

Draft Work Plan for SJR 15
Study of Impacts of Certain Services on Health-Care Delivery

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Introduction

This Draft Work Plan for Senate Joint Resolution No. 15, a study of health-care delivery service impacts, involves examining who provides health care services in Montana, what role the state has in providing a level playing field for competing types of health services, and how state regulation can help citizens gain access to and be assured of quality health care services.

The options for conducting the study range from having the Children, Families, Health and Human Services Interim Committee (CFHHS) spend part of its meeting time on this study or placing the study with the joint subcommittee recommended to study House Joint Resolution No. 48, a study of reforms in the system of paying for health care. Such a subcommittee most likely would consist of 4 members of the Economic Affairs Interim Committee (EAIC) and 4 CFHHS members and would meet 4 to 5 times.

I. Scope of Study

The Legislative Council on May 15, 2007, assigned Senate Joint Resolution No. 15, a study of the impacts of certain services on the health care delivery system, to the Children, Families, Health and Human Services Interim Committee (CFHHS). SJR 15 commonly has been referred to as the specialty hospital study, but the resolution contains more issues than delivery of health care services. Because many of the interested persons involved in SJR 15 will be involved in the HJR 48 health insurance study, staff recommends that primary responsibility for the SJR 15 study be given to the joint subcommittee, if one is appointed. The two issues would be studied separately but at the same meetings. A joint subcommittee depends on action by the Economic Affairs Interim Committee to establish a subcommittee for HJR 48. If it does, CFHHS might recommend the use of the same subcommittee of EAIC and CFHHS members to study SJR 15. Or CFHHS could choose to incorporate the SJR 15 study into its regular meetings. The following key issues were presented to the Economic Affairs Committee regarding the choice between a subcommittee or a committee approach:

- ▶ Budget and staffing of a joint subcommittee reduces the main committees' budgets and staffing. For a joint subcommittee, each committee would contribute from its budget. The key staffing consideration is the secretary's time because research duties and coordination would be handled by a research analyst assigned to the studies and not EAIC or CFHHS.
- ▶ Scheduling can be done to coincide with either main committee or can be completely separate.
- ▶ Participation by members from 2 committees expands the expertise.

The study has three parts: 1) research informed by a range of interested persons and provided to the committee/subcommittee for further action; 2) panel discussions of topics chosen by the committee/subcommittee; and 3) possible legislation.

II. *Issues as listed in SJR 15*

SJR 15 requests a study that compiles information on the number and characteristics of various health care facilities and the types of services provided by health care facilities, including nonprofit, community-based hospitals and specialty hospitals, along with the costs, accessibility, and quality of care of each. The study asks for a comparative review of how various health care providers ensure a community's health care safety net. Also requested are: policy recommendations related to the impact on health care costs and the quality of care of the various health care facilities; the use of hospital-employed physicians and physician credentialing; the issue of moratoriums on specialty hospitals; and the use of health information technology, personal wellness programs, and personal consumer education to improve Montanans' health.

Among the public policy considerations to be reviewed, with a view to the future financial viability of health care providers in Montana and quality, affordability, and access to care, are the roles of government as a regulator of competition and as a payor of health care services. Quality is subjective and difficult to quantify, so staff recommends that the committee seek out quantifiable measures, such as malpractice complaints, license suspensions, and complication rates.

The study approach is that the issue of specialty hospitals, physician credentialing, safety nets, and other aspects of the study involve valid concerns on all sides for which policies may or may not be appropriate. First, hyperbole must be replaced by solid information. Then committee members will have the opportunity to decide whether to recommend policies or other solutions.

Specific issues related to the impacts of cost, quality, and access to health care facilities include:

- ▶ a review of the types and ownership of health care facilities throughout the state;
- ▶ a review of the percentages of public and private payment at all health care facilities along with the comparative costs of services and the provision of charity or uncompensated care;
- ▶ a review of the range of services and perspectives of advantage or disadvantage of services provided by:
 - physicians who refer to facilities in which they have an ownership interest;
 - other for-profit facilities; and
 - nonprofit, community-based hospitals;
- ▶ the use or misuse of economic credentialing to address quality of care issues and the impacts; and
- ▶ the role of government in addressing the impacts on a community's health care safety net of the various health care facilities in competition with each other or standing alone.

III. *Study Schedule*

- June to September**
- 1) Development of an interested party list with recommendations for relevant background reading materials.
 - 2) Background reading by staff to provide requested information in

comparison form to help determine how broad to make the study, including information analyzing national trends or trends in other states regarding: the impacts of nonprofit versus for-profit hospitals, including specialty hospitals; of physician credentialing; of increased use of health information technology; and whether utilization increases (pro and con) with physician self-referrals and the availability of specialty hospitals.

3) Summary by staff of relevant state data from the Montana State Planning Grant, the Montana Medicaid Program, and related reports.

4) Work with interested persons to gather specific information not available elsewhere, particularly related to costs of services.

5) Provide reports to committee members and determine committee members' policy goals based on reports provided to them.

1st meeting

1) Committee/subcommittee to adopt operating guidelines, determine topics for further consideration, types of deliverables (goals), and a proposed schedule of speakers or panel discussions.

2) Committee/subcommittee to adopt work plan and operating guidelines.

2nd meeting

1) Panel on types of competing health care services: joint venture and physician-owned surgery centers, imaging centers, community health care centers, clinics, and nonprofit community hospitals. Include panel discussion of moratorium, the role of physician referrals, and the role of insurance and other payment incentives/disincentives.

2) Review of quality issues and economic credentialing.

3rd meeting

1) Panel discussions/reports on how other states handle quality versus supply issues, physician credentialing/licensure, and the use of prevention programs and technology in decreasing the costs for health care services.

2) Discussion of proposed legislation or revisions to existing legislation.

4th meeting

Review legislation and remaining SJR 15 issues.

5th meeting

Consider final report and legislation changes/recommendations.

IV. Study deliverables and end products

- An interested party list.
- Working papers on issues listed in SJR 15, including background information on types, characteristics, and locations of health care providers in Montana; reimbursement mechanisms for the various types of payors; the providers' treatment of unreimbursed costs (as far as available); a review of other factors associated with the health safety nets; reports on regulatory practices that can provide a level playing field among various providers; reports on quality issues; and a report on policies considered or adopted in other states that reflect committee members' policy goals.
- Panel discussions.
- A final report that will include recommendations for new legislation, if any, and revisions to existing statutes, if needed.
- Legislation if requested by the committee.

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