

AMENDED IN ASSEMBLY AUGUST 19, 2016

AMENDED IN ASSEMBLY AUGUST 15, 2016

AMENDED IN ASSEMBLY JUNE 30, 2016

AMENDED IN SENATE MAY 31, 2016

AMENDED IN SENATE MARCH 28, 2016

**SENATE BILL**

**No. 1159**

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**Introduced by Senator Hernandez**

February 18, 2016

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An act to add Chapter 8 (commencing with Section 127670) to Part 2 of Division 107 of, and to repeal the heading of Chapter 8 (formerly commencing with Section 127670) of Part 2 of Division 107 of, the Health and Safety Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 1159, as amended, Hernandez. California Health Care Cost, Quality, and Equity ~~Transparency Database~~. *Data Atlas*.

Existing law establishes health care coverage programs to provide health care to segments of the population meeting specified criteria who are otherwise unable to afford health care coverage and provides for the licensure and regulation of health insurers and health care service plans.

This bill would require the California Health and Human Services Agency to research the options for developing a cost, quality, and equity ~~transparency database~~. *data atlas*. The bill would require the research to include certain topics, including, among others, identification of key data submitters and a comparative analysis of potential models used in other states. The bill would authorize the agency to enter into contracts

or agreements to conduct the research and would require the agency to make the results of the research available to the public no later than March 1, 2017, by submitting a report to the Assembly and Senate Committees on Health.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. (a) It is the intent of the Legislature in enacting  
 2 this act that ~~cost and quality~~ *cost, quality, and equity* data be made  
 3 available and to encourage health care service plans, health  
 4 insurers, and providers to develop innovative approaches, services,  
 5 and programs that may have the potential to deliver health care  
 6 that is both cost effective and responsive to the needs of *all*  
 7 enrollees, including recognizing the diversity of California and  
 8 the impact of social determinants of health.
- 9 (b) It is further the intent of the Legislature that a cost, quality,  
 10 and equity ~~transparency database~~ *data atlas* be utilized in California  
 11 to inform efforts to:
- 12 (1) Assess California health care needs and available resources.
  - 13 (2) Contain the cost of health care services and coverage.
  - 14 (3) Improve the quality and medical appropriateness of health  
 15 care.
  - 16 (4) Eliminate or reduce health disparities and address the social  
 17 determinants of health.
  - 18 (5) Increase the transparency of health care costs and the relative  
 19 efficiency with which care is delivered.
  - 20 (6) Promote the use of disease management, wellness,  
 21 prevention, and other innovative programs to keep people healthy,  
 22 reduce disparities and costs, *increase competition*, and improve  
 23 health outcomes for all populations.
  - 24 (7) Assess the value and encourage the efficient utilization of  
 25 prescription drugs and technology.
  - 26 (8) Reduce unnecessary, inappropriate, and wasteful health care.
  - 27 (9) Educate consumers in the use of health care information.
- 28 SEC. 2. The heading of Chapter 8 (formerly commencing with  
 29 Section 127670) of Part 2 of Division 107 of the Health and Safety  
 30 Code, as amended by Section 230 of Chapter 183 of the Statutes  
 31 of 2004, is repealed.

1 SEC. 3. Chapter 8 (commencing with Section 127670) is added  
2 to Part 2 of Division 107 of the Health and Safety Code, to read:

3  
4 CHAPTER 8. CALIFORNIA HEALTH CARE COST, QUALITY, AND  
5 EQUITY ~~TRANSPARENCY DATABASE~~ *DATA ATLAS*  
6

7 127670. (a) The California Health and Human Services Agency  
8 shall research the options for developing a cost, quality, and equity  
9 ~~transparency database data atlas~~ that is consistent with paragraph  
10 (9) of subdivision (b) of Section 56.10 of the Civil Code. This  
11 research shall include all of the following:

12 (1) Identification of key data submitters, including health care  
13 service plans, specialized health care service plans, insurers  
14 licensed to provide health insurance, as defined in Section 106 of  
15 the Insurance Code, suppliers, as defined in paragraph (3) of  
16 subdivision (b) of Section 1367.50, providers, as defined in  
17 paragraph (2) of subdivision (b) of Section 1367.50, self-insured  
18 employers, multiemployer self-insured plans that are responsible  
19 for paying for health care services provided to beneficiaries, and  
20 trust administrators for multiemployer self-insured plans.

21 (2) A comparative analysis of potential models used in other  
22 states and an assessment of the extent to which information in  
23 addition to the following should be included in the cost, quality,  
24 and equity ~~transparency database~~ *data atlas*:

25 (A) ~~Utilization data~~ *Data* from the health care service plans'  
26 and insurers' medical, dental, and pharmacy claims or, in the case  
27 of entities that do not use claims data, including, but not limited  
28 to, integrated delivery systems, encounter data consistent with the  
29 core set of data elements for data submission proposed by the  
30 All-Payer Claims Database Council, the University of New  
31 Hampshire, and the National Association of Health Data  
32 Organizations.

33 (B) Pricing information for health care items, services, and  
34 medical and surgical episodes of care gathered from allowed  
35 charges for covered health care items and services or, in the case  
36 of entities that do not use or produce individual claims, price  
37 information that is the best possible proxy to pricing information  
38 for health care items, services, and medical and surgical episodes  
39 of care available in lieu of actual cost data to allow for meaningful  
40 comparisons of provider prices and treatment costs.

1 (C) Information sufficient to determine the impacts of social  
2 determinants of health, including age, gender, race, ethnicity,  
3 limited English proficiency, sexual orientation and gender identity,  
4 ZIP Code, and any other factors for which there is peer-reviewed  
5 evidence.

6 (D) *Clinical data from health care service plans, integrated*  
7 *delivery systems, hospitals, and clinics, or any combination thereof,*  
8 *that is not included in the core set of data elements for data*  
9 *submission proposed by the All-Payer Claims Database Council*  
10 *and the National Association of Health Data Organizations.*

11 (3) An assessment of types of governance structures that  
12 incorporate representatives of health care stakeholders and experts,  
13 including, but not limited to, representatives of data submitters  
14 and representatives of purchasers, such as businesses, organized  
15 labor, and consumers.

16 (4) Recommendations on potential funding approaches to  
17 support the activities of the cost, quality, and equity ~~transparency~~  
18 ~~database~~ *data atlas* that recognize federal and state confidentiality  
19 of medical information laws.

20 (5) An assessment on the extent to which the cost, quality, and  
21 equity ~~transparency~~ ~~database~~ *data atlas* could be developed in  
22 conjunction with existing public or private activities, including an  
23 assessment of the trade-offs associated with housing the ~~database~~  
24 *atlas* inside or outside of state government.

25 (6) Consultation with a broad spectrum of health care  
26 stakeholders and experts, including, but not limited to,  
27 representatives of purchasers, such as organized labor, consumers,  
28 and businesses.

29 (b) The agency may enter into contracts or agreements to  
30 conduct the research described in subdivision (a).

31 (c) (1) The agency shall make the results of the research  
32 described in subdivision (a) available to the public no later than  
33 March 1, 2017, by submitting a report to the Assembly and Senate  
34 Committees on Health.

35 (2) Pursuant to Section 10231.5 of the Government Code, this  
36 subdivision shall become inoperative on January 1, 2021.

37 (d) The agency may use federal funds for the purpose of this  
38 section.

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