensures the privacy and security of personal
 7 health information as required by state and federal law, as a
 8 resource to insurers, consumers, employers, providers,
 9 purchasers of health care, and state agencies to allow for
 10 continuous review of health care utilization, expenditures, and
 11 quality and safety performance in the state.

12 (3) Be available to state agencies and private entities in the
 13 state that are engaged in efforts to improve health care,
 14 subject to rules adopted by the department.

15 (4) Be presented to allow for comparisons of geographic,
 16 demographic, and economic factors and institutional size.

17 (5) Present data in a consumer friendly manner.

18 SECTION 8. IC 27-1-44.5-9 IS ADDED TO THE INDIANA CODE
 19 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 20 1, 2021]: **Sec. 9. The executive director and administrator shall**
 21 **report to the governor and, in an electronic format under**
 22 **IC 5-14-6, to the general assembly not later than September 1 of**
 23 **each year on the following:**

24 (1) The status of the operations of the data base.

25 (2) The financial stability of the data base.

26 (3) The status of efforts to obtain funding for the data base.

27 SECTION 9. IC 27-1-44.5-10 IS ADDED TO THE INDIANA
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2021]: **Sec. 10. The collection, storage, and**
 30 **release of health care data and other information under this**
 31 **chapter is subject to the federal Health Insurance Portability and**
 32 **Accountability Act (42 U.S.C. 201 et seq.), as amended.**

33 SECTION 10. IC 27-1-44.5-11 IS ADDED TO THE INDIANA
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2021]: **Sec. 11. (a) The department shall**
 36 **adopt rules under IC 4-22-2 to implement this chapter. The rules**
 37 **must include a requirement that health payer data sources submit**
 38 **necessary information to the administrator.**

39 (b) The department may impose a civil penalty on a health
 40 payer that is required to submit information under this chapter
 41 and fails to comply. A civil penalty collected under this section
 42 must be deposited in the department of insurance fund created by



- 1 **IC 27-1-3-28.**
 2 SECTION 11. IC 27-1-44.6 IS ADDED TO THE INDIANA CODE
 3 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2021]:
 5 **Chapter 44.6. All Payer Claims Data Base Advisory Board**
 6 **Sec. 1. As used in this chapter, "administrator" has the meaning**
 7 **in IC 27-1-44.5-0.2.**
 8 **Sec. 2. As used in this chapter, "advisory board" refers to the all**
 9 **payer claims data base advisory board established under section 5**
 10 **of this chapter.**
 11 **Sec. 3. As used in this chapter, "data base" refers to the all**
 12 **payer claims data base established under IC 27-1-44.5.**
 13 **Sec. 4. As used in this chapter, "executive director" has the**
 14 **meaning in IC 27-1-44.5-0.6.**
 15 **Sec. 5. The all payer claims data base advisory board is**
 16 **established to:**
 17 (1) **appoint an executive director that:**
 18 (A) **has subject matter expertise in setting up an all payer**
 19 **claims data base; and**
 20 (B) **is not affiliated with the administrator;**
 21 (2) **advise the executive director and administrator in the**
 22 **administration of the all payer claims data base under**
 23 **IC 27-1-44.5; and**
 24 (3) **ensure the integrity, security, and privacy of the all payer**
 25 **claims data base's operations.**
 26 **Sec. 6. (a) The advisory board consists of the following**
 27 **members, appointed by the governor:**
 28 (1) **One (1) individual representing the Indiana Hospital**
 29 **Association.**
 30 (2) **One (1) individual who is a physician or surgeon.**
 31 (3) **One (1) individual representing a small employer that**
 32 **purchases a group health plan for its employees.**
 33 (4) **One (1) individual representing a large employer that**
 34 **purchases a group health plan for its employees.**
 35 (5) **One (1) individual representing a self-insured employer.**
 36 (6) **One (1) individual from a firm that processes claims for**
 37 **health plans.**
 38 (7) **One (1) individual representing a nonprofit organization**
 39 **that works with employers to enhance value and affordability**
 40 **in health insurance.**
 41 (8) **One (1) individual with a demonstrated record of**
 42 **advocating health care issues on behalf of consumers.**



1 (9) One (1) individual representing health insurers.

2 (10) One (1) individual representing pharmacists or an
3 affiliate society.

4 (11) One (1) individual representing nonprofit organizations
5 that facilitate health care information exchange to improve
6 health care for consumers.

7 (12) One (1) individual in academia with experience in health
8 care data and cost efficiency research.

9 (13) Once appointed by the advisory board, the executive
10 director.

11 Individuals appointed to represent an employer under subdivisions
12 (3), (4), and (5) may not represent an employer who is a health care
13 facility or provider or a supplier or broker of health plans.

14 (b) The advisory board consists of the following nonvoting
15 advisory members:

16 (1) The commissioner of the department or a designee of the
17 commissioner.

18 (2) Two (2) members of the senate, who may not be members
19 of the same political party, appointed by the president pro
20 tempore of the senate with the advice of the minority leader
21 of the senate.

22 (3) Two (2) members of the house of representatives, who may
23 not be members of the same political party, appointed by the
24 speaker of the house of representatives with the advice of the
25 minority leader of the house of representatives.

26 Sec. 7. (a) The initial appointment of members beginning July
27 1, 2021, must be made not later than August 1, 2021.

28 (b) For the initial appointment of the twelve (12) members
29 appointed to the advisory board by the governor under section 6(a)
30 of this chapter, six (6) members will serve for a term of two (2)
31 years and six (6) members will serve for a term of four (4) years.
32 For all subsequent appointments by the governor under section
33 6(a) of this chapter and all appointments made under section 6(b)
34 of this chapter, members will serve for a term of four (4) years.
35 Members may be reappointed.

36 (c) Subject to subsection (e), the executive director is a
37 permanent member of the advisory board.

38 (d) Each appointed member serves until the member's successor
39 is appointed and qualified. A vacancy must be filled by
40 appointment of the governor for the unexpired term.

41 (e) A member may be removed from the advisory board for
42 good cause.



1 **Sec. 8. The advisory board must meet at least two (2) times per**
2 **calendar year. A majority of the members of the advisory board**
3 **constitutes a quorum.**

4 **Sec. 9. (a) Each member of the advisory board who is not a state**
5 **employee is entitled to the minimum financial compensation per**
6 **diem provided by IC 4-10-11-2.1(b). Such a member is also entitled**
7 **to reimbursement for traveling expenses and other expenses**
8 **actually incurred in connection with the member's duties, as**
9 **provided in the state travel policies and procedures established by**
10 **the Indiana department of administration and approved by the**
11 **budget agency.**

12 **(b) Each member of the advisory board who is a state employee**
13 **but who is not a member of the general assembly is entitled to**
14 **reimbursement for traveling expenses and other expenses actually**
15 **incurred in connection with the member's duties, as provided in the**
16 **state travel policies and procedures established by the Indiana**
17 **department of administration and approved by the budget agency.**

18 **(c) Each member of the advisory board who is a member of the**
19 **general assembly is entitled to receive the same per diem, mileage,**
20 **and travel allowances paid to legislative members of interim study**
21 **committees established by the legislative council. Per diem,**
22 **mileage, and travel allowances paid under this subsection shall be**
23 **paid from appropriations made to the legislative council or the**
24 **legislative services agency.**

25 **(d) Membership on the advisory board does not constitute the**
26 **holding of a public office.**

27 **Sec. 10. (a) The advisory board shall make recommendations to**
28 **the executive director and administrator regarding the data base**
29 **that:**

30 **(1) include specific strategies to measure and collect data**
31 **related to health care safety and quality, utilization, health**
32 **outcomes, and cost;**

33 **(2) focus on data elements that foster quality improvement**
34 **and peer group comparisons;**

35 **(3) facilitate value based, cost effective purchasing of health**
36 **care services by public and private purchasers and**
37 **consumers;**

38 **(4) result in usable and comparable information that allows**
39 **public and private health care purchasers, consumers, and**
40 **data analysts to identify and compare health plans, health**
41 **insurers, health care facilities, and health care providers**
42 **regarding the provision of safe, cost effective, high quality**



- 1 health care services;
2 (5) use and build upon existing data collection standards and
3 methods to establish and maintain the data base in a cost
4 effective and efficient manner;
5 (6) are designed to measure the following performance
6 domains:
7 (A) safety;
8 (B) timeliness;
9 (C) effectiveness;
10 (D) efficiency;
11 (E) equity; and
12 (F) patient centeredness;
13 (7) incorporate and utilize claims, eligibility, and other
14 publicly available data to the extent it is the most cost
15 effective method of collecting data to minimize the cost and
16 administrative burden on data sources;
17 (8) include recommendations about whether to include data
18 on the uninsured;
19 (9) discuss the harmonization of the data base with other
20 state, regional, and federal efforts concerning all payer claims
21 data bases;
22 (10) discuss the harmonization of the data base with federal
23 legislation concerning all payer claims data bases;
24 (11) discuss a limit on the number of times the executive
25 director and administrator may require submission of the
26 required data elements;
27 (12) discuss a limit on the number of times the executive
28 director and administrator may change the required data
29 elements for submission in a calendar year considering
30 administrative costs, resources, and time required to fulfill the
31 requests; and
32 (13) discuss compliance with the federal Health Insurance
33 Portability and Accountability Act (42 U.S.C. 201 et seq.), as
34 amended, and other proprietary information related to
35 collection and release of data.
36 (b) The advisory board shall make recommendations to the
37 executive director regarding how the ongoing oversight of the
38 operations of the data base should function, including where the
39 data base should be housed.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions and Insurance, to which was referred House Bill 1402, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 23, after "shall" insert "**ensure uniform data collection and**".

Page 5, line 24, delete "integrity and privacy" and insert "**integrity, security, and privacy**".

Page 6, delete lines 28 through 29, begin a new paragraph and insert:

"(b) For the initial appointment of the twelve (12) members appointed to the advisory board by the governor under section 6(a) of this chapter, six (6) members will serve for a term of two (2) years and six (6) members will serve for a term of four (4) years. For all subsequent appointments by the governor under section 6(a) of this chapter and all appointments made under section 6(b) of this chapter, members will serve for a term of four (4) years. Members may be reappointed.

(c) Subject to subsection (e), the executive director is a permanent member of the advisory board."

Page 6, line 30, delete "(c)" and insert "**(d)**".

Page 6, line 33, delete "(d)" and insert "**(e)**".

and when so amended that said bill do pass.

(Reference is to HB 1402 as introduced.)

CARBAUGH

Committee Vote: yeas 12, nays 0.

