



State of Wisconsin \ LEGISLATIVE AUDIT BUREAU

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TO: Senator Carol A. Roessler and
Representative Suzanne Jeskewitz, Co-chairpersons
Joint Legislative Audit Committee

FROM: Janice Mueller *Janice Mueller*
State Auditor

SUBJECT: Proposed Audit of the Physician Office Visit Data Program—Background
Information

At your request, we have gathered some background information the Joint Legislative Audit Committee may find useful in considering Representative Wasserman's request for an audit of the State's Physician Office Visit Data (POVD) program. 1997 Wisconsin Act 231 directed the Department of Health and Family Services to collect data on medical care delivered in physician offices, and authorized an annual assessment of up to \$75 on health care providers to fund the data collection and reporting required by the Act. The purpose of the reports, as identified in Act 231, is to enable members of the public, purchasers of health care services, the Governor and legislators to assess the performance of health care providers and health care plans.

The Department promulgated administrative rules, effective January 1, 2001, to implement the program. Data collection began in 2002 with the State's 13 largest medical practice groups, representing approximately 50 percent of the State's physicians. Act 231 prohibited the identification of specific health care providers in the program's public use data files. The Department reports that the program is compliant with federal patient and state provider confidentiality requirements. Through November 1, 2004, public use data files for all four quarters of calendar year 2003 were available free of charge, and data for the first and second quarter of 2004 were available for a fee. Through November 1, 32 parties had entered data use agreements with the Department to access the public use data.

The Bureau of Health Care Information, within the Division of Health, operates the program. An 11-member Board on Health Care Information advises the Department on certain aspects of the program, and is statutorily directed to work jointly with the Department on program strategy, reporting, and oversight. The Department currently reports funding 12.28 full-time equivalent positions with revenues from this program; fiscal year (FY) 2003-04 revenues to support staff totaled \$658,500 from the annual provider assessment.

In his audit request, Representative Wasserman expressed concerns regarding the timeliness of the development and implementation of the Physician Office Visit Data program, staffing levels, and expenditures. He also expressed concern that some program expenditures may not be consistent

with legislative intent. Comparisons have also been drawn between the implementation and operation of the POVd program, and a program operated by the Wisconsin Hospital Association, under contract with the State, that collects and reports data on health care delivered in hospitals. Some believe privatization of the POVd program might yield useful health care information in a timely, cost-effective manner; others disagree.

An audit of the Physician Office Visit Data program could include:

- a staffing and expenditure analysis including the years from FY 2000-01 through FY 2003-04;
- an evaluation of whether the program, as implemented to date, is effectively meeting the legislative intent expressed at the time the program was created;
- a comparison of POVd program operations with those of selected health care information programs operated by the private sector and in other states;
- an assessment of the extent to which privacy issues for patients and providers have been addressed in the development and implementation of the program; and
- a review of compliance with statutory requirements for the several entities involved with the program, including the Board on Health Care Information, the Independent Review Board, which must approve requests for data not included in the public use data files, and the Department of Regulation and Licensing, which licenses physicians in Wisconsin.

If you have any questions regarding this request, please contact me.

JM/KW/bm

cc: Senator Robert Cowles
Senator Alberta Darling
Senator Jeffrey Plale
Senator Julie Lassa

Representative Samantha Kerkman
Representative Dean Kaufert
Representative David Cullen
Representative Mark Pocan

Representative Sheldon Wasserman

Helene Nelson, Secretary
Department of Health and Family Services

Sandra Rowe, Deputy Secretary
Department of Regulation and Licensing