

- SUBJECT:** Authorizing TDI to establish statewide all payor claims database
- COMMITTEE:** Insurance — committee substitute recommended
- VOTE:** 9 ayes — Oliverson, Vo, J. González, Hull, Israel, Middleton, Paul, Romero, Sanford
- 0 nays
- WITNESSES:** For — Blake Hutson, AARP Texas; Charles Miller, Texas 2036; Tom Banning, Texas Academy of Family Physicians; Carl Isett, Texas Association of Benefit Administrators; (*Registered, but did not testify:* Jim Pitts, Baylor Scott White; Stacey Pogue, Every Texan; Thamara Narvaez, Harris County Commissioners Court; Greg Hansch and Matthew Lovitt, National Alliance on Mental Illness Texas; Shannon Meroney, Texas Association of Health Plans; Jill Sutton, Texas Osteopathic Medical Association)
- Against — None
- On — Kenisha Schuster, Texas Department of Insurance; Trudy Krause, UTHealth Science Center Houston Center for Healthcare Data; (*Registered, but did not testify:* Jenny Blakey, Office of the Public Insurance Counsel (OPIC); Clayton Stewart, Texas Medical Association)
- BACKGROUND:** Interested parties suggest increasing public transparency of health care data by creating a centralized database in Texas that contains billed charges from health care providers and cost-sharing information such as deductibles, co-pays, coinsurance, and out-of-pocket amounts.
- DIGEST:** CSHB 1907 would authorize the Texas Department of Insurance (TDI) to establish the Texas All Payor Claims Database to increase public transparency of health care data and improve the quality of health care in the state.

**Definitions.** The bill would define "payor" as certain entities that pay,

reimburse, or otherwise contract with a health care provider to provide health care services or supplies to a patient. Among other entities, a "payor" would include a health maintenance organization, the state Medicaid program, including the Medicaid managed care program, a third-party administrator or administrative services organization, and a pharmacy benefit manager.

"Center" would mean the Center for Healthcare Data at The University of Texas Health Science Center at Houston.

"Data" would mean the specific claims and encounters, enrollment, and benefit information submitted to the center.

**Administration of database.** The bill would require TDI to collaborate with and leverage the center's existing resources and infrastructure to establish the Texas All Payor Claims Database to collect, process, analyze, and store data. The database administrator would be the center, which would have to design and build the database infrastructure and manage the submitted data.

As soon as practicable after the bill's effective date, the commissioner of insurance, in consultation with the center, would have to actively seek financial support from the federal grant program for development of state all payer claims databases established under federal law and from other available federal sources.

**Stakeholder Advisory Group.** By January 1, 2022, the commissioner of TDI, in consultation with the center, would have to establish a stakeholder advisory group to assist the commissioner and the center in administering the database.

The advisory group would have to include the state Medicaid director or the director's designee; a member designated by the Teacher Retirement System of Texas; a member designated by the Employees Retirement System of Texas; and nine members designated by the commissioner representing various health care entities.

**Data.** The bill would require each payor to submit to TDI certain information, including:

- the name and National Provider Identifier, as described under federal regulation, of each health care provider paid by the payor;
- the claim line detail that documented the health care services or supplies provided by the provider; and
- the amount of charges billed by the health care provider and the allowed amount paid by the payor and the recipient of the health care services or supplies.

The bill would authorize the department or the center to use the data to produce price, resource use, and quality information for consumers and for research and other analysis by the department, center, and certain third-parties.

**Exception.** The bill would allow any sponsor or administrator of a health benefit plan subject to the Employee Retirement Income Security Act to elect or decline to participate in or submit data to the center.

**Public portal.** The bill would require the center to collect, compile, and analyze data submitted to or stored in the database and disseminate information to the public through the creation of an online portal.

**Data security.** Under the bill, data contained in the database and any reports or information created by the center using that data would be confidential, subject to applicable state and federal law pertaining to records privacy and protected health information, and would not be subject to disclosure under the Texas Public Information Act.

**Report.** By September 1 of each even-numbered year, TDI would have to submit to the Legislature a written report containing an analysis of the payor data and recommendations, among other information specified in the bill.

**Rules.** By June 1, 2022, the commissioner of insurance, in consultation with the center, would have to adopt certain rules as specified in the bill.

The bill would take effect September 1, 2021.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of about \$9 million to general revenue through fiscal 2023.