

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 43

STATE OF NEW JERSEY

DATED: MARCH 7, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 43 (1R) of 1996.

Senate Bill No. 43.(1R) requires the Commissioner of Health, in conjunction with the Commissioners of Human Services, Insurance, Commerce and Economic Development, and Labor, and the Health Information Electronic Data Interchange Policy Council in the Department of Health (which would be established under Senate Bill No. 50 or Assembly Bill No.1476 of 1996, currently pending before the Legislature), to present an annual report to the Governor and the Legislature on Statewide health care expenditures. The report would be based upon a survey of health care facilities and providers, health insurers, insurers writing automobile insurance and workers' compensation coverage, business and organized labor.

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

This bill is part of a legislative package designed to effectuate the recommendations of the Healthcare Information Networks and Technologies (HINT) report to the Legislature under the joint auspices of Thomas Edison State College and the New Jersey Institute of Technology. The bill is intended to ensure a regular and formal follow-up by State government to the Statewide health care automation and cost survey conducted for the HINT report which will enable State policymakers to be apprised of the latest developments with respect to Statewide health care expenditures and possible means to achieve cost savings.

FISCAL IMPACT

The bill does not provide an appropriation for the report required by the Commissioner of Health; the first report will not be due until the end of Fiscal Year 1997 or the first half of Fiscal Year 1998, depending on the date of enactment of this bill. The report required by this bill will be paid for by an annual allocation of 2.5% of the money in the Electronic Data Interchange Technology Development Fund. (The fund will be established pursuant to Senate, No. 50 or Assembly, No. 1476 of 1996, now pending before the Legislature.) It is not known at this time how much money this 2.5% represents nor how much the report will cost to compile. The bill permits the department to contract with an independent agency or organization to conduct the survey and prepare the report.