



## **Privatizing Hospital Data Collection Q&A**

***Q: Wasn't this already removed from the budget as policy?***

***A: No.***

The Governor's budget proposal was intended to repeal the mandate that physicians submit cost and utilization data to the DHFS Bureau of Health Information (BHI). However, the Governor's budget had no fiscal impact – it did not eliminate any staff or funding. This motion privatizes BHI's hospital (only) data collection responsibility, repeals its assessment authority, and eliminates FTEs.

***Q: Does this proposal have a state fiscal effect?***

***A: Yes.***

Privatizing hospital data collection will not cost the state any money. However, it will reduce the DHFS Bureau of Health Information (BHI) budget by at least \$1.3 million PR annually and result in the elimination of about 18 FTEs. Under current law, DHFS is allowed to assess hospitals annually for the cost of data collection, data base development and maintenance, generation of data files and standard reports, data training programs, and support for the BHI board. Once the hospital program is privatized, DHFS no longer needs the assessment revenue or the BHI staff assigned to the hospital data collection program. The physician office visit data (POVD) program is supported by a separate assessment and is assigned its own staff.

***Q: Is the State surrendering oversight of the hospital data collection program?***

***A: No.***

The proposal maintains a public/private governance structure. DOA will contract with WHA for data collection and dissemination services. DOA will monitor the contract, which will include a 10-member Healthcare Accountability Board (HAB), composed of a majority of health care purchasers and chaired by the Secretary of DHFS. The board will oversee data collection and release and approve fees charged for custom data reports. The Secretary will report to the legislature annually about the types, numbers and currency of reports generated. Every two years, the HAB will review WHA's performance. If it is dissatisfied, it can request that DOA issue an RFP. If no one responds to the RFP, the hospital data collection program reverts to DHFS.

***Q: Does this set the stage for privatizing the physician office data (POVD) collection program?***

***A: No.***

The fourteen-year-old hospital data collection program provides a reliable blueprint for privatization. Statutes and administrative rules enumerate a number of hospital-related data reports that must be released every year. Moreover, because the hospital program

has been producing data for more than decade, the kinks in collecting and releasing information were worked out long ago. In contrast, although the legislature passed the POVVD law in 1998 and DHFS has now collected approximately \$2.4 million in assessments, statewide data is not yet being collected, and no data has been released.

***Q: Will WHA be allowed to profit from running the data collection program?***

***A: No.***

Because this proposal eliminates the annual assessments on hospitals, WHA must cover the program costs with revenue generated from custom data sales. While WHA will continue to release statutorily mandated, standardized reports free of charge, it will also sell customized data sets as DHFS does today. Under this proposal, the fees for these data sets will be set by the HAB, and must be reasonable and necessary to operate the program – not to make a profit.

***Q: Will WHA be able to manipulate the data collected?***

***A: No.***

The data released by WHA will be independently verifiable and publicly accessible to the same extent permitted and required of DHFS under current law. This motion sets out what data must be collected and released, so WHA will not be able to “make it up as it goes along.” As such, reports currently released to the public free of charge will continue after privatization. WHA will also be required to provide hospital claims and survey data to DHFS free of charge. Finally, WHA will be in violation of the law and subject to fines if it manipulates the data before release.

***Q: Will this change the privacy protections under current law?***

***A: No.***

This motion provides that all existing privacy requirements related to hospital data collection apply to WHA. Violations of these requirements would result in a **fine of up to \$15,000 and one year in jail, or both**. The existing exemption from the Open Records Law is maintained in order to further protect the privacy of patients.

***Q: Will this limit access to healthcare data or impede the State’s data collection efforts?***

***A: No.***

WHA will collect and disseminate data just as DHFS does today. Because DHFS does not provide analysis or produce studies, privatization will not impede research dependent on this information. WHA will produce the currently required hospital related reports, and generate customized reports for purchasers. WHA will also provide all claims data and provider survey information to DHFS free of charge. The access to data every

employer, consumer, lawmaker, researcher, government agency and policy group enjoys today will not only be maintained, but will improve.

***Q: Will privatization improve the State's data collection program?***

***A: Yes.***

This motion will provide expanded and timelier information more useful to businesses and others when making health care purchasing and policy decisions. Each year, an increasing amount of health care is delivered, and paid for, in the outpatient setting. Under this motion, WHA must collect and disseminate statewide hospital outpatient data within 18 months. Although the hospital data collection program has been in place for 14 years, BHI does not collect this type of information. Currently, BHI requires at least twelve months after data is submitted to generate required and requested reports. Recently, that time lag is approaching eighteen months. BHI revenues from data sales have decreased significantly over time. The likely explanation is that the data is too outdated to be useful by the time BHI releases it.