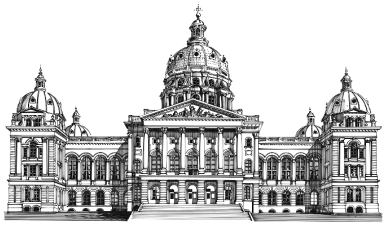
ISSUE REVIEW

Iowa Legislative Fiscal Bureau



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August 29, 1995

Community Health Management Information System (CHMIS) Update

ISSUE

The Community Health Management Information System (CHMIS) is scheduled to replace the Health Data Commission which sunsets July 1, 1996. The electronic submission of insurance claims, collection and dissemination of health care data, and subsequent reporting of data involve process and procedure changes after the implementation of CHMIS. Although the implementation of CHMIS addresses the issues of data collection and claims processing, the final form of usable data availability to State government has not yet been determined.

AFFECTED AGENCIES

Department of Commerce, Insurance Division

Department of Elder Affairs

Department of Human Services

Department of Personnel

Department of Public Health

CODE AUTHORITY

Chapter 145, Code of Iowa

BACKGROUND

Ongoing national and state health care reform efforts have demonstrated the need for State- level health care data collection. The efforts of balancing service quality with rapidly increasing costs of care require accurate and timely information. National data is not sufficient to make regional and statewide health care decisions. In 1983 the State established the Health Data Commission as a health data clearinghouse with the purpose of collecting and distributing data to improve decision making processes regarding health care services. The data is provided to review and compare the cost, utilization, and quality of health services. Information provided by the Health Data Commission has been used by health care purchasers, providers, plan administrators, consumers, business leaders, labor leaders, state government employees, and legislators.

During the 1993 Legislative Session, legislation was approved eliminating the Health Data Commission effective June 30, 1994. The Commission was extended until July 1, 1996, during the 1994 Legislative Session pending the implementation of an electronic data transfer system. The new system, CHMIS, will serve as a data repository and will provide administrative efficiencies and cost savings through standardized, electronic filing of insurance claims.

The 1995 Legislative Session appropriated funds to continue data collection by the Health Data Commission, based on the importance of an uninterrupted stream of data to establish the trends in utilization and cost figures required for decision making. According to Walt Tomenga, Director of the Governing Board, implementation of CHMIS would have been delayed at least one year had the stream of data collection experienced an interruption. The Board currently schedules implementation by the July 1, 1996, sunset of Health Data Commission and will not recommend a further extension of the Health Data Commission sunset.

CURRENT SITUATION

The CHMIS Governing Board is currently developing a mission statement and identifying rules concerning ethics, confidentiality, principles, public education, and patient identifiable data requirements. The Request for Proposal (RFP) for a data repository vendor is scheduled for completion by September to allow time for vendor selection by early 1996. The certification process for all networks involved in data transmission is also scheduled for completion before January 1, 1996. Financing options have to be specified including membership fees, transaction fees, and data request fees. The Board intends that those who benefit will pay the fees. Discussions with the Federal Health Care Financing Authority regarding Medicare participation in CHMIS and any necessary waivers are still ongoing.

During the initial phase, the CHMIS data set will vary significantly from the Health Data Commission's current system:

- Long-term care data will not be collected.
- Data will have unique plan, provider, and encrypted patient identification numbers.
- Providers will be the source of data collection rather than payers.
- The CHMIS Board has recommended that CHMIS not release reports to the public. Information provided will be raw data and publishable subject to CHMIS confidentiality provisions. Current statutory language directs the Health Data Commission to compile data and issue reports to interested persons.

A copy of the July 1995 ***CHMIS Q&A,*** issued by MEDCOM Services, provides answers to a variety of critical questions regarding conversion to CHMIS. Draft copies of the document are available from the Fiscal Bureau upon request.

POLICY AND BUDGET IMPLICATIONS

A major distinction between the Health Data Commission and CHMIS is the provision of data reports. The Health Data Commission was required by statute to provide information to the Legislature. The CHMIS Governing Board has established that data will be made available to interested parties, including State government, in a raw data form. Any compilation of information into a report format will be accomplished after the data has been provided by an agency or firm

independent of the data gathering process. The Board indicated that the function of CHMIS would be a repository and not a report card service. Administrative and cost implications include:

- The estimated onetime cost incurred by the Department of Human Services (DHS) for technical conversions to comply with CHMIS procedures, according to a Fiscal Note prepared for CHMIS discussions during the 1994 Legislative Session, includes:

Onetime Cost	Federal Portion	Purpose
$1,500,000	$750,000	Conversion of DHS Title XIX claim numbering system to Social Security numbering
1,294,500	647,250	Numerous Hardware and Software changes within UNISYS (fiscal agent for the DHS)
125,000	62,500	Conversion of Family and Children Services system to allow interface with Title XIX and DHS sub-systems
$2,919,500	$1,459,750	Balance of $1,459,750 General Fund one-time cost to DHS for conversion

- Comparison reports of hospital costs, frequency of procedures conducted per hospital, and length of stay will no longer be conducted by the data collection arm of state government. Will the private sector have sufficient motivation to conduct data analysis at the industry level or will the State need to provide a directive for data analysis?
- The State will presumably become a purchaser of data absent legislation to specify provision of data to the State. The five affected departments have utilized the Health Data Commission reports in the past for information and decision making. Raw data may be of little value without analysis and compilation into a usable format.

Possible information scenarios include:

- A State determination that agencies become responsible for the purchase of data relevant to specific functions, with the possibility of duplicated reported information and duplicated cost of purchasing data, or
- The State may identify one agency or department responsible for data collection and dissemination to other agencies and departments, or
- The State may contract with an independent organization to purchase data and provide comparative analysis to interested departments.

The eventual budget neutral concept of CHMIS is altered by the provision of the State as a purchaser of data and the necessary payment for conversion of the raw data into a usable form. The Legislature may wish to consider appropriation of funds for purchase of data, either directly to affected departments or to one department or agency responsible for dissemination of data and reports required for policy making.

The ***CHMIS Q&A*** document also suggests that upon completion of Phase II (expansion of the system to include data from lab tests, x-ray results, hospital inpatient pharmacy activity and clinical data sets), the General Assembly may recommend that the Governing Board implement a totally integrated, on-line interactive system allowing physicians and other providers to share pertinent information contained in patients' medical records.

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