

HB

500

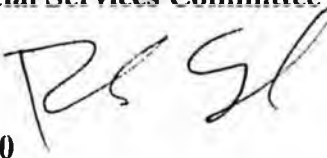
# REPRESENTATIVE RALPH SAMUELS

HOUSE DISTRICT 29

## Memorandum

**Date:** April 28, 2004

**To:** Senator Fred Dyson, Chair  
Senate Health, Education and Social Services Committee

**From:** Representative Ralph Samuels 

**RE:** Hearing request for House Bill 500

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Please schedule HB 500 for the House Floor Session at your earliest convenience. This legislation simply adds the Joint Commission on Accreditation of Health Care Organizations (JCAHO) to the narrow definition of a "review organization."

In this packet:

- I. HB 500
- II. Sponsor Statement
- III. Fiscal Notes (Two zero)

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# REPRESENTATIVE RALPH SAMUELS

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## HOUSE DISTRICT 29

### House Bill 500 Sponsor Statement

“An Act relating to medical review organizations; and providing for an effective date.”

House Bill 500 simply adds the Joint Commission on Accreditation of Health Care Organizations (JCAHO) to the narrow definition of a “review organization.”

The Joint Commission on Accreditation of Health Care Organizations is the principle independent organization that performs accreditation of hospitals throughout the United States, including Alaska. JCAHO recently implemented a new program requiring hospitals to undergo a Periodic Performance Review (PPR) to achieve continuous standards compliance and, thus, continuous provision of safe, high-quality health care.

The current statute defines a “review organization” expressly and narrowly and is silent as to the major organization conducting hospital accreditation in our state, JCAHO. Without the change in this legislation, a party in an unrelated civil action, could argue vigorously that JCAHO is well known within the health care community as the primary accreditation instrument for hospitals in the United States, and that it would have been a very easy matter for the legislature to have included it in the definition of a “review organization.” It could be asserted that the courts have no business re-writing statutes to include provisions that it thinks the legislature would have included if it had thought of it at the time that provision was enacted. Thus, there is a very real danger that information provided to JCAHO as part of this process would not be treated as confidential.

This legislation is necessary so that hospitals will feel free to fully report all the information required by JCAHO in an open manner and promote quality healthcare in Alaska.

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 500  
 (H) Publish Date: 3/29/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
 Title Medical Review RDI: Occupational Licensing (117)  
Organization Component Occupational Licensing  
 Sponsor Samuels  
 Requester House HESS Component No. 2360

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2005    | FY 2006    | FY 2007    | FY 2008    | FY 2009    | FY 2010    |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services      |            |            |            |            |            |            |
| Travel                 |            |            |            |            |            |            |
| Contractual            |            |            |            |            |            |            |
| Supplies               |            |            |            |            |            |            |
| Equipment              |            |            |            |            |            |            |
| Land & Structures      |            |            |            |            |            |            |
| Grants & Claims        |            |            |            |            |            |            |
| Miscellaneous          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

**FUND SOURCE (Thousands of Dollars)**

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts                   |            |            |            |            |            |            |
| 1003 GF Match                           |            |            |            |            |            |            |
| 1004 GF                                 |            |            |            |            |            |            |
| 1005 GF/Program Receipts                |            |            |            |            |            |            |
| 1037 GF/Mental Health                   |            |            |            |            |            |            |
| Other 1156 - Receipt Supported Services |            |            |            |            |            |            |
| <b>TOTAL</b>                            | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

**ANALYSIS:** (Attach a separate page if necessary)

HB 500 amends AS 08.18.23.070(5) to add a new subsection (D). New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144  
 Division: Occupational Licensing Date/Time 3/23/04 10:28 AM  
 Approved by: Edgar Blatchford, Commissioner Date 3/23/2004  
 Agency: Department of Community and Economic Development

# SENATE COMMITTEE REPORT

DATE: 04/22/04

FURTHER:

DATE TURNED  
IN TO OFFICE: 4.30.04

Health, Education and Social Services Committee considered HOUSE BILL NO. 500(title am)

## HB 500 MEDICAL REVIEW ORGANIZATION

"An Act including the Joint Commission on Accreditation of Healthcare Organizations under the definition of medical review organizations."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**  
 Same Title  
 New Title

**House Bill:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

| Department | Date | Fiscal | Indet. | Zero | FN# |
|------------|------|--------|--------|------|-----|
|            |      |        |        |      |     |
|            |      |        |        |      |     |
|            |      |        |        |      |     |
|            |      |        |        |      |     |
|            |      |        |        |      |     |

**PREVIOUS FISCAL NOTE(S):**

| Department | Date | Fiscal | Indet. | Zero | FN# |
|------------|------|--------|--------|------|-----|
| DCED       | 3/23 |        |        | ✓    | 1   |
| HSS        | 3/24 |        |        | ✓    | 2   |
|            |      |        |        |      |     |
|            |      |        |        |      |     |
|            |      |        |        |      |     |

APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | Do PASS | Do NOT PASS | No REC | AMEND |
|---------------------------------|---------|-------------|--------|-------|
| <i>[Signature]</i>              | ✓       |             |        |       |
| <i>[Signature]</i>              | ✓       |             |        |       |
| Bertha Daviss                   | ✓       |             |        |       |
| Cony Hill                       | ✓       |             |        |       |
|                                 |         |             |        |       |
| CHAIR: <i>[Signature]</i>       | ✓       |             |        |       |