

SENATE, No. 43

STATE OF NEW JERSEY

INTRODUCED JANUARY 18, 1996

By Senators LITTELL and LaROSSA

1 AN ACT concerning the reporting of health care expenditures and
2 supplementing Title 26 of the Revised Statutes.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. The Legislature finds and declares that the public interest
8 requires a full and complete reporting to the Governor and Legislature
9 on a continuous basis by the Department of Health with regard to
10 Statewide health care expenditures, based upon required annual
11 surveys, which will ensure that State efforts to achieve health care
12 expenditure savings are informed by the most reliable current data and
13 trends with respect to costs and the various sources thereof in
14 recognition of the importance of the health care industry to this State
15 and its impact on every citizen residing in New Jersey.

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17 2. The Commissioner of Health, in conjunction with the
18 Commissioners of Human Services, Insurance, Commerce and
19 Economic Development, and Labor, and the Health Information
20 Electronic Data Interchange Policy Council established pursuant to
21 P.L. , c. (C.)(pending before the Legislature as Senate
22 Bill No. or Assembly Bill No. of 1996), shall present an annual
23 report to the Governor and the Legislature on Statewide health care
24 expenditures based upon a survey of health care facilities and
25 providers, health insurers, business and organized labor. The
26 Commissioner of Health may contract with an independent agency or
27 organization to conduct the survey and prepare the report.

28 The report shall include, at a minimum, the following: total health
29 care expenditures Statewide; a breakdown of public and private
30 expenditures and expenditures by type of health care service category,
31 paralleling national health care expenditure categories utilized by the
32 United States Health Care Financing Administration; a comparison of
33 expenditures by category from the previous annual report to the
34 current report; expenditure comparisons by category with the most
35 recent national health care expenditure data available; identified means
36 of achieving health care expenditure savings consistent with
37 maintaining health care quality and access to services; and any

1 recommendations for legislative or administrative action to effectuate
2 these savings.

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4 3. The Commissioner of Health shall include in the report prepared
5 pursuant to section 2 of this act detailed financial information about
6 administrative cost savings achieved by acute care hospitals as a result
7 of increased utilization of electronic data interchange technology. The
8 commissioner shall determine the specific information to be included
9 in the report in consultation with the Health Information Electronic
10 Data Interchange Policy Council established pursuant to P.L. , c.
11 (C.)(pending before the Legislature as Senate Bill No. or
12 Assembly Bill No. of 1996). The commissioner shall solicit and be
13 entitled to receive this information from each acute care hospital as
14 part of the survey conducted pursuant to section 2 of this act.

15 As used in this section, “electronic data interchange technology”
16 means computer equipment or software which permits the electronic
17 transmission of a business document in a standard format.

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19 4. This act shall take effect immediately.

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22 STATEMENT

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24 This bill requires the Commissioner of Health, in conjunction with
25 the Commissioners of Human Services, Insurance, Commerce and
26 Economic Development, and Labor, and the Health Information
27 Electronic Data Interchange Policy Council in the Department of
28 Health (which would be established under Senate Bill No. or
29 Assembly Bill No. of 1996, currently pending before the
30 Legislature), to present an annual report to the Governor and the
31 Legislature on Statewide health care expenditures based upon a survey
32 of health care facilities and providers, health insurers, business and
33 organized labor.

34 The bill further requires the Commissioner of Health to include in
35 the annual report detailed financial information about administrative
36 cost savings achieved by acute care hospitals as a result of increased
37 utilization of electronic data interchange technology. The
38 commissioner is to determine the specific information to be included
39 in the report in consultation with the Health Information Electronic
40 Data Interchange Policy Council. The commissioner shall solicit and
41 be entitled to receive this information from each acute care hospital as
42 part of the survey conducted for the report.

43 This bill is part of a legislative package designed to effectuate the
44 recommendations of the Healthcare Information Networks and
45 Technologies (HINT) report to the Legislature under the joint auspices
46 of Thomas Edison State College and the New Jersey Institute of

1 Technology. The bill is intended to ensure a regular and formal
2 follow-up by State government to the Statewide health care
3 automation and cost survey conducted for the HINT report which will
4 enable State policymakers to be apprised of the latest developments
5 with respect to Statewide health care expenditures and possible means
6 to achieve cost savings.

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11 Requires Commissioner of Health to report annually to Governor and
12 Legislature on health care expenditures in NJ.