

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.

I. *Scope of Study*

The Legislative Council on May 15, 2007, assigned Senate Joint Resolution No. 15 (SJR 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.

The study has three parts: (1) research informed by a range of interested persons and provided to the committee for further action; (2) panel discussions of topics chosen by the committee; 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 to recognize valid concerns on all sides regarding the issue of specialty hospitals, credentialing, safety nets, and other aspects of the study. The study also will seek to replace hyperbole with solid information. Legislators will then be asked to determine in which areas policies may be appropriate.

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 and physician credentialing to address quality of care;
- 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; and
- the role of the individual in accessing health care.

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 and economic credentialing; of increased use of health information technology; whether utilization increases (pro and con) with

physician self-referrals and the availability of specialty hospitals; and what policy measures are available for increased individual responsibility for health care.

- 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. In addition to the background reading and reports mentioned above, these will include: a review of court cases involving challenges between hospitals and physician-owned facilities; a review of tax policies affecting nonprofits and for-profits; definitions and issues related to credentialing; a summary of what types of health care delivery services and ownership are available in Montana; and the role of the state in addressing competition among health care providers.

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- 1) Overview of reports mentioned in sections (1) and (5) above.
- 2) Based on these overviews, determine topics for further consideration, types of deliverables (goals), and a proposed schedule of speakers or panel discussions to be reflected in the work plan.

2nd meeting

- 1) Panel discussion on the advantages and disadvantages of different types of competing health care services: a joint venture of physician-owned surgery centers and hospitals; a surgery center wholly owned by physicians; an imaging center; a community health care center; a hospital-affiliated clinic; a private physician's office; a nonprofit community hospital; a hospital- or clinic-affiliated physical therapist; and an independent physical therapist. Include discussion of:
 - the moratorium on specialty hospitals;
 - what is meant by specialty hospitals and conflict of interest or physician referrals;
 - the safety net and the role of hospitals;
 - the role of insurance in impacting referrals and payments;
 - and
 - taxes and other payment incentives/disincentives.

- 3rd meeting**
- 1) Panel discussions/reports on how other states handle quality versus supply issues, efforts to address quality; economic credentialing, physician credentialing/licensure, and the use of prevention or wellness 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, range of services, and locations of health care providers in Montana as well as the providers' treatment of unreimbursed costs (as far as available);
 - ▶ a review of the impacts of nonprofit versus for-profit hospitals and legislation in other states and at the federal level;
 - ▶ definitions of physician and economic credentialing and a review of what other states are doing regarding each;
 - ▶ reports on certificate of need, rate review, and other regulatory practices intended to provide a level playing field among various providers;
 - ▶ reports on quality issues; and
 - ▶ reports on policies available for increased individual responsibility for health care.
- Panel discussions as directed by the committee.
- A final report of recommendations for new legislation, if any, or revisions to laws, if needed.
- Legislation if requested by the committee.

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