

FOR DISCUSSION PURPOSES ONLY

Patient Protection Commission, State of Nevada

August 31, 2020

Potential Bill Draft Request for the 2021 Legislative Session

Deadline: BDRs must be submitted by no later than **September 1, 2020**.

Goal of Proposed Bill Draft 1: Transparency

Enhance patient's healthcare experience and improve outcomes by implementing transparency measures that help understand data trends.

Legislative Intent of Proposed Bill

This bill seeks to enact legislation to mandate reporting of data to State of Nevada (PPC, DHHS, AG) to allow for monitoring of health care industry including: pricing for health care components, all health care insurers, all payer claims, drug costs, hospital prices, health care entity ownership and mergers, consolidation, closures and governance for health care entities.

Transparency Measures

Transparency measures must include all aspects of the healthcare ecosystem, including but not limited to providers, insurers, hospitals, PBMs, pharmaceuticals, labor unions and the state.

Require an inventory of the **currently** reported health data in Nevada that can be used to analyze trends in costs/prices, consolidation, and patient access to care.

Require a report each year summarizing health care quality in Nevada for presentation to Governor, Legislature, and PPC.

Consolidation: Require pre-transaction reporting to the State of Nevada of affiliations, mergers, joint ventures or acquisitions between a health care system, a health plan, private equity group, or hedge fund and a health plan, health care facility or provider.

Report by facility the use of emergency relief funds made in response to the COVID-19 pandemic, provided by the federal and state governments.

Seek administrative penalties for failure to submit required reports.

Additional Data Related to Pharmaceutical Claims

The aggregate dollar amount of all rebates that pharmacy benefit managers and payers received from all pharmaceutical manufacturers for claims processed in the state during a given calendar year

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The term "rebates," as used in this section, means: (a) negotiated price concessions, including but not limited to rebates and reasonable estimates of any price protection rebates and performance-based rebates that may accrue directly or indirectly to a payer or pharmacy benefit manager during the coverage year from a manufacturer, dispensing pharmacy, or other party to the transaction, and (b) reasonable estimates of any fees and other administrative costs that are passed through to a payer or pharmacy benefit manager and serve to reduce their prescription drug liabilities for the coverage year.

Data Related to Patient Health Care Costs

The average patient expenditure on insurance premiums and cost-sharing, including the average patient deductible, coinsurance and copayment amounts

Confidentiality

Information acquired pursuant to the section shall be confidential and shall be exempt from disclosure. The reporting and release of data pursuant to this section shall comply with all state and federal privacy laws and state and federal laws regarding the exchange of price and cost information to protect the confidentiality of the data and encourage a competitive marketplace for health care services.

Alternative Language:

Information acquired will be available in summary form on the Nevada DHHS website, and in detail to the PPC, the legislature, and the administration. The release of reported data shall comply with state privacy laws and where applicable, federal laws. The public release of price and cost information will be designed to encourage a competitive marketplace for health care services.

Hospital Price Transparency

Specifically codify CMS hospital price transparency measures and regulations into Nevada law.

Add field to existing required hospital quality reports to require parent company and net profits of the both the hospital and parent company each year for current hospital reports.

Require a report each year by DHHS that analyses trends in price, profit, consolidation (through mergers or acquisitions), and access (expansion and contraction), distributed to the Governor, the Legislature, and the PPC. This

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report should include all health care service categories (hospitals, skilled nursing, longterm nursing, physician, prescription drugs).

All Payer Claims Database

Require the Department of Health and Human Services (DHHS) to establish an all-payer claims database of information relating to health insurance claims resulting from medical, dental, or pharmacy benefits provided in this state. Public and private insurers that provide health benefits and are regulated under state law must submit data to the database, and certain insurers regulated by federal law may submit data to the database.

Role of Patient Protection Commission

Further authorize the Commission to review reported data outlined in this legislation, monitor patient access, health care cost, and systemic price drivers.

Ensure the Commission and DHHS have authority to request adhoc reports regarding price/cost, consolidation, and access to care.

Regulation development for implementation

Give authority to State agencies to develop regulations necessary to implement provisions of this requested legislation.

If known, list any existing state law that is sought to be changed or which is affected by the measure

[Chapter 439B](#) of NRS

[Chapter 689A](#) of NRS

Any additional information that may be helpful in drafting the bill or resolution

AG's independent legal authority

Intent is to keep the AG's independent legal authority to prohibit a merger based upon antitrust concerns separate from DHHS' authority to make recommendations on mergers upon policy concerns.

Effective Date:

- Default (October 1, 2021)
- July 1, 2021

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- January 1, 2022
- Upon Passage and Approval
- Other

Description of any known cost to the State or a local government that would result from carrying out the changes in the measure if enacted:

All Payers Claims Database

Nevada's proposal in SB 472, 2019 Legislative Session

- Medicaid match combined with general fund appropriation
- The estimated cost of establishing the database is \$2 million for implementation (90/10 match) and \$3 million per year for ongoing maintenance (75/25 match).
- \$75,000 would be needed to support system programming for Medicaid data extracts that would be required to be uploaded to the APCD (90/10 match).
- Additional staff would be required to oversee the APCD, including one Business Process Analyst 2 for the information technology aspects of the project (75/25 match) and one Management Analyst 3 for the fiscal and operational aspects of the project (50/50 administrative match).
- Additional staff would be needed for the DHHS Office of Analytics. Requested staff would include two Economist 2s, one Biostatistician 2, and one Biostatistician 3 (50/50 administrative match)

Collection of money from administrative penalties

- Authorize State to use the money collected from administrative penalties for failure to submit certain required reports, to further implement transparency measures that help understand data trends and carry out programs to provide patient awareness.