

- SUBJECT:** Reporting Medicaid managed care encounter data
- COMMITTEE:** Public Health — favorable, without amendment
- VOTE:** 8 ayes — Gray, Coleman, Capelo, Delisi, Longoria, Maxey, Uresti, Wohlgemuth
- 0 nays
- 1 absent — Glaze
- WITNESSES:** For — Robert Kowalski, Parkland Community Health Plan and Texas Association of Health Plans; Susan Dickerson, Community First Health Plans and Texas Association of Health Plans; *Registered but did not testify:* Jose Camacho, Texas Association of Community Health Centers; Marie Lange, Firstcare; Susan Marshall, Disability Policy Consortium; John Umphress, Texas Association of Public and Nonprofit Hospitals; Melanie Gantt, Mental Health Association of Texas; Ed Berger; Leah Rummel, Texas Association of Health Plans
- Against — None
- On — *Registered but did not testify:* Sheri Wilson, Texas Department of Health
- BACKGROUND:** Medicaid, the state-federal health care program for the poor, disabled, and elderly, enrolls some of its recipients in managed-care programs that are paid by a capitated rate, rather than by a traditional fee-for-service rate.
- Encounter data is the information about a specific office visit or other contact between a health-care provider and an enrollee. It can include clinical information as well as history of disease, immunization record, or other data.
- DIGEST:** HB 1591 would direct the Health and Human Services Commission (HHSC) to collaborate with Medicaid managed-care companies to develop mechanisms and incentives to report encounter data. The bill would preclude HHSC from using encounter data in determining Medicaid managed-care rates unless the data were certified as accurate and complete for the prior fiscal year and were consistent with data for similar populations.

Considerations for consistency of the data would have to include regional variations, the scope of services provided, and the numbers of managed-care plans and recipients in the region.

HB 1591 would direct the state Medicaid director, by January 1, 2002, to appoint a person who had experience estimating managed-care premium rates and access to actuarial expertise to certify encounter data. People who had helped develop the Medicaid managed-care premium rates in the past three years could not certify the encounter data. HHSC would have to provide all relevant information and the encounter data, which the appointee would have to evaluate and certify each fiscal year.

The bill would direct the Texas Department of Human Services or HHSC to seek any necessary federal waivers or authorization needed to implement these provisions. The agency could delay implementation until the federal waivers or authorization were granted.

This bill would take effect September 1, 2001.

**SUPPORTERS
SAY:**

HB 1591 would ensure the development of accurate and comprehensive encounter data. In a managed care environment, providers are compensated for providing all care to a group of enrollees, as opposed to specific fee-for-service. Because information about a specific encounter is not used to bill for a service, the data often are inconsistent in accuracy and thoroughness. The reliability of this information should be certified before it is used in setting Medicaid managed-care rates.

This bill would prevent the use of unreliable encounter data. Eventually it may be possible to develop rates or to measure quality and efficiency based on encounter data, but the data should not be used until the state has enough reliable historical data to analyze.

Providers should be encouraged to submit accurate encounter data. Even though providers use uniform claim forms, enough data are missing or incorrect to decrease the accuracy of aggregate data. Not only is accuracy important for rate setting, but also for utilization review, quality of care determination and other types of evaluation. HHSC needs to modify reporting mechanisms and provide incentives for providers to improve the accuracy and thoroughness of encounter data.

OPPONENTS
SAY:

HB 1591 is unnecessary because encounter data currently are not used to determine Medicaid managed-care rates, nor has the state expressed an intention to do so until the data are more reliable.

The designated certifier that this bill would establish is superfluous. If and when it is appropriate to make the decision to use these data, the people who oversee Medicaid, including the state Medicaid director and commissioners of the various Medicaid-related agencies, could determine the reliability of the information. A person who has experience estimating managed-care premium rates but who has not worked on developing those rates in the past three years and had access to actuarial expertise would be no more qualified to certify encounter data than the commissioners would be.