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FEB 9 1983

HOUSE FILE 196

Place On Calendar

By COMMITTEE ON HUMAN
RESOURCES

(Formerly Study Bills 32, 33, 34, 35)

Passed House, Date 2-15-83 (p. 422) Passed Senate, Date 3-30-83 (p. 1039)
Vote: Ayes 99 Nays 0 Vote: Ayes 45 Nays 1
Approved April 26, 1983

A BILL FOR

1 An Act relating to health care by providing for the creation
2 of a health data commission, its purposes, membership,
3 powers, duties, and other related areas, by permitting a
4 hospital service corporation to contract with an ambulatory
5 surgical facility for surgical services, by permitting
6 contracts between hospitals and radiologists and pathologists,
7 by amending the membership of the board of directors of non-
8 profit hospital service corporations, nonprofit medical
9 service corporations, and nonprofit pharmaceutical or
10 optometric service corporations, and by providing a penalty.
11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 196

1 Section 1. NEW SECTION. INTENT AND PURPOSE. As a result
2 of rising health care costs and the concern expressed by
3 health care providers, health care users, third-party payers,
4 and the general public, there is an urgent need to abate these
5 rising costs so as to place the cost of health care within
6 reach of all Iowans without affecting the quality. It is
7 the intent and purpose of sections 1 through 6 of this Act
8 to maintain an acceptable quality of health care services
9 in Iowa and yet at the same time improve the cost efficiency
10 and effectiveness of health care services. To foster the
11 cooperation of the separate industry forces, there is a need
12 to compile and disseminate accurate and current data, including
13 but not limited to price and utilization data, to meet the
14 needs of the people of Iowa and improve the appropriate usage
15 of health care services. It is the intent of the general
16 assembly to require the information necessary for a review
17 and comparison of cost, utilization, and quality of health
18 services. The information is to be compiled by a statewide
19 clearinghouse and made available to interested persons to
20 improve the decision-making processes regarding the purchase
21 price and use of appropriate health care services. Patient
22 confidentiality shall be protected.

23 Sec. 2. NEW SECTION. HEALTH DATA COMMISSION ESTABLISHED-
24 -PURPOSE. A state health data commission is established to
25 act as a statewide health data clearinghouse for the
26 acquisition, compilation, correlation, and dissemination of
27 data from health care providers, the state Medicaid program,
28 third-party payers, and other appropriate sources in
29 furtherance of the purpose and intent of the legislature as
30 expressed in section 1 of this Act.

31 The commission consists of the commissioners of health,
32 insurance, and social services, one state senator and one
33 state representative who shall not be of the same party, shall
34 be nonvoting members, and shall be appointed each year by
35 the president of the senate and speaker of the house,

1 respectively, and the chairperson of the board of directors
2 of the corporation or the head of the association or other
3 entity providing staff for the commission as provided by
4 section 3 of this Act who shall be a nonvoting member. The
5 commissioner members shall annually select the chairperson
6 of the commission from among the three voting commissioner
7 members. A majority of the six members constitute a quorum.

8 The commission shall meet at least once during each calendar
9 quarter. Meeting dates shall be set by members of the
10 commission or by call of the chairperson upon five days notice
11 to the members. Action of the commission shall not be taken
12 except upon the affirmative vote of a majority of the voting
13 members of the commission. The three voting commissioner
14 members of the commission shall not receive a salary or per
15 diem for being on the commission but shall receive
16 reimbursement for necessary travel and expenses while engaged
17 in commission business. Funds for reimbursement shall come
18 from the moneys appropriated to the department of which the
19 member is the head. The two legislative members of the
20 commission are entitled to per diem and necessary travel and
21 actual expenses as provided in subsection 6 of section 2.10.
22 The commission staff and chairperson of the corporation, as-
23 sociation, or entity under agreement with the commission
24 pursuant to section 3, subsection 1 of this Act shall not
25 receive any salary, wages, or per diem for serving the
26 commission and shall not receive reimbursement for commission
27 travel and related expenses or for other commission expenses.

28 Sec. 3. NEW SECTION. POWERS AND DUTIES.

29 1. The health data commission shall enter into an agree-
30 ment with the health policy corporation of Iowa or any other
31 corporation, association, or entity it deems appropriate to
32 provide staff for the commission, to act as a research tool
33 for the commission for the compilation, correlation, and
34 development of the data collected by the commission, to conduct
35 or contract for studies on health-related questions which

1 will further the purpose and intent expressed in section 1
2 of this Act. The agreement may provide for the corporation,
3 association, or entity to prepare and distribute or make
4 available data to health care providers, health care
5 subscribers, third-party payers, and the general public.

6 2. The commission may require that the state departments
7 of health, insurance, and social services obtain for and make
8 available to the commission data needed to carry out its pur-
9 pose including but not limited to the data specified in this
10 section. This data may be acquired from health care providers,
11 third-party payers, the state Medicaid program, or other
12 appropriate sources.

13 3. The commission shall require that:

14 a. The commissioner of insurance and the commissioner
15 of health encourage and assist third-party payers and hospitals
16 to voluntarily implement the use of a uniform hospital billing
17 form, or that they require that all third-party payers and
18 all hospitals use, by July 1, 1984, the uniform hospital
19 billing form designated or established by the commission.
20 Uniform definitions for the billing form shall be established.

21 b. The commissioner of insurance require that third-party
22 payers provide hospital inpatient and outpatient claims data
23 and corresponding physician claims data to the commission.
24 This data shall include the patient's age, sex, zip code,
25 third-party coverage, date of admission, procedure and dis-
26 charge, principal and other diagnoses, principal and other
27 procedures, total charges and components of those charges,
28 attending physician identification number and hospital
29 identification number. Patient confidentiality shall be
30 protected. In the initial period of the commission, it may
31 limit the data collection to major third-party payers and
32 a sample of those third-party payers with low market penetra-
33 tion, to more frequent diagnoses and procedures and to hospital
34 inpatient claims.

35 c. Comparative information on average charges, total and

1 ancillary charge components, and length of stay on diagnosis-
2 specific and procedure-specific cases on a hospital basis
3 shall be compiled and disseminated from the data defined in
4 paragraph b. The data as collected by the commission shall
5 not be public records under chapter 68A. The compilations
6 prepared for release or dissemination from the data collected
7 shall be public records under chapter 68A, which are not
8 subject to section 68A.7, subsection 2, to the extent provided
9 in section 4 of this Act. Prior to the release or
10 dissemination of the compilations, the commission or the
11 corporation, association, or other entity under agreement
12 with the commission pursuant to section 3, subsection 1 of
13 this Act, shall permit providers an opportunity to verify
14 the accuracy of any information pertaining to the provider.
15 The providers may submit to the commission any corrections
16 of errors in the compilations of the data with any supporting
17 evidence and comments the provider may submit. The commission
18 shall correct data found to be in error.

19 d. If the data required by the commission is available
20 on computer or electronic tape, that a copy of this tape shall
21 be provided where practicable.

22 e. The commissioner of health and the commissioner of
23 insurance establish a mechanism that creates a common
24 identification number between the uniform hospital billing
25 form and the hospital discharge abstract.

26 f. The commissioner of health establish a system of uniform
27 physician identification numbers for use on the hospital dis-
28 charge abstract forms.

29 g. The commissioner of social services make available
30 to the commission data and information on the Medicaid program
31 similar to that required of other third-party payers. Patient
32 confidentiality shall be protected.

33 4. The commission may require that:

34 a. The commissioner of health require that the uniform
35 discharge abstract form designated or established by the com-

1 mission be used by all hospitals by July 1, 1984.

2 b. The commissioner of insurance require corporations
3 regulated by the commissioner who provide health care insurance
4 or service plans to provide health care policy holder or
5 subscriber data by geographic area or other demographics.

6 c. The commissioner of health require hospitals to submit
7 annually to the commissioner and to post notification in a
8 public area that there is available for public examination
9 in each facility the established charges for services, where
10 applicable including but not limited to, routine daily room
11 service, special care daily room service, delivery room
12 service, operating room service, emergency room service and
13 anesthesiology services, and for each of the twenty-five most
14 common laboratory services, radiology services, and pharmacy
15 prescriptions.

16 d. Additional or alternative information related to the
17 intent and purpose of sections 1 through 6 of this Act as
18 outlined in section 1 of this Act be submitted to the
19 commission.

20 Sec. 4. NEW SECTION. LAWFULNESS OF PROVIDING DATA--
21 CONFIDENTIALITY. Notwithstanding section 68A.7, subsection
22 2, section 135B.12, section 217.30, or any other statute,
23 it is lawful to provide the information requested pursuant
24 to section 3 of this Act as follows:

25 1. For hospitals, third-party payers, and other persons
26 to the commissioners or departments of health, insurance,
27 or social services.

28 2. For the commissioners of health, insurance, and social
29 services to the health data commission.

30 3. For the health data commission to the corporation,
31 association, or other entity acting as the commissioner's
32 research tool.

33 4. For the health data commission or its designee to in-
34 terested persons.

35 Information provided pursuant to section 3 of this Act

1 shall not identify a patient by name, address, or patient
2 identification number unless authorized by the patient.

3 Violation of this paragraph is a serious misdemeanor.

4 The commission shall determine the form in which informa-
5 tion will be made available and to whom, when, and under what
6 circumstances the information shall be made available.

7 Sec. 5. NEW SECTION. RELEASE OF INFORMATION. Notwith-
8 standing chapter 68A, the data furnished to the commission
9 pursuant to section 3 of this Act shall not constitute a
10 public record. A cause of action in the nature of defamation,
11 invasion of privacy, or negligence shall not arise against
12 a person for disclosing information in accordance with section
13 3 of this Act. However, this section shall not provide
14 immunity for disclosing or furnishing false information with
15 malice or willful intent to injure a person.

16 Sec. 6. NEW SECTION. REPORTS AND TERMINATION OF
17 COMMISSION. The commission shall submit a report on the
18 actions taken by the commission to the legislature not later
19 than January 15, 1984 and January 15, 1985. The commission
20 shall be terminated July 1, 1985. If the legislature does
21 not extend the date for termination, a final report shall
22 be submitted to the legislature by July 1, 1985.

23 Sec. 7. Section 135.11, Code 1983, is amended by adding
24 the following new subsection:

25 NEW SUBSECTION. Establish, publish, and enforce rules
26 not inconsistent with the law as necessary to obtain from
27 persons licensed or regulated by the department the data re-
28 quired pursuant to section 3 of this Act by the state health
29 data commission.

30 Sec. 8. Section 135B.26, Code 1983, is amended to read
31 as follows:

32 135B.26 COMPENSATION. The contract between the hospital
33 and doctor in charge of the laboratory or X-ray facilities
34 may contain any provision for compensation of each upon which
35 they mutually agree, ~~provided, however, that no.~~ The contract

1 ~~shall-be-entered-into-which-in-any-way-creates~~ may create
2 the relationship of employer and employee between the hospital
3 and the ~~doctor, -and-a~~ radiologist or pathologist. A percentage
4 arrangement or a relationship of employer and employee between
5 the hospital and the radiologist or pathologist is not and
6 ~~shall-not-be-construed-to-be~~ unprofessional conduct on the
7 part of the doctor or in violation of the statutes of this
8 state upon the part of the hospital.

9 Sec. 9. Section 505.8, unnumbered paragraph 2, Code 1983,
10 is amended to read as follows:

11 ~~He~~ The commissioner shall, subject to the provisions of
12 chapter 17A, establish, publish and enforce rules not incon-
13 sistent with the law for the enforcement of the provisions
14 of this title and for the enforcement of the laws, the
15 administration and supervision of which are imposed on the
16 department and as necessary to obtain from persons authorized
17 to do business in the state or regulated by the department
18 that data required pursuant to section 3 of this Act by the
19 state health data commission.

20 Sec. 10. Section 514.1, Code 1983, is amended to read
21 as follows:

22 514.1 INSURANCE LAWS EXCLUDED GENERALLY. Any corporation
23 hereafter organized under the provisions of chapter 504 or
24 chapter 504A for the purpose of establishing, maintaining,
25 and operating a nonprofit hospital service plan, whereby
26 hospital service may be provided by the ~~said~~ corporation or
27 by a hospital with which it has a contract for ~~such~~ service,
28 to ~~such-of~~ the public who become subscribers to ~~said~~ this
29 plan under a contract which entitles each subscriber to
30 hospital service, or any ~~such~~ corporation organized for the
31 purpose of establishing, maintaining, and operating a plan
32 whereby medical and surgical service may be provided at the
33 expense of ~~said~~ this corporation, by duly licensed physicians
34 and surgeons, dentists, podiatrists, osteopathic physicians,
35 or osteopathic physicians and surgeons, to subscribers under

1 contract, entitling each subscriber to medical and surgical
 2 service, as provided in ~~said~~ the contract or any such
 3 corporation organized for the purpose of establishing,
 4 maintaining, and operating a nonprofit pharmaceutical service
 5 plan or optometric service plan, whereby pharmaceutical or
 6 optometric service may be provided by ~~the-said~~ this corporation
 7 or by a licensed pharmacy with which it has a contract for
 8 such service, to ~~such-of~~ the public who become subscribers
 9 to ~~said~~ this plan under a contract which entitles each
 10 subscriber to pharmaceutical or optometric service, shall
 11 be governed by the provisions of this chapter and shall be
 12 exempt from all other provisions of the insurance laws of
 13 this state, unless specifically designated herein, not only
 14 in governmental relations with the state but for every other
 15 purpose, and ~~no~~ additions hereafter enacted shall not apply
 16 to such these corporations unless they be expressly designated
 17 therein. For the purposes of this chapter, ~~the-term~~
 18 "subscriber" ~~shall-include~~ means an individual who is entitled
 19 to hospital service, medical or surgical service or
 20 pharmaceutical or optometric service, under a contract with
 21 a corporation subject to this chapter and includes any person
 22 eligible for medical assistance or additional medical
 23 assistance as defined under chapter 249A as-hereafter-amended,
 24 with respect to whom the department of social services has
 25 entered into a contract with any firm operating under said
 26 chapter 514. For purposes of this chapter, "provider" is
 27 as defined in section 514B.1.

28 Sec. 11. Section 514.4, Code 1983, is amended to read
 29 as follows:

30 514.4 DIRECTORS. At least a ~~majority~~ two-thirds of the
 31 directors of a hospital service corporation ~~must~~ shall be
 32 at all times ~~administrators, or directors, or trustees, or~~
 33 ~~members-of-the-clinical-staff-of-hospitals-which-have~~
 34 ~~contracted-or-may~~ subscribers who are not providers and are
 35 not associated with a provider and who are entitled under

1 a contract with ~~such~~ the corporation to ~~render-to-its~~
2 ~~subscribers~~ receive hospital service. The board of directors
3 of ~~such~~ the corporation shall consist of at least nine members
4 and not more than one shall be from any one hospital.

5 At least a ~~majority~~ two-thirds of the directors of a medical
6 service corporation ~~must~~ shall be at all times physicians
7 or-surgeons,-dentists,-pediatrists,-osteopathic-physicians,
8 or-osteopathic-physicians-and-surgeons,-who-have-contracted
9 or-may subscribers who are not providers and are not associated
10 with a provider and who are entitled under a contract with
11 ~~such~~ the corporation to ~~render-to-its-subscribers~~ receive
12 medical or surgical service. The board of directors of ~~such~~
13 the corporation shall consist of at least nine members.

14 At least two-thirds of the directors of a pharmaceutical
15 or optometric service corporation shall be at all times
16 subscribers who are not providers and are not associated with
17 a provider and who are entitled under a contract with the
18 corporation to receive pharmaceutical or optometric service.
19 The board of directors of the corporation shall consist of
20 at least nine members.

21 The providers and subscribers shall serve terms of the
22 same length.

23 In electing subscribers to the board, each corporation
24 shall annually notify each subscriber of such corporation
25 that the subscriber may nominate an individual who is a
26 subscriber of such corporation but who is not a provider,
27 a person with a fiduciary interest in a health care facility
28 or hospital, a direct provider of health services, a director,
29 employee, or trustee of a health care facility or hospital,
30 or a spouse of such individual for the subscriber member-
31 ship of the board. The corporation shall compile a list of
32 the nominees and create a ballot consisting of twice as many
33 nominees as the number of subscriber vacancies on the board
34 from the individuals receiving the most nominations. The
35 corporation shall provide each subscriber of such corporation

1 with a ballot and shall compile the results establishing the
2 subscriber membership of the board.

3 The notification of each subscriber for nominating pur-
4 poses and balloting purposes may consist of notification in-
5 cluded with regular mailings of premium notices or notifying
6 the person responsible for the administration of the employees
7 or association benefit program of experience-rated groups
8 of twenty-six contracts or more. The person responsible for
9 the administration of the employees or association benefit
10 program shall distribute the nomination form or ballot to
11 each subscriber of the benefit program.

12 For purposes of determining the makeup of the board of
13 directors under this section, an individual who was associated
14 with a provider within two years of the date the individual
15 becomes a member of the board of directors shall be counted
16 as a member who is a provider.

17 Sec. 12. Section 514.5, unnumbered paragraph 1, Code 1983,
18 is amended to read as follows:

19 Any A hospital service corporation organized under the
20 provisions of said chapter 504 or 504A may enter into contracts
21 for the rendering of hospital service to any of its subscribers
22 with hospitals maintained and operated by the state or any
23 of its political subdivisions, or by any corporation,
24 association, or individual. Such hospital service corporation
25 may also contract with an ambulatory surgical facility to
26 provide surgical services to the corporation's subscribers.
27 Hospital service is meant to include bed and board, general
28 nursing care, use of the operating room, use of the delivery
29 room, ordinary medications and dressings and other customary
30 routine care. Ambulatory surgical facility means a facility
31 constructed and operated for the specific purpose of providing
32 surgery to patients admitted to and discharged from the
33 facility within the same day.

34 Sec. 13. Section 11 of this Act applies to corporations
35 in existence on the effective date of this Act and to

1 corporations formed on or after the effective date of this
2 Act. However, a corporation in existence on the effective
3 date of this Act shall have until January 1, 1985 to comply
4 with section 11 of this Act.

5 EXPLANATION

6 The bill provides for the implementation of some recommenda-
7 tions of the governor's commission on health care costs.
8 It does this by creating a six-member health data commission
9 consisting of the commissioners of health, insurance, and
10 social services, two legislative members, and the chairperson
11 of the corporation or head of the association or other entity
12 which is providing the staff for the commission. The
13 legislative members and the chairperson of the corporation
14 or head of the association or other entity are nonvoting
15 members. Staff is to be provided by the health policy
16 corporation of Iowa (HPCI), or other corporation, association,
17 or entity the commission deems appropriate, however, no
18 salaries, wages, per diem or expenses are to be paid by the
19 commission or the state for providing the staff or services.
20 Legislative members receive per diem and expenses. HPCI is
21 a nonprofit corporation that receives its funds from public
22 and private grants. The governor's commission recommended
23 that HPCI form a statewide data clearinghouse for medical
24 information on such things as price or charge by hospitals
25 for various diagnoses and procedures, and utilization of
26 health services by hospitals, physicians, and patients. The
27 health data commission will be this clearinghouse, will obtain
28 the necessary data, and will use HPCI or other appropriate
29 entity as the research tool. The commission will obtain its
30 data from the departments of health, insurance, and social
31 services who will obtain it from persons or programs regulated
32 or licensed by the departments. One of the duties of the
33 commission is to require that the commissioner of insurance
34 require third-party payers to provide hospital inpatient and
35 outpatient claims data and corresponding physician claims

1 data to the commission. Obtaining this information is a
2 recommendation of the governor's commission of health care
3 costs. Another recommendation of the governor's commission
4 referred to in the bill is the voluntary or mandatory use
5 of a uniform hospital billing form by hospitals and third-
6 party payers. The bill requires the commission to submit
7 reports of its actions to the legislature and provides for
8 a sunset of the commission on July 1, 1985. The bill also
9 states that the raw data collected by the commission is not
10 a public record but that the dissemination after compilation
11 is a public record. The bill states that a cause of action
12 in the nature of defamation, invasion of privacy or negligence
13 shall not arise against a person for disclosing information
14 pursuant to the Act.

15 The bill strikes the prohibition and permits contracts
16 between hospitals and pathologists or radiologists which
17 create an employer-employee relationship for pathology and
18 radiology services in hospitals.

19 The bill provides that at least two-thirds of the members
20 of the board of directors of a hospital service corporation,
21 a medical service corporation, or a pharmaceutical or
22 optometric service corporation shall be subscribers who are
23 not providers and are not associated with providers of health
24 care. The bill also defines "subscriber" and "provider".
25 The bill requires corporations to obtain nominees for the
26 subscriber members of the board. The subscriber members shall
27 be able to vote for the subscriber members. The bill allows
28 corporations in existence on the effective date of the bill
29 to comply with the bill's makeup of the board of directors
30 by January 1, 1985. This is provided because the change in
31 the makeup of the board of directors will require amendments
32 to articles of incorporation or bylaws and will probably
33 require an election of members. Corporations similar to Blue
34 Cross and Blue Shield are the ones subject to sections 10,
35 11, and 13 of the bill.

1 The bill permits a hospital service corporation to con-
2 tract with an ambulatory surgical facility to provide surgical
3 services to the subscribers of the hospital service corpora-
4 tion. The ambulatory surgical facility is a facility con-
5 structed to provide surgery to patients admitted and discharged
6 the same day.

7 The bill takes effect July 1 following its enactment.

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HOUSE FILE 196

3122

1 Amend amendment H-3117 to House File 196 as follows:
2 1. Page 1, line 32, by striking the words "or
3 fiduciary".

H-3122 FILED FEBRUARY 15, 1983 BY SCHROEDER of Pottawattamie
DAGGETT of Taylor
LOST (p. 420) VAN MAANEN of Mahaska

HOUSE FILE 196

H-3119

1 Amend amendment H-3117 to House File 196 as follows:
2 1. Page 1, line 36, by inserting after the word
3 "person." the words "However, a publicly elected
4 hospital trustee may serve as a subscriber director
5 providing the trustee has no material financial
6 interest in the delivery of health care services or
7 a related industry."

H-3119 FILED FEBRUARY 15, 1983 BY MULLINS of Kossuth
CLARK of Cerro Gordo
HUMMEL of Benton
HOFFMANN-BRIGHT of Muscatine
McINTEE of Black Hawk
SWEARINGEN of Keokuk
LOST (p. 419) SCHROEDER of Pottawattamie
HALVORSON of Clayton

HOUSE FILE 196

H-3120

1 Amend amendment H-3117 to House File 196 as follows:
2 1. Page 1, line 14, by striking the numeral "17"
3 and inserting in lieu thereof the numeral "16".

H-3120 FILED FEBRUARY 15, 1983 BY ARNOULD of Scott
ADOPTED (p. 420)

HOUSE FILE 196

H-3121

1 Amend House File 196 as follows:
2 1. Page 6, by striking lines 30 through 35.
3 2. Page 7, by striking lines 1 through 8.

H-3121 FILED FEBRUARY 15, 1983 BY DAGGETT of Taylor
SUSPENSION OF RULES LOST (p. 422) VAN MAANEN of Mahaska

HOUSE FILE 196
FISCAL NOTE
REQUESTED BY REPRESENTATIVE ARNOULD

In compliance with a written request received February 9, 1983, there is hereby submitted a Fiscal Note for House File 196 pursuant to Joint Rule 17. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

House File 196 creates a six-member health data commission consisting of the commissioners of health, insurance, and social services, two legislative members and the head of the corporation which will provide the staff to the data commission. The purpose of the commission is to be a statewide data clearinghouse for medical information on such things as price or charge by hospital for various diagnoses and procedures, and utilization of health services by hospitals, physicians, and patients. After this data is compiled, the bill provides for dissemination of this information as public record. The bill requires the commission to submit reports of its actions to the legislature and provides for a sunset of the commission on July 1, 1985.

The data commission staff will be paid for by funds provided to the contracting corporation from grants and private sources. There is no cost to the state except for the per diem and expenses paid to the two legislative members of the commission on a quarterly basis for the required quarterly meeting of the commission.

The cost to the contracting corporation for staffing is estimated as follows:

	<u>FY '84</u>	<u>FY '85</u>
Cost	\$ 75,000	90,000
Computer Programming	15,000	20,000
Data Acquisition	5,000	6,000
Consultant Services	15,000	15,000
Reports & Printing	20,000	30,000
Supplies & Misc.	10,000	15,000
Total Cost	<u>\$ 140,000</u>	<u>176,000</u>

This budget is an estimated figure. The cost of the commission may vary depending on how easily the data collection system comes together. (966H, 83-173, KAC)

Source: Health Policy Corporation of Iowa
FILED: FEBRUARY 14, 1983 BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 196

H-3117

Amend House File 196 as follows:

2 1. Page 3, line 26, by inserting after the word
3 "discharge" the word "date".

4 2. Page 5, line 31, by striking the word
5 "commissioner's" and inserting in lieu thereof the
6 word "commission's".

7 3. Page 8, by striking lines 18 through 20 and
8 inserting in lieu thereof the words "'subscriber"
9 ~~shall include~~ means an individual who enters into
10 a contract for hospital services, medical or surgical
11 services, dental services, or pharmaceutical or
12 optometric services with".

13 4. By striking page 8, line 28 through page 10,
14 line 17 and inserting in lieu thereof the following:
15 "Sec. 11. Section 514.4, Code 1983, is amended
16 by striking the section and inserting in lieu thereof
17 the following:

18 514.4 DIRECTORS. At least two-thirds of the
19 directors of a hospital service corporation, medical
20 service corporation, dental service corporation, or
21 pharmaceutical or optometric service corporation
22 subject to this chapter shall be at all times
23 subscribers of that corporation and not more than
24 one-third of the directors shall be providers as
25 provided in this section. The board of directors
26 of each corporation shall consist of at least nine
27 members.

28 A subscriber director is a director of the board
29 of a corporation who is a subscriber and who is not
30 a provider of health care pursuant to section 514B.1,
31 subsection 5, a person who has material financial
32 or fiduciary interest in the delivery of health care
33 services or a related industry, an employee of an
34 institution which provides health care services, or
35 a spouse or a member of the immediate family of such
36 a person.

37 A provider director of a corporation subject to
38 this chapter shall be at all times a person who has
39 a contract with such corporation to render to its
40 subscribers the services of such corporation.

41 The commissioner of insurance shall adopt rules
42 pursuant to chapter 17A to implement the process by
43 which the board of directors nominates and elects
44 the subscriber directors of the board of directors
45 of a corporation to ensure the representation of a
46 broad spectrum of subscriber interest on each board.
47 The rules shall provide for a subscriber nominating
48 committee consisting of subscribers as defined in
49 this section.

A corporation serving states in addition to Iowa

Page Two

1 shall be required to implement this section only for
2 directors who are residents of Iowa and elected as
3 board members from Iowa."

4 5. Page 11, by striking lines 3 and 4 and inserting
5 in lieu thereof the following: "date of this Act
6 shall fill any vacancy or any expired term of a
7 director position with a subscriber director and shall
8 have at least a majority of subscribers on the board
9 of directors of the corporation by August 1, 1984
10 and at least two-thirds of the board shall be
11 subscribers by August 1, 1985."

BY ARNOULD of Scott
ZIMMERMAN of Dallas
OLLIE of Clinton
MULLINS of Kossuth
RUNNING of Linn
CLARK of Cerro Gordo

FILED FEBRUARY 14, 1983

Adopted as amended by 3:20 2/15 (p. 421)

HOUSE FILE 196

H-3108

1 Amend House File 196 as follows:

2 1. Page 2, line 7, by inserting after the words
3 "six members" the words "including at least two voting
4 members".

H-3108 FILED FEBRUARY 10, 1983 BY SPEAR of Lee

Adopted 2/15 (p. 416)

HOUSE FILE 196

H-3110

1 Amend House File 196 as follows:

2 1. Page 3, line 17, by striking the word "or"
3 and inserting in lieu thereof the word "and".

H-3110 FILED FEBRUARY 10, 1983 BY SPEAR of Lee

Adopted 2/15 (p. 416)

HOUSE FILE 196

H-3111

1 Amend House File 196 as follows:

2 1. Page 6, line 33, by striking the words "doctor
3 in charge of" and inserting in lieu thereof the words
4 "~~docter-in-charge-of~~ radiologist or pathologist using".

H-3111 FILED FEBRUARY 10, 1983 BY SPEAR of Lee

2/15 2/15 (p. 421)

HOUSE FILE 196

H-3112

1 Amend House File 196 as follows:

2 1. Page 10, line 8, by striking the word "The"
3 and inserting in lieu thereof the words "It is intended
4 that the".

5 2. Page 10, line 10, by striking the word "shall".

H-3112 FILED FEBRUARY 10, 1983 BY SPEAR of Lee

Placed out of order 2/15 (p. 421)

Sen. State Court 2/17 L
Referred Human Resources 2/21
Amend per 3121 + Do Pass 2/21 (p. 513)
State Court 2/22 Do Pass 2/22 (p. 517)
Amend per 3319 3/23/83 (p. 952)

HOUSE FILE 196

Commeroe
Priebe, Chair
Holden
Tieden

HOUSE FILE

196

BY COMMITTEE ON HUMAN
RESOURCES

(As Amended and Passed by the House)

see senate amendment
Passed House, Date 4-7-83 (p. 1121) Passed Senate, Date 3-30-83 (p. 1039)

Vote: Ayes 95 Nays 2 Vote: Ayes 45 Nays 1

Approved April 26, 1983

A BILL FOR

1 An Act relating to health care by providing for the creation
2 of a health data commission, its purposes, membership,
3 powers, duties, and other related areas, by permitting a
4 hospital service corporation to contract with an ambulatory
5 surgical facility for surgical services, by permitting
6 contracts between hospitals and radiologists and pathologists,
7 by amending the membership of the board of directors of non-
8 profit hospital service corporations, nonprofit medical
9 service corporations, and nonprofit pharmaceutical or
10 optometric service corporations, and by providing a penalty.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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House Amendments _____

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1 Section 1. NEW SECTION. INTENT AND PURPOSE. As a result
2 of rising health care costs and the concern expressed by
3 health care providers, health care users, third-party payers,
4 and the general public, there is an urgent need to abate these
5 rising costs so as to place the cost of health care within
6 reach of all Iowans without affecting the quality. It is
7 the intent and purpose of sections 1 through 6 of this Act
8 to maintain an acceptable quality of health care services
9 in Iowa and yet at the same time improve the cost efficiency
10 and effectiveness of health care services. To foster the
11 cooperation of the separate industry forces, there is a need
12 to compile and disseminate accurate and current data, including
13 but not limited to price and utilization data, to meet the
14 needs of the people of Iowa and improve the appropriate usage
15 of health care services. It is the intent of the general
16 assembly to require the information necessary for a review
17 and comparison of cost, utilization, and quality of health
18 services. The information is to be compiled by a statewide
19 clearinghouse and made available to interested persons to
20 improve the decision-making processes regarding the purchase
21 price and use of appropriate health care services. Patient
22 confidentiality shall be protected.

23 Sec. 2. NEW SECTION. HEALTH DATA COMMISSION ESTABLISHED-
24 -PURPOSE. A state health data commission is established to
25 act as a statewide health data clearinghouse for the
26 acquisition, compilation, correlation, and dissemination of
27 data from health care providers, the state Medicaid program,
28 third-party payers, and other appropriate sources in
29 furtherance of the purpose and intent of the legislature as
30 expressed in section 1 of this Act.

31 The commission consists of the commissioners of health,
32 insurance, and social services, one state senator and one
33 state representative who shall not be of the same party, shall
34 be nonvoting members, and shall be appointed each year by
35 the president of the senate and speaker of the house,

1 respectively, and the chairperson of the board of directors
2 of the corporation or the head of the association or other
3 entity providing staff for the commission as provided by
4 section 3 of this Act who shall be a nonvoting member. The
5 commissioner members shall annually select the chairperson
6 of the commission from among the three voting commissioner
7 members. A majority of the six members including at least
8 two voting members constitute a quorum.

9 The commission shall meet at least once during each calendar
10 quarter. Meeting dates shall be set by members of the
11 commission or by call of the chairperson upon five days notice
12 to the members. Action of the commission shall not be taken
13 except upon the affirmative vote of a majority of the voting
14 members of the commission. The three voting commissioner
15 members of the commission shall not receive a salary or per
16 diem for being on the commission but shall receive
17 reimbursement for necessary travel and expenses while engaged
18 in commission business. Funds for reimbursement shall come
19 from the moneys appropriated to the department of which the
20 member is the head. The two legislative members of the
21 commission are entitled to per diem and necessary travel and
22 actual expenses as provided in subsection 6 of section 2.10.
23 The commission staff and chairperson of the corporation, as-
24 sociation, or entity under agreement with the commission
25 pursuant to section 3, subsection 1 of this Act shall not
26 receive any salary, wages, or per diem for serving the
27 commission and shall not receive reimbursement for commission
28 travel and related expenses or for other commission expenses.

29 Sec. 3. NEW SECTION. POWERS AND DUTIES.

30 1. The health data commission shall enter into an agree-
31 ment with the health policy corporation of Iowa or any other
32 corporation, association, or entity it deems appropriate to
33 provide staff for the commission, to act as a research tool
34 for the commission for the compilation, correlation, and
35 development of the data collected by the commission, to conduct

1 or contract for studies on health-related questions which
2 will further the purpose and intent expressed in section 1
3 of this Act. The agreement may provide for the corporation,
4 association, or entity to prepare and distribute or make
5 available data to health care providers, health care
6 subscribers, third-party payers, and the general public.

3121-7 2. The commission may require that the state departments
8 of health, insurance, and social services obtain for and make
9 available to the commission data needed to carry out its pur-
10 pose including but not limited to the data specified in this
11 section. This data may be acquired from health care providers,
12 third-party payers, the state Medicaid program, or other
13 appropriate sources.

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14 3. The commission shall require that:

3121 15 a. The commissioner of insurance and the commissioner
16 of health encourage and assist third-party payers and hospitals
17 to voluntarily implement the use of a uniform hospital billing
18 form, and that they require that all third-party payers and
19 all hospitals use, by July 1, 1984, the uniform hospital
20 billing form designated or established by the commission.
21 Uniform definitions for the billing form shall be established.

3121 22 b. The commissioner of insurance require that third-party
23 payers provide hospital inpatient and outpatient claims data
24 and corresponding physician claims data to the commission.
25 This data shall include the patient's age, sex, zip code,
26 third-party coverage, date of admission, procedure and dis-
27 charge date, principal and other diagnoses, principal and
28 other procedures, total charges and components of those
29 charges, attending physician identification number and hospital
30 identification number. Patient confidentiality shall be
31 protected. In the initial period of the commission, it may
32 limit the data collection to major third-party payers and
33 a sample of those third-party payers with low market penetra-
34 tion, to more frequent diagnoses and procedures and to hospital
35 inpatient claims.

1 c. Comparative information on average charges, total and
2 ancillary charge components, and length of stay on diagnosis-
3 specific and procedure-specific cases on a hospital basis
4 shall be compiled and disseminated from the data defined in
5 paragraph b. The data as collected by the commission shall
6 not be public records under chapter 68A. The compilations
7 prepared for release or dissemination from the data collected
8 shall be public records under chapter 68A, which are not
9 subject to section 68A.7, subsection 2, to the extent provided
10 in section 4 of this Act. Prior to the release or
11 dissemination of the compilations, the commission or the
12 corporation, association, or other entity under agreement
13 with the commission pursuant to section 3, subsection 1 of
14 this Act, shall permit providers an opportunity to verify
15 the accuracy of any information pertaining to the provider.
16 The providers may submit to the commission any corrections
17 of errors in the compilations of the data with any supporting
18 evidence and comments the provider may submit. The commission
19 shall correct data found to be in error.

20 d. If the data required by the commission is available
21 on computer or electronic tape, that a copy of this tape shall
22 be provided where practicable.

23 e. The commissioner of health and the commissioner of
24 insurance establish a mechanism that creates a common
25 identification number between the uniform hospital billing
26 form and the hospital discharge abstract.

27 f. The commissioner of health establish a system of uniform
28 physician identification numbers for use on the hospital dis-
29 charge abstract forms.

30 g. The commissioner of social services make available
31 to the commission data and information on the Medicaid program
32 similar to that required of other third-party payers. Patient
33 confidentiality shall be protected.

34 4. The commission may require that:

35 a. The commissioner of health require that the uniform

1 discharge abstract form designated or established by the com-
2 mission be used by all hospitals by July 1, 1984.

3 b. The commissioner of insurance require corporations
4 regulated by the commissioner who provide health care insurance
5 or service plans to provide health care policy holder or
6 subscriber data by geographic area or other demographics.

3:21 7 c. The commissioner of health require hospitals to submit
8 annually to the commissioner and to post notification in a
9 public area that there is available for public examination
10 in each facility the established charges for services, where
11 applicable including but not limited to, routine daily room
12 service, special care daily room service, delivery room
13 service, operating room service, emergency room service and
14 anesthesiology services, and for each of the twenty-five most
15 common laboratory services, radiology services, and pharmacy
16 prescriptions.

17 d. Additional or alternative information related to the
18 intent and purpose of sections 1 through 6 of this Act as
19 outlined in section 1 of this Act be submitted to the
20 commission.

3:21 21 Sec. 4. NEW SECTION. LAWFULNESS OF PROVIDING DATA--
22 CONFIDENTIALITY. Notwithstanding section 68A.7, subsection
23 2, section 135B.12, section 217.30, or any other statute,
24 it is lawful to provide the information requested pursuant
25 to section 3 of this Act as follows:

26 1. For hospitals, third-party payers, and other persons
27 to the commissioners or departments of health, insurance,
28 or social services.

29 2. For the commissioners of health, insurance, and social
30 services to the health data commission.

31 3. For the health data commission to the corporation,
32 association, or other entity acting as the commission's
33 research tool.

34 4. For the health data commission or its designee to in-
35 terested persons.

1 Information provided pursuant to section 3 of this Act
2 shall not identify a patient by name, address, or patient
3 identification number unless authorized by the patient.

4 Violation of this paragraph is a serious misdemeanor.

5 The commission shall determine the form in which informa-
6 tion will be made available and to whom, when, and under what
7 circumstances the information shall be made available.

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8 Sec. 5. NEW SECTION. RELEASE OF INFORMATION. Notwith-
9 standing chapter 68A, the data furnished to the commission
10 pursuant to section 3 of this Act shall not constitute a
11 public record. A cause of action in the nature of defamation,
12 invasion of privacy, or negligence shall not arise against
13 a person for disclosing information in accordance with section
14 3 of this Act. However, this section shall not provide
15 immunity for disclosing or furnishing false information with
16 malice or willful intent to injure a person.

17 Sec. 6. NEW SECTION. REPORTS AND TERMINATION OF
18 COMMISSION. The commission shall submit a report on the
19 actions taken by the commission to the legislature not later
20 than January 15, 1984 and January 15, 1985. The commission
21 shall be terminated July 1, 1985. If the legislature does
22 not extend the date for termination, a final report shall
23 be submitted to the legislature by July 1, 1985.

24 Sec. 7. Section 135.11, Code 1983, is amended by adding
25 the following new subsection:

26 NEW SUBSECTION. Establish, publish, and enforce rules
27 not inconsistent with the law as necessary to obtain from
28 persons licensed or regulated by the department the data re-
29 quired pursuant to section 3 of this Act by the state health
30 data commission.

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31 Sec. 8. Section 135B.26, Code 1983, is amended to read
32 as follows:

33 135B.26 COMPENSATION. The contract between the hospital
34 and doctor in charge of the laboratory or X-ray facilities
35 may contain any provision for compensation of each upon which

1 they mutually agree, ~~provided, however, that no~~. The contract
2 ~~shall be entered into which in any way creates~~ may create
3 the relationship of employer and employee between the hospital
4 and the ~~doctor, and a~~ radiologist or pathologist. A percentage
5 arrangement or a relationship of employer and employee between
6 the hospital and the radiologist or pathologist is not ~~and~~
7 ~~shall not be construed to be~~ unprofessional conduct on the
8 part of the doctor or in violation of the statutes of this
9 state upon the part of the hospital.

10 Sec. 9. Section 505.8, unnumbered paragraph 2, Code 1983,
11 is amended to read as follows:

12 ~~He~~ The commissioner shall, subject to the provisions of
13 chapter 17A, establish, publish and enforce rules not incon-
14 sistent with the law for the enforcement of the provisions
15 of this title and for the enforcement of the laws, the
16 administration and supervision of which are imposed on the
17 department and as necessary to obtain from persons authorized
18 to do business in the state or regulated by the department
19 that data required pursuant to section 3 of this Act by the
20 state health data commission.

21 Sec. 10. Section 514.1, Code 1983, is amended to read
22 as follows:

23 514.1 INSURANCE LAWS EXCLUDED GENERALLY. Any corporation
24 hereafter organized under the provisions of chapter 504 or
25 chapter 504A for the purpose of establishing, maintaining,
26 and operating a nonprofit hospital service plan, whereby
27 hospital service may be provided by the ~~said~~ corporation or
28 by a hospital with which it has a contract for ~~such~~ service,
29 to ~~such of~~ the public who become subscribers to ~~said~~ this
30 plan under a contract which entitles each subscriber to
31 hospital service, or any ~~such~~ corporation organized for the
32 purpose of establishing, maintaining, and operating a plan
33 whereby medical and surgical service may be provided at the
34 expense of ~~said~~ this corporation, by duly licensed physicians
35 and surgeons, dentists, podiatrists, osteopathic physicians,

1 or osteopathic physicians and surgeons, to subscribers under
 2 contract, entitling each subscriber to medical and surgical
 3 service, as provided in ~~said~~ the contract or any such
 4 corporation organized for the purpose of establishing,
 5 maintaining, and operating a nonprofit pharmaceutical service
 6 plan or optometric service plan, whereby pharmaceutical or
 7 optometric service may be provided by ~~the-said~~ this corporation
 8 or by a licensed pharmacy with which it has a contract for
 9 such service, to ~~such-of~~ the public who become subscribers
 10 to ~~said~~ this plan under a contract which entitles each
 11 subscriber to pharmaceutical or optometric service, shall
 12 be governed by the provisions of this chapter and shall be
 13 exempt from all other provisions of the insurance laws of
 14 this state, unless specifically designated herein, not only
 15 in governmental relations with the state but for every other
 16 purpose, and ~~no~~ additions hereafter enacted shall not apply
 17 to ~~such~~ these corporations unless they be expressly designated
 18 therein. For the purposes of this chapter, ~~the-term~~
 19 "subscriber" ~~shall-include~~ means an individual who enters
 20 into a contract for hospital services, medical or surgical
 21 services, dental services, or pharmaceutical or optometric
 22 services with a corporation subject to this chapter and
 23 includes any person eligible for medical assistance or
 24 additional medical assistance as defined under chapter 249A
 25 as-hereafter-amended, with respect to whom the department
 26 of social services has entered into a contract with any firm
 27 operating under ~~said~~ chapter 514. For purposes of this
 28 chapter, "provider" is as defined in section 514B.1.

29 Sec. 11. Section 514.4, Code 1983, is amended by striking
 30 the section and inserting in lieu thereof the following:

31 514.4 DIRECTORS. At least two-thirds of the directors
 32 of a hospital service corporation, medical service corporation,
 33 dental service corporation, or pharmaceutical or optometric
 34 service corporation subject to this chapter shall be at all
 35 times subscribers of that corporation and not more than one-

1 third of the directors shall be providers as provided in this
2 section. The board of directors of each corporation shall
3 consist of at least nine members.

4 A subscriber director is a director of the board of a
5 corporation who is a subscriber and who is not a provider
6 of health care pursuant to section 514B.1, subsection 5, a
7 person who has material financial or fiduciary interest in
8 the delivery of health care services or a related industry,
9 an employee of an institution which provides health care
10 services, or a spouse or a member of the immediate family
11 of such a person.

12 A provider director of a corporation subject to this chapter
13 shall be at all times a person who has a contract with such
14 corporation to render to its subscribers the services of such
15 corporation.

16 The commissioner of insurance shall adopt rules pursuant
17 to chapter 17A to implement the process by which the board
18 of directors nominates and elects the subscriber directors
19 of the board of directors of a corporation to ensure the
20 representation of a broad spectrum of subscriber interest
21 on each board. The rules shall provide for a subscriber
22 nominating committee consisting of subscribers as defined
23 in this section.

24 A corporation serving states in addition to Iowa shall
25 be required to implement this section only for directors who
26 are residents of Iowa and elected as board members from Iowa.

27 Sec. 12. Section 514.5, unnumbered paragraph 1, Code 1983,
28 is amended to read as follows:

29 Any A hospital service corporation organized under the
30 provisions-of-said chapter 504 or 504A may enter into contracts
31 for the rendering of hospital service to any of its subscribers
32 with hospitals maintained and operated by the state or any
33 of its political subdivisions, or by any corporation,
34 association, or individual. Such hospital service corporation
35 may also contract with an ambulatory surgical facility to

1 provide surgical services to the corporation's subscribers.
2 Hospital service is meant to include bed and board, general
3 nursing care, use of the operating room, use of the delivery
4 room, ordinary medications and dressings and other customary
5 routine care. Ambulatory surgical facility means a facility
6 constructed and operated for the specific purpose of providing
7 surgery to patients admitted to and discharged from the
8 facility within the same day.

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9 Sec. 13. Section 11 of this Act applies to corporations
10 in existence on the effective date of this Act and to
11 corporations formed on or after the effective date of this
12 Act. However, a corporation in existence on the effective
13 date of this Act shall fill any vacancy or any expired term
14 of a director position with a subscriber director and shall
15 have at least a majority of subscribers on the board of
16 directors of the corporation by August 1, 1984 and at least
17 two-thirds of the board shall be subscribers by August 1,
18 1985.

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HOUSE FILE 196

S-3121

- 1 Amend House File 196 as amended, passed, and
2 reprinted by the House as follows:
- 3 1. Page 2, lines 33 and 34, by striking the words
4 "act as a research tool for the commission" and
5 inserting in lieu thereof the word "provide".
- 6 2. Page 3, line 7, by inserting after the figure
7 "2." the letter "a".
- 8 3. Page 3, line 12, by striking the word "or"
9 and inserting in lieu thereof the word "and".
- 10 4. Page 3, by inserting after line 13 the
11 following:
12 "b. The data collected by and furnished to the
13 commission pursuant to this section shall not be
14 public records under chapter 68A. The compilations
15 prepared for release or dissemination from the data
16 collected shall be public records under chapter 68A,
17 which are not subject to section 68A.7, subsection
18 2, to the extent provided in section 4 of this Act.
19 The confidentiality of patients are to be protected
20 and the laws of this state in regard to patient
21 confidentiality apply, except to the extent provided
22 in section 4 of this Act."
- 23 5. Page 3, line 18, by striking the words "that
24 they".
- 25 6. Page 3, line 21, by inserting after the word
26 "established" the words "by the commission".
- 27 7. Page 3, line 22, by inserting after the word
28 "that" the word "all".
- 29 8. Page 3, line 23, by inserting after the word
30 "payers" the words ", including but not limited to
31 licensed insurers, medical and hospital service
32 corporations, health maintenance organizations, and
33 self-funded employee health plans,".
- 34 9. Page 3, by striking lines 30 and 31 and
35 inserting in lieu thereof the words and figures
36 "identification number. Prior to July 1, 1984, the
37 commissioner of insurance may".
- 38 10. Page 4, line 1, by striking the word
39 "Comparative" and inserting in lieu thereof the words
40 "The corporation, association, or other entity
41 providing research for the commission shall compile
42 and disseminate comparative".
- 43 11. Page 4, line 4, by striking the words "shall
44 be compiled and disseminated".
- 45 12. Page 4, line 20, by inserting after the word
46 "commission" the words "or the members of the
47 commission".
- 48 13. Page 4, line 22, by striking the words "where
49 practicable" and inserting in lieu thereof the words
50 "when requested".

S-3121
PAGE 2

1 14. Page 4, line 24, by striking the words
2 "mechanism that creates" and inserting in lieu thereof
3 the words "system which creates the use of".

4 15. Page 4, lines 32 and 33, by striking the words
5 "Patient confidentiality shall be protected."

6 16. Page 5, line 14, by inserting after the word
7 "and" the words "as enumerated by the commission,".

8 17. Page 5, line 16, by inserting after the word
9 "prescriptions." the words "In addition to the posting
10 of the notification the hospital shall post in each
11 facility next to the notification the established
12 charges for routine daily room service, special care
13 daily room service, delivery room service, operating
14 room service, and emergency room service."

15 18. Page 5, lines 21 and 22, by striking the words
16 "LAWFULNESS OF PROVIDING DATA--CONFIDENTIALITY" and
17 inserting in lieu thereof the words "CONFIDENTIAL
18 INFORMATION AND RECORDS".

19 19. Page 5, line 26, by striking the word "For"
20 and inserting in lieu thereof the word "From".

21 20. Page 5, line 29, by striking the word "For"
22 and inserting in lieu thereof the word "From".

23 21. Page 5, line 31, by striking the word "For"
24 and inserting in lieu thereof the word "From".

25 22. Page 5, lines 32 and 33, by striking the words
26 "acting as the commission's research tool" and
27 inserting in lieu thereof the words "providing research
28 for the commission".

29 23. Page 5, line 34, by striking the word "For"
30 and inserting in lieu thereof the word "From".

31 24. Page 6, by inserting after line 7 the
32 following:

33 "A person shall not be civilly liable as a result
34 of the person's acts, omissions, or decisions as a
35 member of the commission or as an employee or agent
36 in connection with the person's duties for the
37 commission."

S-3121 FILED BY COMMITTEE ON HUMAN RESOURCES
FEBRUARY 22, 1983 BOB CARR, CHAIR
Adopted as amended by 3382 3/29/83 (p. 1004)

HOUSE FILE 196

S-3123

1 Amend House File 196 as amended, passed and
2 reprinted by the House, as follows:

3 1. Page 9, line 15, by inserting after the word
4 "corporation" the words "or who is a hospital trustee".

S-3123 FILED
FEBRUARY 23, 1983
Adopted 3/30 (p. 1024)

BY CHARLES P. MILLER
ROBERT M. CARR
TOM SLATER
RICHARD DRAKE
FORREST V. SCHWENGELS
EDGAR H. HOLDEN

S-3319

1 Amend House File 196 as amended, passed, and
2 reprinted by the House as follows:

3 1. Page 7, by inserting after line 9 the following:

4 "Sec. ____ Section 135B.28, Code 1983, is amended
5 by adding the following new unnumbered paragraph:

6 NEW UNNUMBERED PARAGRAPH. Upon the effective date
7 of regulations which may be adopted by the United
8 States department of health and human services
9 prohibiting combined billing by hospitals and hospital-
10 based physicians under Title XVIII of the federal
11 Social Security Act, the charges for all pathology
12 and radiology services in a hospital, may upon the
13 mutual agreement of the hospital and doctor, be billed
14 separately, the hospital component of the charges
15 being included in the hospital bill and the doctor
16 component being billed by the doctor."

17 2. Page 8, line 35, by striking the words "of
18 that corporation".

19 3. Page 9, line 11, by inserting after the word
20 "person." the words "A subscriber director of a
21 hospital or medical service corporation shall be a
22 subscriber of the services of that corporation."

23 4. Page 9, line 13, by inserting after the word
24 "has" the words "a material financial interest in
25 or is a fiduciary to or an employee of or is a spouse
26 or member of the immediate family of a provider
27 having".

28 5. Page 9, by inserting after line 15 the
29 following:

30 "A director may serve on a board of only one
31 corporation subject to this chapter at a time."

32 6. Page 9, line 23, by inserting after the word
33 "section" the words "and procedures to permit
34 nomination by a petition of at least fifty subscribers
35 or providers"

36 7. Page 9, by inserting after line 23 the
37 following:

38 "A corporation shall not reimburse or compensate
39 a provider director or a subscriber director more
40 than forty dollars per diem plus necessary and actual
41 expenses for attendance at a meeting of the board
42 of directors.

43 There shall be an equal number as far as practicable
44 of members of the board of directors of a corporation
45 subject to this chapter from each congressional
46 district."

47 8. Page 10, line 9, by inserting after the word
48 "Act" the words and figures "takes effect August 1,
49 1983 and"

50 9. Page 10, line 18, by inserting after the figure

1 "1985." the words and figures "Directors serving on
2 the effective date of this Act may complete their
3 terms of office so long as at least a majority of
4 the board is subscribers by August 1, 1984 and at
5 least two-thirds of the board are subscribers by
6 August 1, 1985. Such director shall not serve a term
7 of more than three years or shall serve the remainder
8 of the term being served, whichever is shorter."

S-3319 FILED BY COMMITTEE ON COMMERCE

MARCH 24, 1983 GEORGE KINLEY, CHAIR

Adopted as amended by 3392, 3393, 3394, 3403

Motion to reconsider (p. 1015) 3/29/83 (p. 1005-6)

Reconsidered, adopted as further amended by 3408 3/30/83 (p. 1032)

HOUSE FILE 196

S-3353

1 Amend House File 196 as amended, passed and
2 reprinted by the House, as follows:

3 1. By striking page 6, line 31 through page 7,
4 line 9 and inserting in lieu thereof the following:

5 "Sec. ____ . NEW SECTION. 135B.33 HOSPITAL
6 AGREEMENTS. The board of directors of a hospital
7 licensed under this chapter may enter into an
8 agreement, oral or written, with a health care
9 professional licensed or certified under chapter
10 147, to provide or manage services the hospital is
11 permitted to offer. The agreement may create the
12 relationship of employer and employee between the
13 hospital and the professional or the hospital may
14 contract for the services of the professional who
15 acts as an individual contractor."

16 2. Page 10, by inserting after line 8 the
17 following:

18 "Sec. ____ . Section 135B.26, Code 1983, is
19 repealed."

20 3. By renumbering as necessary.

S-3353 FILED

BY EDGAR H. HOLDEN

MARCH 25, 1983

Adopted 3/30/83 (p. 1024)

Motion to reconsider (p. 1035)

Reconsidered and adopted 3/30 (p. 1035)

HOUSE FILE 196

S-3407

1 Amend S-3319 to House File 196 as amended, passed,
2 and reprinted by the House as follows:
3 1. Page 1, lines 12 and 13, by striking the words
4 ", may upon the mutual agreement of the hospital and
5 doctor," and inserting in lieu thereof the words
6 "billed to the Medicare program under Title XVIII
7 shall".

S-3407 FILED
MARCH 30, 1983
LOST (*p. 1031*)

BY ROBERT M. CARR

HOUSE FILE 196

S-3408

1 Amend the amendment S-3319 to House File 196 as
2 amended, passed and reprinted by the House as follows:
3 1. Page 1, line 13, by striking the words "and
4 doctor" and inserting in lieu thereof the words "
5 physician and third party payer".

S-3408 FILED & ADOPTED
MARCH 30, 1983 (*p. 1032*)

BY EDGAR H. HOLDEN
BERL E. PRIEBE
DALE L. TIEDEN

HOUSE FILE 196

S-3416

1 Amend House File 196 as amended, passed and reprint-
2 ed by the House as follows:
3 1. Page 2, line 1, by inserting after the word
4 "respectively," the words "a hospital chief executive
5 officer selected from nominations submitted by the
6 hospital association or its successor association,
7 appointed by the governor without confirmation by the
8 senate and who shall be a nonvoting member,".

S-3416 FILED & WITHDRAWN
MARCH 30, 1983 (*p. 1032*)

BY ARNE WALDSTEIN
LEE HOLT

HOUSE FILE 196

S-3417

1 Amend House File 196 as amended, passed and
2 reprinted by the House as follows:
3 1. Page 2, line 1, by inserting after the word
4 "respectively," the words "a hospital chief executive
5 officer selected by the hospital association or its
6 successor association and who shall be a nonvoting
7 member,".
8 2. Page 2, line 7, by striking the word "six" and
9 inserting in lieu thereof the word "seven".

S-3417 FILED & LOST
MARCH 30, 1983 (*p. 1039*)

BY ARNE WALDSTEIN
LEE W. HOLT
BERL E. PRIEBE

S-3399

- 1 Amend House File 196 as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 2, line 1, by inserting after the word
 4 "respectively," the words "a hospital chief executive
 5 officer selected from nominees submitted by the Iowa
 6 hospital association or its successor association
 7 and a physician selected from nominees submitted by
 8 the Iowa medical society or its successor association,
 9 both of whom shall be appointed by the governor without
 10 confirmation by the senate and both of whom shall
 11 be nonvoting members,".
 12 2. Page 2, line 7, by striking the word "six"
 13 and inserting in lieu thereof the word "eight".
 14 3. Page 3, line 13, by inserting after the word
 15 "sources." the words "The medical record data required
 16 from a hospital shall be obtained from the uniform
 17 hospital discharge data set collected by an existing
 18 Iowa-based medical record abstract service."

S-3399 FILED

BY ARTHUR A. SMALL, JR.

MARCH 29, 1983

*Last 3/30/83 (p. 1023)**Notes to renumbered last 3/30 (p. 1033)*

HOUSE FILE 196

S-3403

- 1 Amend S-3319 to House File 196 as amended, passed
 2 and reprinted by the House, as follows:
 3 1. Page 1, by inserting after line 31 the
 4 following:
 5 "____. Page 9, by striking lines 17 through 22
 6 and inserting in lieu thereof the words and figure
 7 "to chapter 17A to implement the process of the
 8 election of subscriber directors of the board of
 9 directors of a corporation to ensure the representation
 10 of a broad spectrum of subscriber interest on each
 11 board. The rules shall provide for an independent
 12 subscriber nominating committee to serve until the
 13 composition of the board of directors meets the
 14 percentage requirements of this section. Once the
 15 composition requirements of this section are met,
 16 the nominations for subscriber directors shall be
 17 made by the subscriber directors of the board. A
 18 member of the board of directors of a corporation
 19 subject to this chapter shall not serve on the
 20 independent subscriber nominating committee. The
 21 nominating committee shall consist of subscribers
 22 as defined".
 23 2. Page 2, line 1, by striking the word "Directors"
 24 and inserting in lieu thereof the words "Provider
 25 directors".
 26 3. Page 2, line 8, by inserting after the word
 27 "shorter." the words "Only subscriber directors elected
 28 pursuant to the rules adopted by the commissioner
 29 of insurance pursuant to section 11 of this Act shall
 30 be considered in meeting the percentage requirements
 31 of the board composition required in this section."
 32 4. By renumbering as necessary.

S-3403 FILED

MARCH 29, 1983

DIV A - ADOPTED (p. 1006)

DIV B - ADOPTED (p. 1006)

BY BERL E. PRIEBE

DALE L. TIEDEN

TOM SLATER

S-3392

1 Amend S-3319 to House File 196 as amended, passed,
2 and reprinted by the House as follows:
3 1. Page 1, by striking lines 38 through 46 and
4 inserting in lieu thereof the following:
5 "Population factors, representation of different
6 geographic regions, and the demography of the service
7 area of the corporation subject to this chapter shall
8 be considered when making nominations for the board
9 of directors of a corporation subject to this chapter.
10 A corporation shall not reimburse or compensate
11 a provider director or a subscriber director more
12 than forty dollars per diem plus necessary and actual
13 expenses for attendance at a meeting of the board
14 of directors."

S-3392 FILED & ADOPTED
MARCH 29, 1983 (p. 1006)

BY ROBERT M. CARR
BERL E. PRIEBE

HOUSE FILE 196

S-3393

1 Amend the amendment S-3319 to House File 196, as
2 amended, passed and reprinted by the House as follows:
3 1. Page 1, by striking lines 3 through 16.

S-3393 FILED & ADOPTED (p. 1005) BY ROBERT M. CARR
MARCH 29, 1983

*Motion to Reconsider (p. 1015)
Filed out of order 3/30 (p. 1032)*

HOUSE FILE 196

S-3394

1 Amend S-3319 to House File 196 as amended, passed,
2 and reprinted by the House as follows:
3 1. Page 1, by striking line 31 and inserting in
4 lieu thereof the words "corporation at a time subject
5 to this chapter."

S-3394 FILED & ADOPTED
MARCH 29, 1983 (p. 1005)

BY ROBERT M. CARR

HOUSE FILE 196

S-3397

1 Amend S-3376 to House File 196 as amended, passed,
2 and reprinted by the House as follows:
3 1. Page 1, line 8, by inserting after the word
4 "physicians," the word "chiropractors,".
5 2. Page 1, line 9, by inserting after the figure
6 "150A," the figure "151,".

S-3397 FILED

MARCH 29, 1983

Filed out of order 3/30 (p. 1023)

BY CHARLES P. MILLER

HOUSE FILE 196

S-3398

1 Amend S-3389 to House File 196 as amended, passed,
2 and reprinted by the House, as follows:
3 1. Page 1, line 9, by inserting after the word
4 "physicians," the word "chiropractors,".
5 2. Page 1, line 10, by inserting after the figure
6 "150A," the figure "151,".
7 3. Page 1, line 16, by inserting after the words
8 "osteopathic physician," the word "chiropractor,".

S-3398 FILED

MARCH 29, 1983 *Filed 3/30 (p. 1023)*

BY CHARLES P. MILLER

S-3388

- 1 Amend House File 196 as amended, passed, and
2 reprinted by the House as follows:
3 1. Page 10, by inserting after line 8 the
4 following:
5 "Sec. ____ . NEW SECTION. 514.19. COMBINED SERVICE
6 CORPORATIONS. A corporation subject to this chapter
7 may combine with any other corporation subject to
8 this chapter as permitted under chapter 504A and upon
9 the approval by the commissioner of insurance. Each
10 corporation shall comply with chapter 504A, the
11 corporation's articles of incorporation, and the
12 corporation's bylaws. The combined service corporation
13 shall continue the service benefits previously provided
14 by each corporation and may, subject to the approval
15 of the commissioner of insurance, offer other service
16 benefits not previously provided by the corporations
17 before combining, which are permitted under chapter
18 514."
19 2. By renumbering as necessary.

S-3388 FILED

BY EDGAR H. HOLDEN

MARCH 29, 1983

Adopted 3/30/83 (p. 1024)

HOUSE FILE 196

S-3389

- 1 Amend House File 196 as amended, passed and
2 reprinted by the House, as follows:
3 1. Page 6, by inserting after line 30 the
4 following:
5 "Sec. ____ . Section 135B.7, Code 1983, is amended
6 by adding the following new unnumbered paragraph:
7 NEW UNNUMBERED PARAGRAPH. A hospital shall not
8 deny staff privileges to physicians, osteopathic
9 physicians, podiatrists, or dentists licensed under
10 chapter 148, 149, 150A, or 153 solely by reason of
11 the school or system of practice employed or to be
12 employed by those practitioners, provided the school
13 or system of practice is recognized by the law of
14 this state. This paragraph shall not be construed
15 to prevent a hospital from restricting or denying staff
16 privileges to a physician, osteopathic physician,
17 podiatrist, or dentist based upon the adequacy of
18 the individual's credentials, experience, or
19 competence."
20 2. Title page, line 5, by inserting after the
21 word "services," the words "by prohibiting hospitals
22 from denying staff privileges to certain licensed
23 practitioners solely because of the school or system
24 of practice used,".
25 3. By numbering, renumbering and correcting
26 internal references as necessary.

S-3389 FILED

BY JAMES D. WELLS

MARCH 29, 1983

DONALD V. DOYLE

BASS VAN GILST

Called out of order 3/30 (p. 1024)

JOE BROWN

LEE HOLT

FORREST SCHWENGELS

HOUSE FILE 196

S-3376

1 Amend House File 196 as amended, passed and reprinted
2 by the House as follows:
3 1. Page 6, by inserting after line 30 the following:
4 "Sec. ____ Section 135B.7, Code 1983, is amended by
5 adding the following new unnumbered paragraph:
6 NEW UNNUMBERED PARAGRAPH. However, no hospital can
7 deny clinical privileges to physicians, osthopathic
8 physicians, podiatrists or dentists licensed under
9 chapter 148, 149, 150A or 153, solely by reason of the
10 school or system of practice employed or permitted to
11 be employed by such practitioners, provided the school
12 or system of practice is recognized by the law of the
13 state."

S-3376 FILED

MARCH 28, 1983

H/O 3/30/83 (p.1023)

BY JAMES D. WELLS

DONALD V. DOYLE

BASS VAN GILST

JOE BROWN

LEE HOLT

HOUSE FILE 196

S-3382

1 Amend amendment S-3121 to House File 196 as amended,
2 passed, and reprinted by the House, as follows:
3 1. Page 1, line 19, by striking the word "are"
4 and inserting in lieu thereof the word "is".
5 2. Page 2, line 10, by striking the word
6 "notification" and inserting in lieu thereof the word
7 "notification".
8 3. Page 2, line 11, by striking the word
9 "notification" and inserting in lieu thereof the word
10 "notification".

S-3382 FILED & ADOPTED
MARCH 29, 1983 *(p.1004)*

BY EDGAR H. HOLDEN

HOUSE FILE 196

S-3387

1 Amend amendment S-3121 to House File 196 as amended,
2 passed, and reprinted by the House, as follows:
3 1. Page 1, line 5, by inserting after the word
4 "provide" the word "staff".
5 2. Page 1, by inserting after line 33 the
6 following:
7 "____. Page 3, line 24, by inserting after the
8 word "commission" the words and figure "pursuant to
9 section 9 of this Act".
10 3. Page 1, by inserting after line 37 the
11 following:
12 "____. Page 3, lines 33 and 34, by striking the
13 word "penetration," and inserting in lieu thereof
14 the word "penetration;".
15 ____ Page 3, line 34, by striking the word
16 "procedures" and inserting in lieu thereof the word
17 "procedures;".
18 4. Page 2, by striking lines 8 through 14.
19 5. By renumbering as necessary.

S-3387 FILED

MARCH 29, 1983

DIV A - ADOPTED *(p.1004)*

DIV B - LOST *(p.1004)*

BY EDGAR H. HOLDEN

Amend

SENATE AMENDMENT TO HOUSE FILE 196

-3517

- 1 Amend House File 196 as amended, passed and
2 reprinted by the House as follows:
3 1. Page 2, lines 33 and 34, by striking the words
4 "act as a research tool for the commission" and
5 inserting in lieu thereof the words "provide staff".
6 2. Page 3, line 7, by inserting after the figure
7 "2." the letter "a."
8 3. Page 3, line 12, by striking the word "or"
9 and inserting in lieu thereof the word "and".
10 4. Page 3, by inserting after line 13 the
11 following:
12 "b. The data collected by and furnished to the
13 commission pursuant to this section shall not be
14 public records under chapter 68A. The compilations
15 prepared for release or dissemination from the data
16 collected shall be public records under chapter 68A,
17 which are not subject to section 68A.7, subsection
18 2, to the extent provided in section 4 of this Act.
19 The confidentiality of patients is to be protected
20 and the laws of this state in regard to patient
21 confidentiality apply, except to the extent provided
22 in section 4 of this Act."
23 5. Page 3, line 18, by striking the words "that
24 they".
25 6. Page 3, line 21, by inserting after the word
26 "established" the words "by the commission".
27 7. Page 3, line 22, by inserting after the word
28 "that" the word "all".
29 8. Page 3, line 23, by inserting after the word
30 "payers" the words ", including but not limited to
31 licensed insurers, medical and hospital service
32 corporations, health maintenance organizations, and
33 self-funded employee health plans,".
34 9. Page 3, line 24, by inserting after the word
35 "commission" the words and figure "pursuant to section
36 9 of this Act".
37 10. Page 3, by striking lines 30 and 31 and
38 inserting in lieu thereof the words and figures
39 "identification number. Prior to July 1, 1984, the
40 commissioner of insurance may".
41 11. Page 3, lines 33 and 34, by striking the word
42 "penetration," and inserting in lieu thereof the word
43 "penetration;".
44 12. Page 3, line 34, by striking the word
45 "procedures" and inserting in lieu thereof the word
46 "procedures;".
47 13. Page 4, line 1, by striking the word
48 "Comparative" and inserting in lieu thereof the words
49 "The corporation, association, or other entity
50 providing research for the commission shall compile

APRIL 6, 1983

PAGE THREE

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Page Two

1 and disseminate comparative".
2 14. Page 4, line 4, by striking the words "shall
3 be compiled and disseminated".
4 15. Page 4, line 20, by inserting after the word
5 "commission" the words "or the members of the
6 commission".
7 16. Page 4, line 22, by striking the words "where
8 practicable" and inserting in lieu thereof the words
9 "when requested".
10 17. Page 4, line 24, by striking the words
11 "mechanism that creates" and inserting in lieu thereof
12 the words "system which creates the use of".
13 18. Page 4, lines 32 and 33, by striking the words
14 "Patient confidentiality shall be protected."
15 19. Page 5, line 14, by inserting after the word
16 "and" the words "as enumerated by the commission,".
17 20. Page 5, line 16, by inserting after the word
18 "prescriptions." the words "In addition to the posting
19 of the notification, the hospital shall post in each
20 facility next to the notification, the established
21 charges for routine daily room service, special care
22 daily room service, delivery room service, operating
23 room service, and emergency room service."
24 21. Page 5, lines 21 and 22, by striking the words
25 "LAWFULNESS OF PROVIDING DATA--CONFIDENTIALITY" and
26 inserting in lieu thereof the words "CONFIDENTIAL
27 INFORMATION AND RECORDS".
28 22. Page 5, line 26, by striking the word "For"
29 and inserting in lieu thereof the word "From".
30 23. Page 5, line 29, by striking the word "For"
31 and inserting in lieu thereof the word "From".
32 24. Page 5, line 31, by striking the word "For"
33 and inserting in lieu thereof the word "From".
34 25. Page 5, lines 32 and 33, by striking the words
35 "acting as the commission's research tool" and
36 inserting in lieu thereof the words "providing research
37 for the commission".
38 26. Page 5, line 34, by striking the word "For"
39 and inserting in lieu thereof the word "From".
40 27. Page 6, by inserting after line 7 the
41 following:
42 "A person shall not be civilly liable as a result
43 of the person's acts, omissions, or decisions as a
44 member of the commission or as an employee or agent
45 in connection with the person's duties for the
46 commission."
47 28. Page 7, by inserting after line 9 the
48 following:
49 "Sec. _____. Section 135B.28, Code 1983, is amended
50 by adding the following new unnumbered paragraph:

1 NEW UNNUMBERED PARAGRAPH. Upon the effective date
2 of regulations which may be adopted by the United
3 States department of health and human services
4 prohibiting combined billing by hospitals and hospital-
5 based physicians under Title XVIII of the federal
6 Social Security Act, the charges for all pathology
7 and radiology services in a hospital, may upon the
8 mutual agreement of the hospital, physician and third
9 party payer, be billed separately, the hospital
10 component of the charges being included in the hospital
11 bill and the doctor component being billed by the
12 doctor."

13 29. Page 8, line 35, by striking the words "of
14 that corporation".

15 30. Page 9, line 11, by inserting after the word
16 "person." the words "A subscriber director of a
17 hospital or medical service corporation shall be a
18 subscriber of the services of that corporation."

19 31. Page 9, line 13, by inserting after the word
20 "has" the words "a material financial interest in
21 or is a fiduciary to or an employee of or is a spouse
22 or member of the immediate family of a provider
23 having".

24 32. Page 9, line 15, by inserting after the word
25 "corporation" the words "or who is a hospital trustee".

26 33. Page 9, by inserting after line 15 the
27 following:

28 "A director may serve on a board of only one
29 corporation at a time subject to this chapter."

30 34. Page 9, by striking lines 17 through 22 and
31 inserting in lieu thereof the words and figure "to
32 chapter 17A to implement the process of the election
33 of subscriber directors of the board of directors
34 of a corporation to ensure the representation of a
35 broad spectrum of subscriber interest on each board.
36 The rules shall provide for an independent subscriber
37 nominating committee to serve until the composition
38 of the board of directors meets the percentage
39 requirements of this section. Once the composition
40 requirements of this section are met, the nominations
41 for subscriber directors shall be made by the
42 subscriber directors of the board. A member of the
43 board of directors of a corporation subject to this
44 chapter shall not serve on the independent subscriber
45 nominating committee. The nominating committee shall
46 consist of subscribers as defined".

47 35. Page 9, line 23, by inserting after the word
48 "section" the words "and procedures to permit
49 nomination by a petition of at least fifty subscribers
50 or providers".

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Page Four

1 36. Page 9, by inserting after line 23 the
2 following:

3 "Population factors, representation of different
4 geographic regions, and the demography of the service
5 area of the corporation subject to this chapter shall
6 be considered when making nominations for the board
7 of directors of a corporation subject to this chapter.

8 A corporation shall not reimburse or compensate
9 a provider director or a subscriber director more
10 than forty dollars per diem plus necessary and actual
11 expenses for attendance at a meeting of the board
12 of directors."

13 37. Page 10, by inserting after line 8 the
14 following:

15 "Sec. ____ . NEW SECTION. 514.19. COMBINED SERVICE
16 CORPORATIONS. A corporation subject to this chapter
17 may combine with any other corporation subject to
18 this chapter as permitted under chapter 504A and upon
19 the approval by the commissioner of insurance. Each
20 corporation shall comply with chapter 504A, the
21 corporation's articles of incorporation, and the
22 corporation's bylaws. The combined service corporation
23 shall continue the service benefits previously provided
24 by each corporation and may, subject to the approval
25 of the commissioner of insurance, offer other service
26 benefits not previously provided by the corporations
27 before combining, which are permitted under chapter
28 514."

29 38. Page 10, line 9, by inserting after the word
30 "Act" the words and figures "takes effect August 1,
31 1983 and".

32 39. Page 10, line 18, by inserting after the
33 figure "1985." the words and figures "Provider
34 directors serving on the effective date of this Act
35 may complete their terms of office so long as at least
36 a majority of the board is subscribers by August 1,
37 1984 and at least two-thirds of the board are
38 subscribers by August 1, 1985. Such director shall
39 not serve a term of more than three years or shall
40 serve the remainder of the term being served, whichever
41 is shorter. Only subscriber directors elected pursuant
42 to the rules adopted by the commissioner of insurance
43 pursuant to section 11 of this Act shall be considered
44 in meeting the percentage requirements of the board
45 composition required in this section."

46 40. By renumbering as necessary.

HOUSE FILE 196 - SUMMARY

Prepared By
Sue Lerdal, Research Analyst
Legislative Service Bureau

March 24, 1983

SECTION

CONTENTS

1 The intent and purpose of the legislation -- to abate rising health care costs.

2 The creation of the Health Data Commission -

The commission has six members: the commissioners of insurance, health, and social services (voting) and one senator, one representative, and the chairperson of the board of directors of the corporation or head of the association or other entity providing staff for the commission (nonvoting). The commission is required to meet quarterly.

3 The powers and duties of the commission -

1. The commission is required to enter into agreement with the Health Policy Corporation of Iowa or other appropriate organization to compile, correlate, and develop data collected by the commission. The agreement may provide for the distribution of the data.
2. The commission is permitted to require information from health care providers, third party payers, the state Medicaid program, and other appropriate sources.

HUMAN RESOURCES COMMITTEE AMENDMENT - adds record confidentiality language.

3. The commission is required to require the commissioners of insurance and health to require that all third-party payers and hospitals use a uniform hospital billing form by July 1, 1984.
4. The commissioner of insurance is to require third-party payers to provide hospital inpatient and outpatient claims data to the commission.

SECTION

CONTENTS

- 3(cont.) HUMAN RESOURCES COMMITTEE AMENDMENT - lists examples of third-party payers.
5. The data on a hospital basis is to be compiled and disseminated.
- The providers of information to the commission are permitted to verify the information provided before the information is disseminated.
- When the data is available on computer or electronic tape, the tape shall be made available to the commission.
- Establishes uniform common hospital identification numbers and uniform physician identification numbers.
- Requires hospitals to post notification that established charges for services are available for review.
- 4 Confidentiality provisions -
- HUMAN RESOURCES COMMITTEE AMENDMENT - amends section heading to read "Confidential information and records" and adds liability exemption language for results within actions required by the legislation.
- 5 Prohibits the release of information which is not a public record.
- 6 The health data commission is terminated July 1, 1985.
- 7 Requires the department of health to adopt rules necessary to obtain the data required by the legislation.
- 8 Permits pathologists and radiologists to contract with a hospital to create the relationship of employer and employee.
- 9 Requires the commissioner of insurance to adopt rules necessary to obtain the data required by the legislation.
- 10 Defines "subscriber" and "provider" of a hospital service corporation, medical service corporation, dental service corporation, or pharmaceutical or optometric service corporation.
- PROPOSED SUBCOMMITTEE AMENDMENT - adds a new section permitting split billing when the federal government requires split billing for Medicare.

SECTION

CONTENTS

- 11 Rewrites section 514.4 relating to the directors of a hospital service corporation, medical service corporation, dental service corporation, or pharmaceutical or optometric service corporation.
- Requires that two-thirds of the directors be subscribers and one-third be providers.
- Requires the commissioner of insurance to adopt rules relating to the nomination and election of subscriber members.
- PROPOSED SUBCOMMITTEE AMENDMENT - permits nomination by petition of subscribers.
- PROPOSED SUBCOMMITTEE AMENDMENT - prohibits a corporation subject to chapter 514 (listed previously) to reimburse a board member, both subscriber and provider, more than forty dollars per day plus expenses.
- PROPOSED SUBCOMMITTEE AMENDMENT - requires an equal number of board members, both subscriber and provider, be from each congressional district.
- PROPOSED SUBCOMMITTEE AMENDMENT - permits the board of a dental service corporation or pharmaceutical or optometric service corporation to have subscriber members on the board who are not subscribers of that corporation.
- PROPOSED SUBCOMMITTEE AMENDMENT - expands the definition of a "provider" to include relatives or a person who has a financial interest in a provider.
- PROPOSED SUBCOMMITTEE AMENDMENT - prohibits a person from serving on more than one board of a corporation subject to chapter 514.
- 12 Permits a hospital service corporation to contract with an ambulatory surgical facility to provide surgical services and defines ambulatory surgical facility.
- 13 Relates to the effective date of the board members of corporations subject to chapter 514 (listed previously) so that a majority of subscribers are on the board by August 1, 1984 and at least two-thirds are subscribers by August 1, 1985.
- PROPOSED SUBCOMMITTEE AMENDMENT - amends the effective date for the membership of a board of a corporation subject to chapter 514 (listed previously) to August 1, 1983 and permits a person to complete a term now being served if no longer than three years and if the membership of the board is a majority of subscribers by August 1, 1984 and is two-thirds subscribers by August 1, 1985.

HOUSE FILE 196

AN ACT

RELATING TO HEALTH CARE BY PROVIDING FOR THE CREATION OF A HEALTH DATA COMMISSION, ITS PURPOSES, MEMBERSHIP, POWERS, DUTIES, AND OTHER RELATED AREAS, BY PERMITTING A HOSPITAL SERVICE CORPORATION TO CONTRACT WITH AN AMBULATORY SURGICAL FACILITY FOR SURGICAL SERVICES, BY PERMITTING CONTRACTS BETWEEN HOSPITALS AND RADIOLOGISTS AND PATHOLOGISTS, BY AMENDING THE MEMBERSHIP OF THE BOARD OF DIRECTORS OF NONPROFIT HOSPITAL SERVICE CORPORATIONS, NONPROFIT MEDICAL SERVICE CORPORATIONS, AND NONPROFIT PHARMACEUTICAL OR OPTOMETRIC SERVICE CORPORATIONS, AND BY PROVIDING A PENALTY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. INTENT AND PURPOSE. As a result of rising health care costs and the concern expressed by health care providers, health care users, third-party payers, and the general public, there is an urgent need to abate these rising costs so as to place the cost of health care within reach of all Iowans without affecting the quality. It is the intent and purpose of sections 1 through 6 of this Act to maintain an acceptable quality of health care services in Iowa and yet at the same time improve the cost efficiency and effectiveness of health care services. To foster the cooperation of the separate industry forces, there is a need to compile and disseminate accurate and current data, including but not limited to price and utilization data, to meet the needs of the people of Iowa and improve the appropriate usage of health care services. It is the intent of the general assembly to require the information necessary for a review and comparison of cost, utilization, and quality of health services. The information is to be compiled by a statewide clearinghouse and made available to interested persons to

improve the decision-making processes regarding the purchase price and use of appropriate health care services. Patient confidentiality shall be protected.

Sec. 2. NEW SECTION. HEALTH DATA COMMISSION ESTABLISHED-PURPOSE. A state health data commission is established to act as a statewide health data clearinghouse for the acquisition, compilation, correlation, and dissemination of data from health care providers, the state Medicaid program, third-party payers, and other appropriate sources in furtherance of the purpose and intent of the legislature as expressed in section 1 of this Act.

The commission consists of the commissioners of health, insurance, and social services, one state senator and one state representative who shall not be of the same party, shall be nonvoting members, and shall be appointed each year by the president of the senate and speaker of the house, respectively, and the chairperson of the board of directors of the corporation or the head of the association or other entity providing staff for the commission as provided by section 3 of this Act who shall be a nonvoting member. The commissioner members shall annually select the chairperson of the commission from among the three voting commissioner members. A majority of the six members including at least two voting members constitute a quorum.

The commission shall meet at least once during each calendar quarter. Meeting dates shall be set by members of the commission or by call of the chairperson upon five days notice to the members. Action of the commission shall not be taken except upon the affirmative vote of a majority of the voting members of the commission. The three voting commissioner members of the commission shall not receive a salary or per diem for being on the commission but shall receive reimbursement for necessary travel and expenses while engaged in commission business. Funds for reimbursement shall come from the moneys appropriated to the department of which the

member is the head. The two legislative members of the commission are entitled to per diem and necessary travel and actual expenses as provided in subsection 5 of section 2.10. The commission staff and chairperson of the corporation, association, or entity under agreement with the commission pursuant to section 3, subsection 1 of this Act shall not receive any salary, wages, or per diem for serving the commission and shall not receive reimbursement for commission travel and related expenses or for other commission expenses.

Sec. 3. NEW SECTION. POWERS AND DUTIES.

1. The health data commission shall enter into an agreement with the health policy corporation of Iowa or any other corporation, association, or entity it deems appropriate to provide staff for the commission, to provide staff for the compilation, correlation, and development of the data collected by the commission, to conduct or contract for studies on health-related questions which will further the purpose and intent expressed in section 1 of this Act. The agreement may provide for the corporation, association, or entity to prepare and distribute or make available data to health care providers, health care subscribers, third-party payers, and the general public.

2. a. The commission may require that the state departments of health, insurance, and social services obtain for and make available to the commission data needed to carry out its purpose including but not limited to the data specified in this section. This data may be acquired from health care providers, third-party payers, the state Medicaid program, and other appropriate sources.

b. The data collected by and furnished to the commission pursuant to this section shall not be public records under chapter 68A. The compilations prepared for release or dissemination from the data collected shall be public records under chapter 68A, which are not subject to section 68A.7, subsection 2, to the extent provided in section 4 of this

Act. The confidentiality of patients is to be protected and the laws of this state in regard to patient confidentiality apply, except to the extent provided in section 4 of this Act.

3. The commission shall require that:

a. The commissioner of insurance and the commissioner of health encourage and assist third-party payers and hospitals to voluntarily implement the use of a uniform hospital billing form, and require that all third-party payers and all hospitals use, by July 1, 1984, the uniform hospital billing form designated or established by the commission. Uniform definitions for the billing form shall be established by the commission.

b. The commissioner of insurance require that all third-party payers, including but not limited to licensed insurers, medical and hospital service corporations, health maintenance organizations, and self-funded employee health plans, provide hospital inpatient and outpatient claims data and corresponding physician claims data to the commission pursuant to section 10 of this Act. This data shall include the patient's age, sex, zip code, third-party coverage, date of admission, procedure and discharge date, principal and other diagnoses, principal and other procedures, total charges and components of those charges, attending physician identification number and hospital identification number. Prior to July 1, 1984, the commissioner of insurance may limit the data collection to major third-party payers and a sample of those third-party payers with low market penetration; to more frequent diagnoses and procedures; and to hospital inpatient claims.

c. The corporation, association, or other entity providing research for the commission shall compile and disseminate comparative information on average charges, total and ancillary charge components, and length of stay on diagnosis-specific and procedure-specific cases on a hospital basis from the data defined in paragraph b. The data as collected by the

commission shall not be public records under chapter 68A. The compilations prepared for release or dissemination from the data collected shall be public records under chapter 68A, which are not subject to section 68A.7, subsection 2, to the extent provided in section 4 of this Act. Prior to the release or dissemination of the compilations, the commission or the corporation, association, or other entity under agreement with the commission pursuant to section 3, subsection 1 of this Act, shall permit providers an opportunity to verify the accuracy of any information pertaining to the provider. The providers may submit to the commission any corrections of errors in the compilations of the data with any supporting evidence and comments the provider may submit. The commission shall correct data found to be in error.

d. If the data required by the commission or the members of the commission is available on computer or electronic tape, that a copy of this tape shall be provided when requested.

e. The commissioner of health and the commissioner of insurance establish a system which creates the use of a common identification number between the uniform hospital billing form and the hospital discharge abstract.

f. The commissioner of health establish a system of uniform physician identification numbers for use on the hospital discharge abstract forms.

g. The commissioner of social services make available to the commission data and information on the Medicaid program similar to that required of other third-party payers.

4. The commission may require that:

a. The commissioner of health require that the uniform discharge abstract form designated or established by the commission be used by all hospitals by July 1, 1984.

b. The commissioner of insurance require corporations regulated by the commissioner who provide health care insurance or service plans to provide health care policyholder or subscriber data by geographic area or other demographics.

c. The commissioner of health require hospitals to submit annually to the commissioner and to post notification in a public area that there is available for public examination in each facility the established charges for services, where applicable including but not limited to, routine daily room service, special care daily room service, delivery room service, operating room service, emergency room service and anesthesiology services, and as enumerated by the commission, for each of the twenty-five most common laboratory services, radiology services, and pharmacy prescriptions. In addition to the posting of the notification, the hospital shall post in each facility next to the notification, the established charges for routine daily room service, special care daily room service, delivery room service, operating room service, and emergency room service.

d. Additional or alternative information related to the intent and purpose of sections 1 through 6 of this Act as outlined in section 1 of this Act be submitted to the commission.

Sec. 4. NEW SECTION. CONFIDENTIAL INFORMATION AND RECORDS. Notwithstanding section 68A.7, subsection 2, section 135B.12, section 217.30, or any other statute, it is lawful to provide the information requested pursuant to section 3 of this Act as follows:

1. From hospitals, third-party payers, and other persons to the commissioners or departments of health, insurance, or social services.

2. From the commissioners of health, insurance, and social services to the health data commission.

3. From the health data commission to the corporation, association, or other entity providing research for the commission.

4. From the health data commission or its designee to interested persons.

Information provided pursuant to section 3 of this Act shall not identify a patient by name, address, or patient identification number unless authorized by the patient. Violation of this paragraph is a serious misdemeanor.

The commission shall determine the form in which information will be made available and to whom, when, and under what circumstances the information shall be made available.

A person shall not be civilly liable as a result of the person's acts, omissions, or decisions as a member of the commission or as an employee or agent in connection with the person's duties for the commission.

Sec. 5. NEW SECTION. RELEASE OF INFORMATION. Notwithstanding chapter 68A, the data furnished to the commission pursuant to section 3 of this Act shall not constitute a public record. A cause of action in the nature of defamation, invasion of privacy, or negligence shall not arise against a person for disclosing information in accordance with section 3 of this Act. However, this section shall not provide immunity for disclosing or furnishing false information with malice or willful intent to injure a person.

Sec. 6. NEW SECTION. REPORTS AND TERMINATION OF COMMISSION. The commission shall submit a report on the actions taken by the commission to the legislature not later than January 15, 1984 and January 15, 1985. The commission shall be terminated July 1, 1985. If the legislature does not extend the date for termination, a final report shall be submitted to the legislature by July 1, 1985.

Sec. 7. Section 135.11, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. Establish, publish, and enforce rules not inconsistent with the law as necessary to obtain from persons licensed or regulated by the department the data required pursuant to section 3 of this Act by the state health data commission.

Sec. 8. Section 135B.26, Code 1983, is amended to read as follows:

135B.26 COMPENSATION. The contract between the hospital and doctor in charge of the laboratory or X-ray facilities may contain any provision for compensation of each upon which they mutually agree, ~~provided, however, that no~~ The contract shall be entered into which in any way creates ~~may create~~ the relationship of employer and employee between the hospital and the ~~doctor and a radiologist or pathologist.~~ A percentage arrangement or a relationship of employer and employee between the hospital and the radiologist or pathologist is not and shall not be construed to be unprofessional conduct on the part of the doctor or in violation of the statutes of this state upon the part of the hospital.

Sec. 9. Section 135B.26, Code 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Upon the effective date of regulations which may be adopted by the United States department of health and human services prohibiting combined billing by hospitals and hospital-based physicians under Title XVIII of the federal social Security Act, the charges for all pathology and radiology services in a hospital, may upon the mutual agreement of the hospital, physician and third-party payer, be billed separately, the hospital component of the charges being included in the hospital bill and the doctor component being billed by the doctor.

Sec. 10. Section 505.9, unnumbered paragraph 2, Code 1983, is amended to read as follows:

He The commissioner shall, subject to the provisions of chapter 17A, establish, publish and enforce rules not inconsistent with the law for the enforcement of the provisions of this title and for the enforcement of the laws, the administration and supervision of which are imposed on the department and as necessary to obtain from persons authorized to do business in the state or regulated by the department

that data required pursuant to section 3 of this Act by the state health data commission.

Sec. 11. Section 514.1, Code 1983, is amended to read as follows:

514.1 INSURANCE LAWS EXCLUDED GENERALLY. Any corporation hereafter organized under the provisions of chapter 504 or chapter 504A for the purpose of establishing, maintaining, and operating a nonprofit hospital service plan, whereby hospital service may be provided by the ~~said~~ corporation or by a hospital with which it has a contract for ~~such~~ service, to ~~such-of~~ the public who become subscribers to ~~said~~ this plan under a contract which entitles each subscriber to hospital service, or any ~~such~~ corporation organized for the purpose of establishing, maintaining, and operating a plan whereby medical and surgical service may be provided at the expense of ~~said~~ this corporation, by duly licensed physicians and surgeons, dentists, podiatrists, osteopathic physicians, or osteopathic physicians and surgeons, to subscribers under contract, entitling each subscriber to medical and surgical service, as provided in ~~said~~ the contract or any ~~such~~ corporation organized for the purpose of establishing, maintaining, and operating a nonprofit pharmaceutical service plan or optometric service plan, whereby pharmaceutical or optometric service may be provided by ~~the-said~~ this corporation or by a licensed pharmacy with which it has a contract for ~~such~~ service, to ~~such-of~~ the public who become subscribers to ~~said~~ this plan under a contract which entitles each subscriber to pharmaceutical or optometric service, shall be governed by the provisions of this chapter and shall be exempt from all other provisions of the insurance laws of this state, unless specifically designated herein, not only in governmental relations with the state but for every other purpose, and ~~no~~ additions hereafter enacted shall not apply to ~~such~~ these corporations unless they be expressly designated therein. For the purposes of this chapter, ~~the-term~~

"subscriber" shall include means an individual who enters into a contract for hospital services, medical or surgical services, dental services, or pharmaceutical or optometric services with a corporation subject to this chapter and includes any person eligible for medical assistance or additional medical assistance as defined under chapter 249A as-hereafter-amended, with respect to whom the department of social services has entered into a contract with any firm operating under said chapter 514. For purposes of this chapter, "provider" is as defined in section 514B.1.

Sec. 12. Section 514.4, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

514.4 DIRECTORS. At least two-thirds of the directors of a hospital service corporation, medical service corporation, dental service corporation, or pharmaceutical or optometric service corporation subject to this chapter shall be at all times subscribers and not more than one-third of the directors shall be providers as provided in this section. The board of directors of each corporation shall consist of at least nine members.

A subscriber director is a director of the board of a corporation who is a subscriber and who is not a provider of health care pursuant to section 514B.1, subsection 5, a person who has material financial or fiduciary interest in the delivery of health care services or a related industry, an employee of an institution which provides health care services, or a spouse or a member of the immediate family of such a person. A subscriber director of a hospital or medical service corporation shall be a subscriber of the services of that corporation.

A provider director of a corporation subject to this chapter shall be at all times a person who has a material financial interest in or is a fiduciary to or an employee of or is a spouse or member of the immediate family of a provider having a contract with such corporation to render to its subscribers the services of such corporation or who is a hospital trustee.

A director may serve on a board of only one corporation at a time subject to this chapter.

The commissioner of insurance shall adopt rules pursuant to chapter 17A to implement the process of the election of subscriber directors of the board of directors of a corporation to ensure the representation of a broad spectrum of subscriber interest on each board. The rules shall provide for an independent subscriber nominating committee to serve until the composition of the board of directors meets the percentage requirements of this section. Once the composition requirements of this section are met, the nominations for subscriber directors shall be made by the subscriber directors of the board. A member of the board of directors of a corporation subject to this chapter shall not serve on the independent subscriber nominating committee. The nominating committee shall consist of subscribers as defined in this section and procedures to permit nomination by a petition of at least fifty subscribers or providers.

Population factors, representation of different geographic regions, and the demography of the service area of the corporation subject to this chapter shall be considered when making nominations for the board of directors of a corporation subject to this chapter.

A corporation shall not reimburse or compensate a provider director or a subscriber director more than forty dollars per diem plus necessary and actual expenses for attendance at a meeting of the board of directors.

A corporation serving states in addition to Iowa shall be required to implement this section only for directors who are residents of Iowa and elected as board members from Iowa.

Sec. 13. Section 514.5, unnumbered paragraph 1, Code 1983, is amended to read as follows:

Any A hospital service corporation organized under ~~the provisions of said~~ chapter 504 or 504A may enter into contracts for the rendering of hospital service to any of its subscribers

with hospitals maintained and operated by the state or any of its political subdivisions, or by any corporation, association, or individual. Such hospital service corporation may also contract with an ambulatory surgical facility to provide surgical services to the corporation's subscribers. Hospital service is meant to include bed and board, general nursing care, use of the operating room, use of the delivery room, ordinary medications and dressings and other customary routine care. Ambulatory surgical facility means a facility constructed and operated for the specific purpose of providing surgery to patients admitted to and discharged from the facility within the same day.

Sec. 14. NEW SECTION. 514.19 COMBINED SERVICE CORPORATIONS. A corporation subject to this chapter may combine with any other corporation subject to this chapter as permitted under chapter 504A and upon the approval by the commissioner of insurance. Each corporation shall comply with chapter 504A, the corporation's articles of incorporation, and the corporation's bylaws. The combined service corporation shall continue the service benefits previously provided by each corporation and may, subject to the approval of the commissioner of insurance, offer other service benefits not previously provided by the corporations before combining, which are permitted under chapter 514.

Sec. 15. Section 12 of this Act takes effect August 1, 1983 and applies to corporations in existence on the effective date of this Act and to corporations formed on or after the effective date of this Act. However, a corporation in existence on the effective date of this Act shall fill any vacancy or any expired term of a director position with a subscriber director and shall have at least a majority of subscribers on the board of directors of the corporation by August 1, 1984 and at least two-thirds of the board shall be subscribers by August 1, 1985. Provider directors serving on the effective date of this Act may complete their terms

of office so long as at least a majority of the board is subscribers by August 1, 1984 and at least two-thirds of the board are subscribers by August 1, 1985. Such director shall not serve a term of more than three years or shall serve the remainder of the term being served, whichever is shorter. Only subscriber directors elected pursuant to the rules adopted by the commissioner of insurance pursuant to section 12 of this Act shall be considered in meeting the percentage requirements of the board composition required in this section.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 196, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved April 26, 1983

TERRY E. BRANSTAD
Governor

H.F. 196