

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6611
BILL NUMBER: SB 205

NOTE PREPARED: Feb 18, 2005
BILL AMENDED: Feb 17, 2005

SUBJECT: Health Information.

FIRST AUTHOR: Sen. Dillon
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the State Department of Health to develop and implement a health care quality indicator data program. The bill requires compliance with data collection requirements. It also provides for confidentiality of certain information.

Effective Date: July 1, 2005.

Explanation of State Expenditures: This bill requires the State Department of Health to develop and implement a health care quality indicator data program. The bill requires compliance with the data collection requirements defined by the Department with the assistance of health coverage providers and health care providers. The bill further specifies that the Department may only collect existing electronically obtainable data elements. The Department may not require a provider to establish or revise data systems to conform to the Health Care Quality Indicator Data Program. The Department provided estimates of the first-year costs of implementing the program ranging from \$300,000 to \$450,000. These estimates are limited to the design and policy phases of the program development. The Department has estimated only the first year, reporting that subsequent years' costs would be dependent upon the findings made during completion of the first two phases.

Background Information: The State Department of Health in Rhode Island has been actively operating a program in Health Care Quality Measurement and reporting for at least five years. Resources budgeted for the program have been \$338,000 in FY 2002; \$354,000 in FY 2003; and \$162,000 for FY 2004. In 2003, the Rhode Island program was planning to produce two public reports on hospital patient satisfaction and focused hospital clinical performance; selecting and piloting patient satisfaction survey tools for nursing home residents and home health patients; and testing nurse sensitive quality indicators in hospitals.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Department of Health; Family and Social Services Administration.

Local Agencies Affected: County-owned hospitals and nursing facilities.

Information Sources: Zach Cattell, Legislative Liaison for the State Department of Health; Rhode Island Department of Health at "Rhode Island Health Quality Performance Measurement and Reporting Program, Fifth Annual Report, January 31, 2003" prepared by the Rhode Island Department of Health at www.health.state.ri.us; & The Rhode Island Operating Budget at www.budget.state.ri.us/operatingbudget.htm.

Fiscal Analyst: Kathy Norris, 317-234-1360.