

**ESSB 5741 - H AMD 776**

By Representative Cody

**ADOPTED 04/24/2019**

1 Strike everything after the enacting clause and insert the  
2 following:

3 **"Sec. 1.** RCW 43.371.005 and 2014 c 223 s 9 are each amended to  
4 read as follows:

5 The legislature finds that:

6 (1) The activities authorized by this chapter will require  
7 collaboration among state agencies and local governments that  
8 (~~purchase~~) are involved in health care, private health carriers,  
9 third-party purchasers, health care providers, and hospitals. These  
10 activities will identify strategies to increase the quality and  
11 effectiveness of health care delivered in Washington state and are  
12 therefore in the best interest of the public.

13 (2) The benefits of collaboration, together with active state  
14 supervision, outweigh potential adverse impacts. Therefore, the  
15 legislature intends to exempt from state antitrust laws, and provide  
16 immunity through the state action doctrine from federal antitrust  
17 laws, activities that are undertaken, reviewed, and approved by the  
18 (~~office~~) authority pursuant to this chapter that might otherwise be  
19 constrained by such laws. The legislature does not intend and does  
20 not authorize any person or entity to engage in activities not  
21 provided for by this chapter, and the legislature neither exempts nor  
22 provides immunity for such activities including, but not limited to,  
23 agreements among competing providers or carriers to set prices or  
24 specific levels of reimbursement for health care services.

25 **Sec. 2.** RCW 43.371.010 and 2015 c 246 s 1 are each reenacted and  
26 amended to read as follows:

27 The definitions in this section apply throughout this chapter  
28 unless the context clearly requires otherwise.

29 (1) "Authority" means the health care authority.

30 (2) "Carrier" and "health carrier" have the same meaning as in  
31 RCW 48.43.005.

1 (3) "Claims data" means the data required by RCW 43.371.030 to be  
2 submitted to the database, including billed, allowed and paid  
3 amounts, and such additional information as defined by the director  
4 in rule.

5 (4) "Data supplier" means: (a) A carrier, third-party  
6 administrator, or a public program identified in RCW 43.371.030 that  
7 provides claims data; and (b) a carrier or any other entity that  
8 provides claims data to the database at the request of an employer-  
9 sponsored self-funded health plan or Taft-Hartley trust health plan  
10 pursuant to RCW 43.371.030(1).

11 (5) "Data vendor" means an entity contracted to perform data  
12 collection, processing, aggregation, extracts, analytics, and  
13 reporting.

14 (6) "Database" means the statewide all-payer health care claims  
15 database established in RCW 43.371.020.

16 (7) "Direct patient identifier" means a data variable that  
17 directly identifies an individual, including: Names; telephone  
18 numbers; fax numbers; social security number; medical record numbers;  
19 health plan beneficiary numbers; account numbers; certificate or  
20 license numbers; vehicle identifiers and serial numbers, including  
21 license plate numbers; device identifiers and serial numbers; web  
22 universal resource locators; internet protocol address numbers;  
23 biometric identifiers, including finger and voice prints; and full  
24 face photographic images and any comparable images.

25 (8) "Director" means the director of (~~financial management~~) the  
26 authority.

27 (9) "Indirect patient identifier" means a data variable that may  
28 identify an individual when combined with other information.

29 (10) "Lead organization" means the organization selected under  
30 RCW 43.371.020.

31 (11) "Office" means the office of financial management.

32 (12) "Proprietary financial information" means claims data or  
33 reports that disclose or would allow the determination of specific  
34 terms of contracts, discounts, or fixed reimbursement arrangements or  
35 other specific reimbursement arrangements between an individual  
36 health care facility or health care provider, as those terms are  
37 defined in RCW 48.43.005, and a specific payer, or internal fee  
38 schedule or other internal pricing mechanism of integrated delivery  
39 systems owned by a carrier.

1 (13) "Unique identifier" means an obfuscated identifier assigned  
2 to an individual represented in the database to establish a basis for  
3 following the individual longitudinally throughout different payers  
4 and encounters in the data without revealing the individual's  
5 identity.

6 **Sec. 3.** RCW 43.371.020 and 2015 c 246 s 2 are each amended to  
7 read as follows:

8 (1) The office shall establish a statewide all-payer health care  
9 claims database ~~((to))~~. On January 1, 2020, the office must transfer  
10 authority and oversight for the database to the authority. The office  
11 and authority must develop a transition plan that sustains operations  
12 by July 1, 2019. The database shall support transparent public  
13 reporting of health care information. The database must improve  
14 transparency to: Assist patients, providers, and hospitals to make  
15 informed choices about care; enable providers, hospitals, and  
16 communities to improve by benchmarking their performance against that  
17 of others by focusing on best practices; enable purchasers to  
18 identify value, build expectations into their purchasing strategy,  
19 and reward improvements over time; and promote competition based on  
20 quality and cost. The database must systematically collect all  
21 medical claims and pharmacy claims from private and public payers,  
22 with data from all settings of care that permit the systematic  
23 analysis of health care delivery.

24 (2) The ~~((office))~~ authority shall use a competitive procurement  
25 process, in accordance with chapter 39.26 RCW, to select a lead  
26 organization from among the best potential bidders to coordinate and  
27 manage the database.

28 (a) (i) In conducting the competitive procurement, the authority  
29 must ensure that no state officer or state employee participating in  
30 the procurement process:

31 (A) Has a current relationship or had a relationship within the  
32 last three years with any organization that bids on the procurement  
33 that would constitute a conflict with the proper discharge of  
34 official duties under chapter 42.52 RCW; or

35 (B) Is a compensated or uncompensated member of a bidding  
36 organization's board of directors, advisory committee, or has held  
37 such a position in the past three years.

38 (ii) If any relationship or interest described in (a) (i) of this  
39 subsection is discovered during the procurement process, the officer

1 or employee with the prohibited relationship must withdraw from  
2 involvement in the procurement process.

3 (b) Due to the complexities of the all payer claims database and  
4 the unique privacy, quality, and financial objectives, the ((office))  
5 authority must ((award extra points in the scoring evaluation for))  
6 give strong consideration to the following elements in determining  
7 the appropriate lead organization contractor: (i) The ((bidder's))  
8 organization's degree of experience in health care data collection,  
9 analysis, analytics, and security; (ii) whether the ((bidder))  
10 organization has a long-term self-sustainable financial model; (iii)  
11 the ((bidder's)) organization's experience in convening and  
12 effectively engaging stakeholders to develop reports, especially  
13 among groups of health providers, carriers, and self-insured  
14 purchasers; (iv) the ((bidder's)) organization's experience in  
15 meeting budget and timelines for report generations; and (v) the  
16 ((bidder's)) organization's ability to combine cost and quality data  
17 to assess total cost of care.

18 ((b) By December 31, 2017,)) (c) The successful lead  
19 organization must apply to be certified as a qualified entity  
20 pursuant to 42 C.F.R. Sec. 401.703(a) by the centers for medicare and  
21 medicaid services.

22 (d) The authority may not select a lead organization that:

23 (i) Is a health plan as defined by and consistent with the  
24 definitions in RCW 48.43.005;

25 (ii) Is a hospital as defined in RCW 70.41.020;

26 (iii) Is a provider regulated under Title 18 RCW;

27 (iv) Is a third-party administrator as defined in RCW 70.290.010;

28 or

29 (v) Is an entity with a controlling interest in any entity  
30 covered in (d) (i) through (iv) of this subsection.

31 (3) As part of the competitive procurement process referenced in  
32 subsection (2) of this section, the lead organization shall enter  
33 into a contract with a data vendor or multiple data vendors to  
34 perform data collection, processing, aggregation, extracts, and  
35 analytics. ((The)) A data vendor must:

36 (a) Establish a secure data submission process with data  
37 suppliers;

38 (b) Review data submitters' files according to standards  
39 established by the ((office)) authority;

1 (c) Assess each record's alignment with established format,  
2 frequency, and consistency criteria;

3 (d) Maintain responsibility for quality assurance, including, but  
4 not limited to: (i) The accuracy and validity of data suppliers'  
5 data; (ii) accuracy of dates of service spans; (iii) maintaining  
6 consistency of record layout and counts; and (iv) identifying  
7 duplicate records;

8 (e) Assign unique identifiers, as defined in RCW 43.371.010, to  
9 individuals represented in the database;

10 (f) Ensure that direct patient identifiers, indirect patient  
11 identifiers, and proprietary financial information are released only  
12 in compliance with the terms of this chapter;

13 (g) Demonstrate internal controls and affiliations with separate  
14 organizations as appropriate to ensure safe data collection, security  
15 of the data with state of the art encryption methods, actuarial  
16 support, and data review for accuracy and quality assurance;

17 (h) Store data on secure servers that are compliant with the  
18 federal health insurance portability and accountability act and  
19 regulations, with access to the data strictly controlled and limited  
20 to staff with appropriate training, clearance, and background checks;  
21 and

22 (i) Maintain state of the art security standards for transferring  
23 data to approved data requestors.

24 (4) The lead organization and data vendor must submit detailed  
25 descriptions to the office of the chief information officer to ensure  
26 robust security methods are in place. The office of the chief  
27 information officer must report its findings to the ((office))  
28 authority and the appropriate committees of the legislature.

29 (5) The lead organization is responsible for internal governance,  
30 management, funding, and operations of the database. At the direction  
31 of the ((office)) authority, the lead organization shall work with  
32 the data vendor to:

33 (a) Collect claims data from data suppliers as provided in RCW  
34 43.371.030;

35 (b) Design data collection mechanisms with consideration for the  
36 time and cost incurred by data suppliers and others in submission and  
37 collection and the benefits that measurement would achieve, ensuring  
38 the data submitted meet quality standards and are reviewed for  
39 quality assurance;

1 (c) Ensure protection of collected data and store and use any  
2 data in a manner that protects patient privacy and complies with this  
3 section. All patient-specific information must be deidentified with  
4 an up-to-date industry standard encryption algorithm;

5 (d) Consistent with the requirements of this chapter, make  
6 information from the database available as a resource for public and  
7 private entities, including carriers, employers, providers,  
8 hospitals, and purchasers of health care;

9 (e) Report performance on cost and quality pursuant to RCW  
10 43.371.060 using, but not limited to, the performance measures  
11 developed under RCW 41.05.690;

12 (f) Develop protocols and policies, including prerelease peer  
13 review by data suppliers, to ensure the quality of data releases and  
14 reports;

15 (g) Develop a plan for the financial sustainability of the  
16 database as ~~((self-sustaining))~~ may be reasonable and customary as  
17 compared to other states' databases and charge fees for reports and  
18 data files as needed to fund the database. Any fees must be approved  
19 by the ~~((office))~~ authority and should be comparable, accounting for  
20 relevant differences across data requests and uses. The lead  
21 organization may not charge providers or data suppliers fees other  
22 than fees directly related to requested reports and data files; and

23 (h) Convene advisory committees with the approval and  
24 participation of the ~~((office))~~ authority, including: (i) A committee  
25 on data policy development; and (ii) a committee to establish a data  
26 release process consistent with the requirements of this chapter and  
27 to provide advice regarding formal data release requests. The  
28 advisory committees must include in-state representation from key  
29 provider, hospital, public health, health maintenance organization,  
30 large and small private purchasers, consumer organizations, and the  
31 two largest carriers supplying claims data to the database.

32 (6) The lead organization governance structure and advisory  
33 committees for this database must include representation of the  
34 third-party administrator of the uniform medical plan. A payer,  
35 health maintenance organization, or third-party administrator must be  
36 a data supplier to the all-payer health care claims database to be  
37 represented on the lead organization governance structure or advisory  
38 committees.

1       **Sec. 4.** RCW 43.371.030 and 2015 c 246 s 3 are each amended to  
2 read as follows:

3       (1) The state medicaid program, public employees' benefits board  
4 programs, school employees' benefits board programs beginning July 1,  
5 2020, all health carriers operating in this state, all third-party  
6 administrators paying claims on behalf of health plans in this state,  
7 and the state labor and industries program must submit claims data to  
8 the database within the time frames established by the director in  
9 rule and in accordance with procedures established by the lead  
10 organization. The director may expand this requirement by rule to  
11 include any health plans or health benefit plans defined in RCW  
12 48.43.005(26) (a) through (i) to accomplish the goals of this chapter  
13 set forth in RCW 43.371.020(1). Employer-sponsored self-funded health  
14 plans and Taft-Hartley trust health plans may voluntarily provide  
15 claims data to the database within the time frames and in accordance  
16 with procedures established by the lead organization.

17       (2) Any data supplier used by an entity that voluntarily  
18 participates in the database must provide claims data to the data  
19 vendor upon request of the entity.

20       (3) The lead organization shall submit an annual status report to  
21 the ((office)) authority regarding compliance with this section.

22       **Sec. 5.** RCW 43.371.050 and 2015 c 246 s 5 are each amended to  
23 read as follows:

24       (1) Except as otherwise required by law, claims or other data  
25 from the database shall only be available for retrieval in processed  
26 form to public and private requesters pursuant to this section and  
27 shall be made available within a reasonable time after the request.  
28 Each request for claims data must include, at a minimum, the  
29 following information:

30       (a) The identity of any entities that will analyze the data in  
31 connection with the request;

32       (b) The stated purpose of the request and an explanation of how  
33 the request supports the goals of this chapter set forth in RCW  
34 43.371.020(1);

35       (c) A description of the proposed methodology;

36       (d) The specific variables requested and an explanation of how  
37 the data is necessary to achieve the stated purpose described  
38 pursuant to (b) of this subsection;

1 (e) How the requester will ensure all requested data is handled  
2 in accordance with the privacy and confidentiality protections  
3 required under this chapter and any other applicable law;

4 (f) The method by which the data will be (~~(stored,)~~) destroyed(~~(7~~  
5 ~~or returned to the lead organization))~~) at the conclusion of the data  
6 use agreement;

7 (g) The protections that will be utilized to keep the data from  
8 being used for any purposes not authorized by the requester's  
9 approved application; and

10 (h) Consent to the penalties associated with the inappropriate  
11 disclosures or uses of direct patient identifiers, indirect patient  
12 identifiers, or proprietary financial information adopted under RCW  
13 43.371.070(1).

14 (2) The lead organization may decline a request that does not  
15 include the information set forth in subsection (1) of this section  
16 that does not meet the criteria established by the lead  
17 organization's data release advisory committee, or for reasons  
18 established by rule.

19 (3) Except as otherwise required by law, the (~~(office))~~ authority  
20 shall direct the lead organization and the data vendor to maintain  
21 the confidentiality of claims or other data it collects for the  
22 database that include proprietary financial information, direct  
23 patient identifiers, indirect patient identifiers, or any combination  
24 thereof. Any entity that receives claims or other data must also  
25 maintain confidentiality and may only release such claims data or any  
26 part of the claims data if:

27 (a) The claims data does not contain proprietary financial  
28 information, direct patient identifiers, indirect patient  
29 identifiers, or any combination thereof; and

30 (b) The release is described and approved as part of the request  
31 in subsection (1) of this section.

32 (4) The lead organization shall, in conjunction with the  
33 (~~(office))~~ authority and the data vendor, create and implement a  
34 process to govern levels of access to and use of data from the  
35 database consistent with the following:

36 (a) Claims or other data that include proprietary financial  
37 information, direct patient identifiers, indirect patient  
38 identifiers, unique identifiers, or any combination thereof may be  
39 released only to the extent such information is necessary to achieve  
40 the goals of this chapter set forth in RCW 43.371.020(1) to



1 researchers with approval of an institutional review board upon  
2 receipt of a signed data use and confidentiality agreement with the  
3 lead organization. A researcher or research organization that obtains  
4 claims data pursuant to this subsection must agree in writing not to  
5 disclose such data or parts of the data set to any other party,  
6 including affiliated entities, and must consent to the penalties  
7 associated with the inappropriate disclosures or uses of direct  
8 patient identifiers, indirect patient identifiers, or proprietary  
9 financial information adopted under RCW 43.371.070(1).

10 (b) Claims or other data that do not contain direct patient  
11 identifiers, but that may contain proprietary financial information,  
12 indirect patient identifiers, unique identifiers, or any combination  
13 thereof may be released to:

14 (i) Federal, state, tribal, and local government agencies upon  
15 receipt of a signed data use agreement with the ~~((office))~~ authority  
16 and the lead organization. Federal, state, tribal, and local  
17 government agencies that obtain claims data pursuant to this  
18 subsection are prohibited from using such data in the purchase or  
19 procurement of health benefits for their employees; ~~((and))~~

20 (ii) Any entity when functioning as the lead organization under  
21 the terms of this chapter; and

22 (iii) The Washington health benefit exchange established under  
23 chapter 43.71 RCW, upon receipt of a signed data use agreement with  
24 the authority and the lead organization as directed by rules adopted  
25 under this chapter.

26 (c) Claims or other data that do not contain proprietary  
27 financial information, direct patient identifiers, or any combination  
28 thereof, but that may contain indirect patient identifiers, unique  
29 identifiers, or a combination thereof may be released to agencies,  
30 researchers, and other entities as approved by the lead organization  
31 upon receipt of a signed data use agreement with the lead  
32 organization.

33 (d) Claims or other data that do not contain direct patient  
34 identifiers, indirect patient identifiers, proprietary financial  
35 information, or any combination thereof may be released upon request.

36 (5) Reports utilizing data obtained under this section may not  
37 contain proprietary financial information, direct patient  
38 identifiers, indirect patient identifiers, or any combination  
39 thereof. Nothing in this subsection (5) may be construed to prohibit  
40 the use of geographic areas with a sufficient population size or

1 aggregate gender, age, medical condition, or other characteristics in  
2 the generation of reports, so long as they cannot lead to the  
3 identification of an individual.

4 (6) Reports issued by the lead organization at the request of  
5 providers, facilities, employers, health plans, and other entities as  
6 approved by the lead organization may utilize proprietary financial  
7 information to calculate aggregate cost data for display in such  
8 reports. The ~~((office))~~ authority shall approve by rule a format for  
9 the calculation and display of aggregate cost data consistent with  
10 this chapter that will prevent the disclosure or determination of  
11 proprietary financial information. In developing the rule, the  
12 ~~((office))~~ authority shall solicit feedback from the stakeholders,  
13 including those listed in RCW 43.371.020(5)(h), and must consider, at  
14 a minimum, data presented as proportions, ranges, averages, and  
15 medians, as well as the differences in types of data gathered and  
16 submitted by data suppliers.

17 (7) Recipients of claims or other data under subsection (4) of  
18 this section must agree in a data use agreement or a confidentiality  
19 agreement to, at a minimum:

20 (a) Take steps to protect data containing direct patient  
21 identifiers, indirect patient identifiers, proprietary financial  
22 information, or any combination thereof as described in the  
23 agreement;

24 (b) Not redisclose the claims data except pursuant to subsection  
25 (3) of this section;

26 (c) Not attempt to determine the identity of any person whose  
27 information is included in the data set or use the claims or other  
28 data in any manner that identifies any individual or their family or  
29 attempt to locate information associated with a specific individual;

30 (d) Destroy ~~((or return))~~ claims data ~~((to the lead  
31 organization))~~ at the conclusion of the data use agreement; and

32 (e) Consent to the penalties associated with the inappropriate  
33 disclosures or uses of direct patient identifiers, indirect patient  
34 identifiers, or proprietary financial information adopted under RCW  
35 43.371.070(1).

36 **Sec. 6.** RCW 43.371.060 and 2015 c 246 s 6 are each amended to  
37 read as follows:

38 (1)(a) Under the supervision of and through contract with the  
39 ~~((office))~~ authority, the lead organization shall prepare health care

1 data reports using the database and the statewide health performance  
2 and quality measure set. Prior to the lead organization releasing any  
3 health care data reports that use claims data, the lead organization  
4 must submit the reports to the (~~office~~) authority for review.

5 (b) By October 31st of each year, the lead organization shall  
6 submit to the director a list of reports it anticipates producing  
7 during the following calendar year. The director may establish a  
8 public comment period not to exceed thirty days, and shall submit the  
9 list and any comment to the appropriate committees of the legislature  
10 for review.

11 (2) (a) Health care data reports that use claims data prepared by  
12 the lead organization for the legislature and the public should  
13 promote awareness and transparency in the health care market by  
14 reporting on:

15 (i) Whether providers and health systems deliver efficient, high  
16 quality care; and

17 (ii) Geographic and other variations in medical care and costs as  
18 demonstrated by data available to the lead organization.

19 (b) Measures in the health care data reports should be stratified  
20 by demography, income, language, health status, and geography when  
21 feasible with available data to identify disparities in care and  
22 successful efforts to reduce disparities.

23 (c) Comparisons of costs among providers and health care systems  
24 must account for differences in the case mix and severity of illness  
25 of patients and populations, as appropriate and feasible, and must  
26 take into consideration the cost impact of subsidization for  
27 uninsured and government-sponsored patients, as well as teaching  
28 expenses, when feasible with available data.

29 (3) The lead organization may not publish any data or health care  
30 data reports that:

31 (a) Directly or indirectly identify individual patients;

32 (b) Disclose a carrier's proprietary financial information;  
33 (~~or~~)

34 (c) Compare performance in a report generated for the general  
35 public that includes any provider in a practice with fewer than four  
36 providers; or

37 (d) Contain medicaid data that is in direct conflict with the  
38 biannual medicaid forecast.

39 (4) The lead organization may not release a report that compares  
40 and identifies providers, hospitals, or data suppliers unless:

1 (a) It allows the data supplier, the hospital, or the provider to  
2 verify the accuracy of the information submitted to the data vendor,  
3 comment on the reasonableness of conclusions reached, and submit to  
4 the lead organization and data vendor any corrections of errors with  
5 supporting evidence and comments within thirty days of receipt of the  
6 report;

7 (b) It corrects data found to be in error within a reasonable  
8 amount of time; and

9 (c) The report otherwise complies with this chapter.

10 (5) The (~~office~~) authority and the lead organization may use  
11 claims data to identify and make available information on payers,  
12 providers, and facilities, but may not use claims data to recommend  
13 or incentivize direct contracting between providers and employers.

14 (6) (a) The lead organization shall distinguish in advance to the  
15 (~~office~~) authority when it is operating in its capacity as the lead  
16 organization and when it is operating in its capacity as a private  
17 entity. Where the lead organization acts in its capacity as a private  
18 entity, it may only access data pursuant to RCW 43.371.050(4) (b),  
19 (c), or (d).

20 (b) Except as provided in RCW 43.371.050(4), claims or other data  
21 that contain direct patient identifiers or proprietary financial  
22 information must remain exclusively in the custody of the data vendor  
23 and may not be accessed by the lead organization.

24 **Sec. 7.** RCW 43.371.070 and 2015 c 246 s 7 are each amended to  
25 read as follows:

26 (1) The director shall adopt any rules necessary to implement  
27 this chapter, including:

28 (a) Definitions of claim and data files that data suppliers must  
29 submit to the database, including: Files for covered medical  
30 services, pharmacy claims, and dental claims; member eligibility and  
31 enrollment data; and provider data with necessary identifiers;

32 (b) Deadlines for submission of claim files;

33 (c) Penalties for failure to submit claim files as required;

34 (d) Procedures for ensuring that all data received from data  
35 suppliers are securely collected and stored in compliance with state  
36 and federal law;

37 (e) Procedures for ensuring compliance with state and federal  
38 privacy laws;

39 (f) Procedures for establishing appropriate fees;

1 (g) Procedures for data release; ~~((and))~~

2 (h) Penalties associated with the inappropriate disclosures or  
3 uses of direct patient identifiers, indirect patient identifiers, and  
4 proprietary financial information; and

5 (i) A minimum reporting threshold below which a data supplier is  
6 not required to submit data.

7 (2) The director may not adopt rules, policies, or procedures  
8 beyond the authority granted in this chapter.

9 **Sec. 8.** RCW 43.371.080 and 2015 c 246 s 8 are each amended to  
10 read as follows:

11 ~~(1) ((By December 1st of 2016 and 2017, the office shall report~~  
12 ~~to the appropriate committees of the legislature regarding the~~  
13 ~~development and implementation of the database, including but not~~  
14 ~~limited to budget and cost detail, technical progress, and work plan~~  
15 ~~metrics.~~

16 ~~(2) Every two years commencing two years following the year in~~  
17 ~~which the first report is issued or the first release of data is~~  
18 ~~provided from the database, the office)) The authority shall report~~

19 every two years to the appropriate committees of the legislature  
20 regarding the cost, performance, and effectiveness of the database  
21 and the performance of the lead organization under its contract with  
22 the ~~((office))~~ authority. Using independent economic expertise,  
23 subject to appropriation, the report must evaluate whether the  
24 database has advanced the goals set forth in RCW 43.371.020(1), as  
25 well as the performance of the lead organization. The report must  
26 also make recommendations regarding but not limited to how the  
27 database can be improved, whether the contract for the lead  
28 organization should be modified, renewed, or terminated, and the  
29 impact the database has had on competition between and among  
30 providers, purchasers, and payers.

31 ~~((3) Beginning July 1, 2015, and every six months thereafter,~~  
32 ~~the office)) (2) The authority shall annually report to the  
33 appropriate committees of the legislature regarding any additional  
34 grants received or extended.~~

35 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.371  
36 RCW to read as follows:

37 (1) To ensure the database is meeting the needs of state agencies  
38 and other data users, the authority shall convene a state agency

1 coordinating structure, consisting of state agencies with related  
2 data needs and the Washington health benefit exchange to ensure  
3 effectiveness of the database and the agencies' programs. The  
4 coordinating structure must collaborate in a private/public manner  
5 with the lead organization and other partners key to the broader  
6 success of the database. The coordinating structure shall advise the  
7 authority and lead organization on the development of any database  
8 policies and rules relevant to agency data needs.

9 (2) The office must participate as a key part of the coordinating  
10 structure and evaluate progress towards meeting the goals of the  
11 database, and, as necessary, recommend strategies for maintaining and  
12 promoting the progress of the database in meeting the intent of this  
13 section, and report its findings biennially to the governor and the  
14 legislature. The authority shall facilitate the office obtaining the  
15 information needed to complete the report in a manner that is  
16 efficient and not overly burdensome for the parties. The authority  
17 must provide the office with access to database processes,  
18 procedures, nonproprietary methodologies, and outcomes to conduct the  
19 review and issue the biennial report. The biennial review shall  
20 assess, at a minimum the following:

21 (a) The list of approved agency use case projects and related  
22 data requirements under RCW 43.371.050(4);

23 (b) Successful and unsuccessful data requests and outcomes  
24 related to agency and nonagency health researchers pursuant to RCW  
25 43.371.050(4);

26 (c) On-line data portal access and effectiveness related to  
27 research requests and data provider review and reconsideration;

28 (d) Adequacy of data security and policy consistent with the  
29 policy of the office of the chief information officer; and

30 (e) Timeliness, adequacy, and responsiveness of the database with  
31 regard to requests made under RCW 43.371.050(4) and for potential  
32 improvements in data sharing, data processing, and communication.

33 (3) To promote the goal of improving health outcomes through  
34 better cost and quality information, the authority, in consultation  
35 with the agency coordinating structure, the office, lead  
36 organization, and data vendor shall make recommendations to the  
37 Washington state performance measurement coordinating committee as  
38 necessary to improve the effectiveness of the state common measure  
39 set as adopted under RCW 70.320.030.

1        NEW SECTION.    **Sec. 10.**    The lead organization and the authority  
2 shall provide any persons or entities that have a signed data use  
3 agreement with the lead organization in effect on June 1, 2019, with  
4 the option to extend the data use agreement through June 30, 2020.  
5 Any person or entity that chooses to extend its data use agreement  
6 through June 30, 2020, may not be charged any fees in excess of the  
7 fees in the data use agreement in effect on June 1, 2019.

8        NEW SECTION.    **Sec. 11.**    (1) The powers, duties, and functions of  
9 the office of financial management provided in chapter 43.371 RCW,  
10 except as otherwise specified in this act, are transferred to the  
11 health care authority.

12        (2)(a) All reports, documents, surveys, books, records, files,  
13 papers, or written material necessary for the health care authority  
14 to carry out the powers, duties, and functions in chapter 43.371 RCW  
15 being transferred from the office of financial management to the  
16 health care authority and that are in the possession of the office of  
17 financial management must be delivered to the custody of the health  
18 care authority. All funds or credits of the office of financial  
19 management that are solely for the purposes of fulfilling the powers,  
20 duties, and functions in chapter 43.371 RCW shall be assigned to the  
21 health care authority.

22        (b) Any specific appropriations made to the office of financial  
23 management for the sole purpose of fulfilling the duties, powers, and  
24 functions in chapter 43.371 RCW must, on the effective date of this  
25 section, be transferred and credited to the health care authority.

26        (c) If any question arises as to the transfer of any funds,  
27 books, documents, records, papers, files, equipment, or other  
28 tangible property used or held in the exercise of the powers and the  
29 performance of the duties and functions transferred, the director of  
30 financial management must make a determination as to the proper  
31 allocation and certify the same to the state agencies concerned.

32        (3) All rules and pending business before the office of financial  
33 management specifically related to its powers, duties, and functions  
34 in chapter 43.371 RCW that are being transferred to the health care  
35 authority shall be continued and acted upon by the health care  
36 authority. All existing contracts and obligations remain in full  
37 force and must be performed by the health care authority.

1 (4) The transfer of the powers, duties, and functions of the  
2 office of financial management does not affect the validity of any  
3 act performed before the effective date of this section.

4 (5) If apportionments of budgeted funds are required because of  
5 the transfers directed by this section, the director of financial  
6 management shall certify the apportionments to the agencies affected,  
7 the state auditor, and the state treasurer. Each of these must make  
8 the appropriate transfer and adjustments in funds and appropriation  
9 accounts and equipment records in accordance with the certification.

10 NEW SECTION. **Sec. 12.** If specific funding for the purposes of  
11 this act, referencing this act by bill or chapter number, is not  
12 provided by June 30, 2019, in the omnibus appropriations act, this  
13 act is null and void.

14 NEW SECTION. **Sec. 13.** This act is necessary for the immediate  
15 preservation of the public peace, health, or safety, or support of  
16 the state government and its existing public institutions, and takes  
17 effect immediately."

18 Correct the title.

EFFECT: (1) Removes the provision that claims data collected in  
the database is owned by the state and may not be transferred to the  
lead organization or the data vendor.

(2) Specifies that the Health Care Authority (HCA) must give  
strong consideration to a bidding organization's experience in  
convening stakeholders, especially among groups of health providers,  
carriers, and self-insured purchasers.

(3) Specifies that HCA must give strong consideration to a  
bidding organization's ability to combine cost and quality data, to  
assess total cost of care.

(4) Prohibits HCA from selecting a lead organization that is a  
health plan, hospital, provider, third-party administrator, or is an  
entity with a controlling interest in any of these entities.

(5) Provides that a member of a group similar to a bidding  
organization's board of directors or advisory committee may  
participate in the lead organization procurement process.

(6) Transfers the authority for convening a state agency  
coordinating structure from OFM to HCA.

(7) Modifies the purpose of the state agency coordinating  
structure such that the structure is responsible for ensuring the  
database is meeting the needs of state agencies and other data users,  
rather than being responsible for assessing and improving database  
performance by state agencies.

(8) Requires the Office of Financial Management (OFM) database  
progress evaluation report to be submitted biennially, rather than  
annually, and the report must be submitted to the Governor, in  
addition to the Legislature.



(9) Requires the HCA to provide the OFM with the necessary information needed to complete the database progress evaluation report in an efficient and not overly burdensome manner.

(10) Provides that the HCA will make State Common Measure Set effectiveness improvement recommendations to the Washington State Performance Measurement Coordinating Committee in consultation with the OFM, rather than the HCA and OFM jointly developing an effectiveness review process for the State Common Measure Set.

(11) Adds a null and void clause.

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