

1 AN ACT concerning the Health Care Cost Containment  
2 Council.

3 Be it enacted by the People of the State of Illinois,  
4 represented in the General Assembly:

5 Section 5. The Illinois Health Finance Reform Act is  
6 amended by changing Sections 1-2, 2-1, 2-5, and 4-2 as  
7 follows:

8 (20 ILCS 2215/1-2) (from Ch. 111 1/2, par. 6501-2)

9 Sec. 1-2. Purpose. The General Assembly finds and  
10 declares that stabilizing the cost of hospitalization is a  
11 vital concern to the people of this State. It is the  
12 legislative intent, pursuant to this declared public concern,  
13 to develop measures which will increase hospital productivity  
14 and better control utilization, while continuing to provide  
15 quality health care services to all sectors of the citizenry,  
16 education and training of health care professionals, and  
17 research and development of improved and cost effective  
18 methods of treatment of ailments and management of facilities  
19 and operations. These ends shall be accomplished through the  
20 establishment of the Illinois Health Care Cost Containment  
21 Council within the Department of Public Health to study,  
22 recommend and implement measures to contain health costs.  
23 Furthermore, it is the intent of the General Assembly to  
24 encourage new and innovative methods of financing health  
25 care.

26 The overall goal of this legislation is to limit the  
27 increase in the cost of hospital care to no more than the  
28 rate of increase in prices in the general economy. The  
29 General Assembly finds and declares that this result may be  
30 achieved through the introduction of competitive forces into  
31 the organization, delivery and financing of health care

1 services.

2 (Source: P.A. 83-1243.)

3 (20 ILCS 2215/2-1) (from Ch. 111 1/2, par. 6502-1)

4 Sec. 2-1. Council Authorized. There is hereby created  
 5 within the Department of Public Health the Illinois Health  
 6 Care Cost Containment Council. It shall consist of 13  
 7 members appointed by the Director of Public Health Governor  
 8 ~~with the advice and consent of the Senate~~ as follows: 5  
 9 members to represent providers as follows: 2 members to  
 10 represent Illinois hospitals at least one of which must  
 11 represent a small rural hospital, 2 members to represent  
 12 physicians licensed to practice medicine in all its branches,  
 13 and 1 member to represent ambulatory surgical treatment  
 14 centers; 3 members to represent consumers; 2 members to  
 15 represent insurance companies; and 3 members to represent  
 16 businesses.

17 The members of the Council shall be appointed for 3-year  
 18 terms, except that the terms of members serving on the  
 19 effective date of this amendatory Act of the 92nd General  
 20 Assembly shall conclude upon the appointment of their  
 21 successors by the Director of Public Health.

22 No more than 7 members may be from the same political  
 23 party.

24 ~~Members shall be appointed within 30 days after the~~  
 25 ~~effective date of this Act. The additional members appointed~~  
 26 ~~under the amendatory Act of the 91st General Assembly must be~~  
 27 ~~appointed within 30 days after the effective date of this~~  
 28 ~~amendatory Act of the 91st General Assembly.~~ The members of  
 29 the Council shall receive reimbursement of their actual  
 30 expenses incurred in connection with their service; in  
 31 addition, each member shall receive compensation of \$150 a  
 32 day for each day served at regular or special meetings of the  
 33 Council, except that such compensation shall not exceed

1 \$20,000 in any one year for any member. The Council shall  
2 elect a Chairman from among its members, and shall have the  
3 power to organize and appoint such other officers as it may  
4 deem necessary.

5 All appointments shall be made in writing and filed with  
6 the Secretary of State as a public record. In appointing  
7 members to represent providers, the Director of Public Health  
8 shall give due consideration to recommendations of statewide  
9 organizations representing such providers.

10 (Source: P.A. 91-756, eff. 6-2-00.)

11 (20 ILCS 2215/2-5) (from Ch. 111 1/2, par. 6502-5)

12 Sec. 2-5. Employees, Professional Consultants, and  
13 Funding. The Director of Public Health Council may employ  
14 and fix the compensation of such employees, and may enter  
15 into contractual agreements with technical and professional  
16 consultants as the Director ~~it~~ deems necessary to expedite  
17 the purpose of this Act.

18 (Source: P.A. 83-1243.)

19 (20 ILCS 2215/4-2) (from Ch. 111 1/2, par. 6504-2)

20 Sec. 4-2. Powers and duties.

21 (a) The Illinois Health Care Cost Containment Council  
22 may enter into any agreement with any corporation,  
23 association or other entity it deems appropriate to undertake  
24 the process described in this Article for the collection,  
25 compilation, or and analysis of data collected by the Council  
26 and to conduct or contract for studies on health-related  
27 questions carried out in pursuance of the purposes of this  
28 Article. The agreement may provide for the corporation,  
29 association or entity to prepare and distribute or make  
30 available data to health care providers, health care  
31 subscribers, third-party payors, government and the general  
32 public, in accordance with the rules of confidentiality and

1 review to be developed under this Act.

2 (a-5) On or before December 31, 2001, the Council must  
 3 complete an analysis of whether the functions of collecting,  
 4 compiling, analyzing, or reporting data as required by this  
 5 Article IV could be performed more economically under one or  
 6 more agreements as authorized by subsection (a) then they can  
 7 be performed internally by the Council. If the Council  
 8 determines that one or more of these functions could be  
 9 performed more economically by an agreement as authorized by  
 10 subsection (a), the Council must enter into one or more  
 11 agreements for the performance of such functions. The  
 12 Council must periodically review any agreement entered under  
 13 subsection (a) to ensure that they remain the most economical  
 14 methods of performing the work that is the subject of the  
 15 agreement or agreements.

16 (b) The input data collected by and furnished to the  
 17 Council or designated corporation, association or entity  
 18 pursuant to this Section shall not be a public record under  
 19 the Illinois Freedom of Information Act. It is the intent of  
 20 this Act and of the regulations written pursuant to it to  
 21 protect the confidentiality of individual patient information  
 22 and the proprietary information of commercial insurance  
 23 carriers and health care providers. Data specified in  
 24 subsections (e) and (e-5) shall be released on a hospital  
 25 specific and licensed ambulatory surgical treatment center  
 26 specific basis to facilitate comparisons among hospitals and  
 27 licensed ambulatory surgical treatment centers by purchasers.

28 (c) The Council shall require the Departments of Public  
 29 Health and Public Aid and hospitals located in the State to  
 30 assist the Council in gathering and submitting the following  
 31 hospital-specific financial information, and the Council is  
 32 authorized to share this data with both Departments to reduce  
 33 the burden on hospitals by avoiding duplicate data  
 34 collection:

- 1 OPERATING REVENUES
- 2 (1) Net patient service revenue
- 3 (2) Other revenue
- 4 (3) Total operating revenue
  
- 5 OPERATING EXPENSES
- 6 (4) Bad debt expense
- 7 (5) Total operating expenses
  
- 8 NON-OPERATING GAINS/LOSSES
- 9 (6) Total non-operating gains
- 10 (7) Total non-operating losses
  
- 11 PATIENT CARE REVENUES
- 12 (8) Gross inpatient revenue
- 13 (9) Gross outpatient revenue
- 14 (10) Other Patient care revenue
- 15 (11) Total patient revenue
- 16 (12) Total gross patient care revenue
- 17 (13) Medicare gross revenue
- 18 (14) Medicaid gross revenue
- 19 (15) Total other gross revenue
  
- 20 DEDUCTIONS FROM REVENUE
- 21 (16) Charity care
- 22 (17) Medicare allowance
- 23 (18) Medicaid allowance
- 24 (19) Other contractual allowances
- 25 (20) Other allowances
- 26 (21) Total Deductions
  
- 27 ASSETS
- 28 (22) Operating cash and short-term investments
- 29 (23) Estimated patient accounts receivable
- 30 (24) Other current assets
- 31 (25) Total current assets
- 32 (26) Total other assets

1 (27) Total Assets

2 LIABILITIES AND FUND BALANCES

3 (28) Total current liabilities

4 (29) Long Term Debt

5 (30) Other liabilities

6 (31) Total liabilities

7 (32) Total liabilities and fund balances

8 All financial data collected by the Council from publicly  
9 available sources such as the HCFA is releasable by the  
10 Council on a hospital specific basis when appropriate.

11 (d) Uniform Provider Utilization and Charge  
12 Information. The Council shall require that:

13 (1) Hospitals licensed to operate in the State of  
14 Illinois adopt a uniform system for submitting patient  
15 charges for payment from public and private payors  
16 effective January 1, 1985. This system shall be based  
17 upon adoption of the uniform hospital billing form  
18 (UB-92) or its successor form developed by the National  
19 Uniform Billing Committee.

20 (2) (Blank).

21 (3) The Department of Insurance require all  
22 third-party payors, including but not limited to,  
23 licensed insurers, medical and hospital service  
24 corporations, health maintenance organizations, and  
25 self-funded employee health plans, to accept the uniform  
26 billing form, without attachment as submitted by  
27 hospitals pursuant to paragraph (1) of subsection (d)  
28 above, effective January 1, 1985; provided, however,  
29 nothing shall prevent all such third party payors from  
30 requesting additional information necessary to determine  
31 eligibility for benefits or liability for reimbursement  
32 for services provided.

33 (e) The Council, in cooperation with the State  
34 Departments of Public Aid, Insurance, and Public Health,

1 shall establish a system for the collection of the following  
 2 information from hospitals utilizing the raw data available  
 3 on the uniform billing forms. Such data shall include the  
 4 following elements and other elements contained on the  
 5 uniform billing form or its successor form determined as  
 6 necessary by the Council:

- 7 (1) Patient date of birth
- 8 (2) Patient sex
- 9 (3) Patient zip code
- 10 (4) Third-party coverage
- 11 (5) Date of admission
- 12 (6) Source of admission
- 13 (7) Type of admission
- 14 (8) Discharge date
- 15 (9) Principal and up to 8 other diagnoses
- 16 (10) Principal procedure and date
- 17 (11) Patient status
- 18 (12) Other procedures and dates
- 19 (13) Total charges and components of those charges
- 20 (14) Attending and consulting physician identification  
 21 numbers
- 22 (15) Hospital identification number
- 23 (16) An alphanumeric number based on the information to  
 24 identify the payor
- 25 (17) Principal source of payment.

26 (e-5) The Council, in cooperation with the Department of  
 27 Public Aid, the Department of Insurance, and the Department  
 28 of Public Health, shall establish a system for the collection  
 29 of the following information for each outpatient surgery  
 30 performed at hospitals and licensed ambulatory surgical  
 31 treatment centers using the raw data available on outpatient  
 32 billing forms submitted by hospitals and licensed ambulatory  
 33 surgical treatment centers to payors. The data must include  
 34 the following elements, if available on the billing forms,

1 and other elements contained on the billing forms that the  
2 Council determines are necessary:

- 3 (1) patient date of birth;
- 4 (2) patient sex;
- 5 (3) patient zip code;
- 6 (4) third-party coverage;
- 7 (5) date of admission;
- 8 (6) source of admission;
- 9 (7) type of admission;
- 10 (8) discharge date;
- 11 (9) principal diagnosis and up to 8 other  
12 diagnoses;
- 13 (10) principal procedure and the date of the  
14 procedure;
- 15 (11) patient status;
- 16 (12) other procedures and the dates of those  
17 procedures;
- 18 (13) attending and consulting physician  
19 identification numbers;
- 20 (14) hospital or licensed ambulatory surgical  
21 treatment center identification number;
- 22 (15) an alphanumeric number based on the  
23 information needed to identify the payor; and
- 24 (16) principal source of payment.

25 (f) Extracts of the UB-92 transactions shall be prepared  
26 by hospitals according to regulations promulgated by the  
27 Council and submitted in electronic format to the Council or  
28 the corporation, association or entity designated by the  
29 Council.

30 For hospitals unable to submit extracts in electronic  
31 format, the Council shall determine an alternate method for  
32 submission of data. Such extract reporting systems shall be  
33 in operation before January 1, 1987; however, the Council may  
34 grant time extensions to individual hospital.



1           (f-5) Extracts of the billing forms shall be prepared by  
2 licensed ambulatory surgical treatment centers according to  
3 rules adopted by the Council and submitted to the Council or  
4 a corporation, association, or entity designated by the  
5 Council. Electronic submissions shall be encouraged. For  
6 licensed ambulatory surgical treatment centers unable to  
7 submit extracts in an electronic format the Council must  
8 determine an alternate method for submission of data.

9           (g) Under no circumstances shall patient name and social  
10 security number appear on the extracts.

11           (h) Hospitals and licensed ambulatory surgical treatment  
12 centers shall be assigned a standard identification number by  
13 the Council to be used in the submission of all data.

14           (i) The Council shall collect a 100% inpatient sample  
15 from hospitals annually. The Council shall require each  
16 hospital in the State to submit the UB-92 data extracts  
17 required in subsection (e) to the Council, except that  
18 hospitals with fewer than 50 beds may be exempted by the  
19 Council from the filing requirements if they prove to the  
20 Council's satisfaction that the requirements would impose  
21 undue economic hardship and if the Council determines that  
22 the data submitted from these hospitals are not essential to  
23 its data base and its concomitant health care cost comparison  
24 efforts.

25           (i-5) The Council shall collect up to a 100% outpatient  
26 sample annually from hospitals and licensed ambulatory  
27 surgical treatment centers. The Council shall require each  
28 hospital and licensed ambulatory surgical treatment center in  
29 the State to submit the data extracts required under  
30 subsection (e-5) to the Council, except that hospitals and  
31 licensed ambulatory surgical treatment centers may be  
32 exempted by the Council from the filing requirements if the  
33 hospitals or licensed ambulatory surgical treatment centers  
34 prove to the Council's satisfaction that the requirements

1 would impose undue economic hardship and if the Council  
2 determines that the data submitted from those hospitals and  
3 licensed ambulatory surgical treatment centers are not  
4 essential to the Council's database and its concomitant  
5 health care comparison efforts.

6 (i-10) The outpatient data shall be collected by the  
7 Council on a phase-in and trial basis for a one-year period  
8 beginning on January 1, 2001. The Council shall implement  
9 outpatient data collection for reporting purposes beginning  
10 on January 1, 2002.

11 (j) The information submitted to the Council pursuant to  
12 subsections (e) and (e-5) shall be reported for each primary  
13 payor category, including Medicare, Medicaid, other  
14 government programs, private insurance, health maintenance  
15 organizations, self-insured, private pay patients, and  
16 others. Preferred provider organization reimbursement shall  
17 also be reported for each primary third party payor category.

18 (k) The Council shall require and the designated  
19 corporation, association or entity, if applicable, shall  
20 prepare quarterly basic reports in the aggregate on health  
21 care cost and utilization trends in Illinois. The Council  
22 shall provide these reports to the public, if requested.  
23 These shall include, but not be limited to, comparative  
24 information on average charges, total and ancillary charge  
25 components, length of stay on diagnosis-specific and  
26 procedure specific cases, and number of discharges, compiled  
27 in aggregate by hospital and licensed ambulatory surgical  
28 treatment center, by diagnosis, and by primary payor  
29 category.

30 (l) The Council shall, from information submitted  
31 pursuant to subsection (e), prepare an annual report in the  
32 aggregate by hospital containing the following:

33 (1) the ratio of caesarean section deliveries to  
34 total deliveries;

1 (2) the average length of stay for patients who  
2 undergo caesarean sections;

3 (3) the average total charges for patients who have  
4 normal deliveries without any significant complications;

5 (4) the average total charges for patients who  
6 deliver by caesarean section.

7 The Council shall provide this report to the public, if  
8 requested.

9 (1-5) (Blank).

10 (m) Prior to the release or dissemination of any  
11 provider-specific data for any purpose permitted by this Act  
12 these-reports, the Council or the designated corporation  
13 shall notify each provider of the release or dissemination  
14 and permit each provider a reasonable providers---the  
15 opportunity to verify the accuracy of any information  
16 pertaining to the provider. The Council shall give any  
17 requesting provider, or its designated agent, a copy of the  
18 data to be released or disseminated pertaining to that  
19 provider. The providers, or their designated agents, may  
20 submit to the Council any corrections or errors in the  
21 compilation of the data with any supporting evidence and  
22 documents the providers or agents may submit. The Council or  
23 corporation shall correct data found to be in error and  
24 include additional commentary as requested by the provider or  
25 agent for major deviations in the charges from the average  
26 charges. For purposes of this subsection (m), "providers"  
27 includes hospitals, ambulatory surgical treatment centers,  
28 and physicians licensed to practice medicine in all of its  
29 branches.

30 (n) In addition to the reports indicated above, the  
31 Council shall respond to requests by agencies of government  
32 and organizations in the private sector for data products,  
33 special studies and analysis of data collected pursuant to  
34 this Section. Such reports shall be undertaken only by the

1 agreement of a majority of the members of the Council who  
2 shall designate the form in which the information shall be  
3 made available. The Council or the corporation, association  
4 or entity in consultation with the Council shall also  
5 determine a fee to be charged to the requesting agency or  
6 private sector organization to cover the direct and indirect  
7 costs for producing such a report, and shall permit affected  
8 providers the rights to review the accuracy of the report  
9 before it is released. Such reports shall not be subject to  
10 The Freedom of Information Act.

11 (Source: P.A. 91-756, eff. 6-2-00.)

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.