

**PUBLIC CHAPTER NO. 406****SENATE BILL NO. 732****By Southerland****Substituted for: House Bill No. 1452****By Favors**

AN ACT to amend Tennessee Code Annotated, Title 56, relative to physician remedies.

WHEREAS, health care plans are increasingly incorporating transparency, quality, tiered and pay-for-performance initiatives to ostensibly determine and differentiate those providers who offer quality health care services at the lowest costs; and

WHEREAS, the medical profession understands and supports the need to pursue such strategies but believes that such initiatives must reflect accurate and appropriate data; and

WHEREAS, plans in other states have developed similar initiatives but have been accused of using inaccurate data that could harm the physician/patient relationship; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-32-230(e), is amended by deleting the subsection in its entirety and by substituting instead the following:

(e) A managed health insurance issuer shall develop and implement procedures to ensure that health care providers are regularly informed of information maintained by the issuer to evaluate the performance or practice of the health care provider. The issuer shall consult with health care professionals in developing methodologies to collect the health care provider's profiling, tiering, comparison, or ratings data, which may include, but is not limited to, claims data. For those issuers who publicize or otherwise make known to participating providers or their members the results of the provider's performance, the managed health insurance-issuer shall, sixty (60) days prior to the public publishing of provider-specific information such as profiling, tiering, performance comparison including, but not limited to, "pay for performance" programs or ratings data, do all of the following:

(1) Make available to the provider all methodologies, quality measures, data, analysis, and conclusions, ratings relied upon by the issuer and the degree upon which each is relied upon by the issuer and allow such provider a reasonable opportunity to review and provide additional data or medical records and comments on the information proposed to be published by the issuer regarding the individual provider's profiling, tiering, comparison, or ratings;

(2) Should a provider submit additional data or medical records or comments under this subsection, such submission must be made within thirty (30) days of the receipt of notice that the issuer will publish such information. If a provider submits additional data or medical records or comments on the information proposed to be published by the issuer, and the issuer elects to alter the provider's profiling, tiering, comparison, or ratings in accordance with and pursuant to such additional data or medical records and comments, then the issuers shall accordingly modify the provider's profiling, tiering, comparison or ratings prior to public publication of provider specific information;

(3) The issuer shall with the publication of the provider performance rating information provide a prominently displayed disclosure of the data sources used to develop the rating information, an explanation of the limitations of data derived from these sources, and an explanation of the specific aspects or domains of provider performance that were measured to derive the ratings; and

(4) Whenever the issuer periodically updates any data results or findings publicized pursuant to this section, and to the extent such updates result in a lower rating of the provider's performance rating, the issuer shall repeat the requirements established by (1), (2) and (3) above.

Notwithstanding any law, contract or other legal standard to the contrary, upon satisfying and complying with the requirements of this subsection, the issuer may publicize the results of a provider's performance rating in the manner and frequency as the issuer deems appropriate.

SECTION 2. This act shall take effect upon becoming law except for those insurance issuers that have already implemented and published a provider rating program in which case the provisions of this act shall take effect on October 1, 2007, the public welfare requiring it.

**PASSED: May 29, 2007**

  
\_\_\_\_\_  
RON RAMSEY  
SPEAKER OF THE SENATE

  
\_\_\_\_\_  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 11th day of June 2007**



---

PHIL BREDESEN, GOVERNOR