

ESSB 5741 - H COMM AMD

By Committee on Innovation, Technology & Economic Development

NOT CONSIDERED 04/16/2019

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.

- 1 (2) "Carrier" and "health carrier" have the same meaning as in
2 RCW 48.43.005.
- 3 (3) "Claims data" means the data required by RCW 43.371.030 to be
4 submitted to the database, including billed, allowed and paid
5 amounts, and such additional information as defined by the director
6 in rule.
- 7 (4) "Data supplier" means: (a) A carrier, third-party
8 administrator, or a public program identified in RCW 43.371.030 that
9 provides claims data; and (b) a carrier or any other entity that
10 provides claims data to the database at the request of an employer-
11 sponsored self-funded health plan or Taft-Hartley trust health plan
12 pursuant to RCW 43.371.030(1).
- 13 (5) "Data vendor" means an entity contracted to perform data
14 collection, processing, aggregation, extracts, analytics, and
15 reporting.
- 16 (6) "Database" means the statewide all-payer health care claims
17 database established in RCW 43.371.020.
- 18 (7) "Direct patient identifier" means a data variable that
19 directly identifies an individual, including: Names; telephone
20 numbers; fax numbers; social security number; medical record numbers;
21 health plan beneficiary numbers; account numbers; certificate or
22 license numbers; vehicle identifiers and serial numbers, including
23 license plate numbers; device identifiers and serial numbers; web
24 universal resource locators; internet protocol address numbers;
25 biometric identifiers, including finger and voice prints; and full
26 face photographic images and any comparable images.
- 27 (8) "Director" means the director of (~~financial management~~) the
28 authority.
- 29 (9) "Indirect patient identifier" means a data variable that may
30 identify an individual when combined with other information.
- 31 (10) "Lead organization" means the organization selected under
32 RCW 43.371.020.
- 33 (11) "Office" means the office of financial management.
- 34 (12) "Proprietary financial information" means claims data or
35 reports that disclose or would allow the determination of specific
36 terms of contracts, discounts, or fixed reimbursement arrangements or
37 other specific reimbursement arrangements between an individual
38 health care facility or health care provider, as those terms are
39 defined in RCW 48.43.005, and a specific payer, or internal fee

1 schedule or other internal pricing mechanism of integrated delivery
2 systems owned by a carrier.

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

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

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

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

30 (a) Due to the complexities of the all payer claims database and
31 the unique privacy, quality, and financial objectives, the ~~((office))~~
32 authority must ~~((award extra points in the scoring evaluation for))~~
33 give strong consideration to the following elements in determining
34 the appropriate lead organization contractor: (i) The ~~((bidder's))~~
35 organization's degree of experience in health care data collection,
36 analysis, analytics, and security; (ii) whether the ~~((bidder))~~
37 organization has a long-term self-sustainable financial model; (iii)
38 the ~~((bidder's))~~ organization's experience in convening and
39 effectively engaging stakeholders to develop reports, especially

1 among groups of health providers, carriers, and self-insured
2 purchasers in the state; (iv) the ~~((bidder's))~~ organization's
3 experience in meeting budget and timelines for report generations;
4 and (v) the ~~((bidder's))~~ organization's ability to combine cost and
5 quality data, especially among groups of health providers, carriers,
6 and self-insured purchasers.

7 (b) ~~((By December 31, 2017,))~~ The successful lead organization
8 must apply to be certified as a qualified entity pursuant to 42
9 C.F.R. Sec. 401.703(a) by the centers for medicare and medicaid
10 services.

11 (c) The authority may not select a lead organization that:

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

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

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

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

17 or

18 (v) Is an entity with a controlling interest in any entity
19 covered in (c) (i) through (iv) of this subsection.

20 (3) As part of the competitive procurement process referenced in
21 subsection (2) of this section, the lead organization shall enter
22 into a contract with a data vendor or multiple data vendors to
23 perform data collection, processing, aggregation, extracts, and
24 analytics. ~~((The))~~ A data vendor must:

25 (a) Establish a secure data submission process with data
26 suppliers;

27 (b) Review data submitters' files according to standards
28 established by the ~~((office))~~ authority;

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

31 (d) Maintain responsibility for quality assurance, including, but
32 not limited to: (i) The accuracy and validity of data suppliers'
33 data; (ii) accuracy of dates of service spans; (iii) maintaining
34 consistency of record layout and counts; and (iv) identifying
35 duplicate records;

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

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

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

5 (h) Store data on secure servers that are compliant with the
6 federal health insurance portability and accountability act and
7 regulations, with access to the data strictly controlled and limited
8 to staff with appropriate training, clearance, and background checks;
9 and

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

12 (4) The lead organization and data vendor must submit detailed
13 descriptions to the office of the chief information officer to ensure
14 robust security methods are in place. The office of the chief
15 information officer must report its findings to the ((office))
16 authority and the appropriate committees of the legislature.

17 (5) The lead organization is responsible for internal governance,
18 management, funding, and operations of the database. At the direction
19 of the ((office)) authority, the lead organization shall work with
20 the data vendor to:

21 (a) Collect claims data from data suppliers as provided in RCW
22 43.371.030;

23 (b) Design data collection mechanisms with consideration for the
24 time and cost incurred by data suppliers and others in submission and
25 collection and the benefits that measurement would achieve, ensuring
26 the data submitted meet quality standards and are reviewed for
27 quality assurance;

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

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

36 (e) Report performance on cost and quality pursuant to RCW
37 43.371.060 using, but not limited to, the performance measures
38 developed under RCW 41.05.690;

1 (f) Develop protocols and policies, including prerelease peer
2 review by data suppliers, to ensure the quality of data releases and
3 reports;

4 (g) Develop a plan for the financial sustainability of the
5 database as ((self-sustaining)) may be reasonable and customary as
6 compared to other states' databases and charge fees for reports and
7 data files as needed to fund the database. Any fees must be approved
8 by the ((office)) authority and should be comparable, accounting for
9 relevant differences across data requests and uses. The lead
10 organization may not charge providers or data suppliers fees other
11 than fees directly related to requested reports and data files; and

12 (h) Convene advisory committees with the approval and
13 participation of the ((office)) authority, including: (i) A committee
14 on data policy development; and (ii) a committee to establish a data
15 release process consistent with the requirements of this chapter and
16 to provide advice regarding formal data release requests. The
17 advisory committees must include in-state representation from key
18 provider, hospital, public health, health maintenance organization,
19 large and small private purchasers, consumer organizations, and the
20 two largest carriers supplying claims data to the database.

21 (6) The lead organization governance structure and advisory
22 committees for this database must include representation of the
23 third-party administrator of the uniform medical plan. A payer,
24 health maintenance organization, or third-party administrator must be
25 a data supplier to the all-payer health care claims database to be
26 represented on the lead organization governance structure or advisory
27 committees.

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

30 (1) The state medicaid program, public employees' benefits board
31 programs, school employees' benefits board programs, all health
32 carriers operating in this state, all third-party administrators
33 paying claims on behalf of health plans in this state, and the state
34 labor and industries program must submit claims data to the database
35 within the time frames established by the director in rule and in
36 accordance with procedures established by the lead organization. The
37 director may expand this requirement by rule to include any health
38 plans or health benefit plans defined in RCW 48.43.005(26) (a)
39 through (i) to accomplish the goals of this chapter set forth in RCW

1 43.371.020(1). Employer-sponsored self-funded health plans and Taft-
2 Hartley trust health plans may voluntarily provide claims data to the
3 database within the time frames and in accordance with procedures
4 established by the lead organization.

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

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

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

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

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

20 (b) The stated purpose of the request and an explanation of how
21 the request supports the goals of this chapter set forth in RCW
22 43.371.020(1);

23 (c) A description of the proposed methodology;

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

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

30 (f) The method by which the data will be ((stored,)) destroyed((
31 ~~or returned to the lead organization~~)) at the conclusion of the data
32 use agreement;

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

36 (h) Consent to the penalties associated with the inappropriate
37 disclosures or uses of direct patient identifiers, indirect patient
38 identifiers, or proprietary financial information adopted under RCW
39 43.371.070(1).

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

6 (3) Except as otherwise required by law, the ((office)) authority
7 shall direct the lead organization and the data vendor to maintain
8 the confidentiality of claims or other data it collects for the
9 database that include proprietary financial information, direct
10 patient identifiers, indirect patient identifiers, or any combination
11 thereof. Any entity that receives claims or other data must also
12 maintain confidentiality and may only release such claims data or any
13 part of the claims data if:

14 (a) The claims data does not contain proprietary financial
15 information, direct patient identifiers, indirect patient
16 identifiers, or any combination thereof; and

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

19 (4) The lead organization shall, in conjunction with the
20 ((office)) authority and the data vendor, create and implement a
21 process to govern levels of access to and use of data from the
22 database consistent with the following:

23 (a) Claims or other data that include proprietary financial
24 information, direct patient identifiers, indirect patient
25 identifiers, unique identifiers, or any combination thereof may be
26 released only to the extent such information is necessary to achieve
27 the goals of this chapter set forth in RCW 43.371.020(1) to
28 researchers with approval of an institutional review board upon
29 receipt of a signed data use and confidentiality agreement with the
30 lead organization. A researcher or research organization that obtains
31 claims data pursuant to this subsection must agree in writing not to
32 disclose such data or parts of the data set to any other party,
33 including affiliated entities, and must consent to the penalties
34 associated with the inappropriate disclosures or uses of direct
35 patient identifiers, indirect patient identifiers, or proprietary
36 financial information adopted under RCW 43.371.070(1).

37 (b) Claims or other data that do not contain direct patient
38 identifiers, but that may contain proprietary financial information,
39 indirect patient identifiers, unique identifiers, or any combination
40 thereof may be released to:

1 (i) Federal, state, tribal, and local government agencies upon
2 receipt of a signed data use agreement with the ((office)) authority
3 and the lead organization. Federal, state, tribal, and local
4 government agencies that obtain claims data pursuant to this
5 subsection are prohibited from using such data in the purchase or
6 procurement of health benefits for their employees; ((and))

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

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

13 (c) Claims or other data that do not contain proprietary
14 financial information, direct patient identifiers, or any combination
15 thereof, but that may contain indirect patient identifiers, unique
16 identifiers, or a combination thereof may be released to agencies,
17 researchers, and other entities as approved by the lead organization
18 upon receipt of a signed data use agreement with the lead
19 organization.

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

23 (5) Reports utilizing data obtained under this section may not
24 contain proprietary financial information, direct patient
25 identifiers, indirect patient identifiers, or any combination
26 thereof. Nothing in this subsection (5) may be construed to prohibit
27 the use of geographic areas with a sufficient population size or
28 aggregate gender, age, medical condition, or other characteristics in
29 the generation of reports, so long as they cannot lead to the
30 identification of an individual.

31 (6) Reports issued by the lead organization at the request of
32 providers, facilities, employers, health plans, and other entities as
33 approved by the lead organization may utilize proprietary financial
34 information to calculate aggregate cost data for display in such
35 reports. The ((office)) authority shall approve by rule a format for
36 the calculation and display of aggregate cost data consistent with
37 this chapter that will prevent the disclosure or determination of
38 proprietary financial information. In developing the rule, the
39 ((office)) authority shall solicit feedback from the stakeholders,
40 including those listed in RCW 43.371.020(5)(h), and must consider, at

1 a minimum, data presented as proportions, ranges, averages, and
2 medians, as well as the differences in types of data gathered and
3 submitted by data suppliers.

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

7 (a) Take steps to protect data containing direct patient
8 identifiers, indirect patient identifiers, proprietary financial
9 information, or any combination thereof as described in the
10 agreement;

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

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

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

19 (e) Consent to the penalties associated with the inappropriate
20 disclosures or uses of direct patient identifiers, indirect patient
21 identifiers, or proprietary financial information adopted under RCW
22 43.371.070(1).

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

25 (1)(a) Under the supervision of and through contract with the
26 (~~office~~) authority, the lead organization shall prepare health care
27 data reports using the database and the statewide health performance
28 and quality measure set. Prior to the lead organization releasing any
29 health care data reports that use claims data, the lead organization
30 must submit the reports to the (~~office~~) authority for review.

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

37 (2)(a) Health care data reports that use claims data prepared by
38 the lead organization for the legislature and the public should

1 promote awareness and transparency in the health care market by
2 reporting on:

3 (i) Whether providers and health systems deliver efficient, high
4 quality care; and

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

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

11 (c) Comparisons of costs among providers and health care systems
12 must account for differences in the case mix and severity of illness
13 of patients and populations, as appropriate and feasible, and must
14 take into consideration the cost impact of subsidization for
15 uninsured and government-sponsored patients, as well as teaching
16 expenses, when feasible with available data.

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

19 (a) Directly or indirectly identify individual patients;

20 (b) Disclose a carrier's proprietary financial information; or

21 (c) Compare performance in a report generated for the general
22 public that includes any provider in a practice with fewer than four
23 providers.

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

26 (a) It allows the data supplier, the hospital, or the provider to
27 verify the accuracy of the information submitted to the data vendor,
28 comment on the reasonableness of conclusions reached, and submit to
29 the lead organization and data vendor any corrections of errors with
30 supporting evidence and comments within thirty days of receipt of the
31 report;

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

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

35 (5) The ((office)) authority and the lead organization may use
36 claims data to identify and make available information on payers,
37 providers, and facilities, but may not use claims data to recommend
38 or incentivize direct contracting between providers and employers.

39 (6) (a) The lead organization shall distinguish in advance to the
40 ((office)) authority when it is operating in its capacity as the lead

1 organization and when it is operating in its capacity as a private
2 entity. Where the lead organization acts in its capacity as a private
3 entity, it may only access data pursuant to RCW 43.371.050(4) (b),
4 (c), or (d).

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

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

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

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

17 (b) Deadlines for submission of claim files;

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

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

22 (e) Procedures for ensuring compliance with state and federal
23 privacy laws;

24 (f) Procedures for establishing appropriate fees;

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

26 (h) Penalties associated with the inappropriate disclosures or
27 uses of direct patient identifiers, indirect patient identifiers, and
28 proprietary financial information; and

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

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

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

35 ~~(1) ((By December 1st of 2016 and 2017, the office shall report~~
36 ~~to the appropriate committees of the legislature regarding the~~
37 ~~development and implementation of the database, including but not~~

1 ~~limited to budget and cost detail, technical progress, and work plan~~
2 ~~metrics.~~

3 ~~(2) Every two years commencing two years following the year in~~
4 ~~which the first report is issued or the first release of data is~~
5 ~~provided from the database, the office)) The authority shall report~~
6 ~~every two years to the appropriate committees of the legislature~~
7 ~~regarding the cost, performance, and effectiveness of the database~~
8 ~~and the performance of the lead organization under its contract with~~
9 ~~the ((office)) authority. Using independent economic expertise,~~
10 ~~subject to appropriation, the report must evaluate whether the~~
11 ~~database has advanced the goals set forth in RCW 43.371.020(1), as~~
12 ~~well as the performance of the lead organization. The report must~~
13 ~~also make recommendations regarding but not limited to how the~~
14 ~~database can be improved, whether the contract for the lead~~
15 ~~organization should be modified, renewed, or terminated, and the~~
16 ~~impact the database has had on competition between and among~~
17 ~~providers, purchasers, and payers.~~

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

22 NEW SECTION. Sec. 9. A new section is added to chapter 43.371
23 RCW to read as follows:

24 (1) To assess and improve performance of the database by state
25 agencies, the authority shall convene a state agency coordinating
26 structure, consisting of state agencies with related data needs and
27 the Washington health benefit exchange to ensure effectiveness of the
28 database and the agencies' programs. The coordinating structure must
29 collaborate in a private/public manner with the lead organization and
30 other partners key to the broader success of the database. The
31 coordinating structure must consult with the authority in any
32 development of database policies and rules, including but not limited
33 to ensuring agency access to the database.

34 (2) The office must participate as a key part of the coordinating
35 structure and evaluate progress towards meeting the goals of the
36 database, and, as necessary, recommend strategies for maintaining and
37 promoting the progress of the database in meeting the intent of this
38 section, and report its findings annually to the legislature. The
39 office must have all necessary access to database processes,

1 procedures, methodologies, and outcomes to perform these functions.

2 The annual review shall assess, at a minimum the following:

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

5 (b) Successful and unsuccessful data requests and outcomes
6 related to agency and nonagency health researchers pursuant to RCW
7 43.371.050(4);

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

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

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

15 (3) To promote the goal of improving health outcomes through
16 better cost and quality information, the authority and the office, in
17 consultation with the agency coordinating structure, lead
18 organization, data vendor, and the performance measurement
19 coordinating committee, must jointly develop an effectiveness review
20 process for the state common measure set as adopted under RCW
21 70.320.030. The office may make recommendations for improvements in
22 the areas evaluated as needed.

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

27 (2)(a) All reports, documents, surveys, books, records, files,
28 papers, or written material necessary for the health care authority
29 to carry out the powers, duties, and functions in chapter 43.371 RCW
30 being transferred from the office of financial management to the
31 health care authority and that are in the possession of the office of
32 financial management must be delivered to the custody of the health
33 care authority. All funds or credits of the office of financial
34 management that are solely for the purposes of fulfilling the powers,
35 duties, and functions in chapter 43.371 RCW shall be assigned to the
36 health care authority.

37 (b) Any specific appropriations made to the office of financial
38 management for the sole purpose of fulfilling the duties, powers, and

1 functions in chapter 43.371 RCW must, on the effective date of this
2 section, be transferred and credited to the health care authority.

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

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

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

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

24 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
25 preservation of the public peace, health, or safety, or support of
26 the state government and its existing public institutions, and takes
27 effect immediately."

28 Correct the title.

EFFECT: Strikes the underlying Senate Bill and restores the provisions of Second Substitute House Bill No. 1776, resulting in the following changes:

(1) Adds a requirement for the Washington State Health Care Authority (HCA) to choose a lead organization from among the best potential bidders.

(2) Prohibits the Health Care Authority from selecting a lead organization that is, or has a controlling interest in, a health plan, hospital, health care provider, or certain third-party administrators working on behalf of a health care purchaser or health insurer.

(3) Removes the requirement that the HCA must ensure no state officer or state employee participating in the procurement process:

(a) Has a conflict with the proper discharge of their duties; or (b) is a member of a bidding organization's board of directors, advisory committee, or similar group.

(4) Adds a requirement that the HCA give preference to lead organization applicants that have experience working with health providers, carriers, and self-insured purchasers in the state.

(5) Removes a provision that claims data collected in the database is owned by the state.

(6) Removes a requirement that the lead organization may not publish any Medicaid data that is in conflict with the biannual Medicaid forecast.

(7) Removes the July 1, 2020, start date for the School Employees Benefits Board to begin providing data to the database.

(8) Removes a requirement that the lead organization and the HCA must provide any person or entity with a signed data use agreement in effect on June 1, 2019, with an option to extend the agreement through June 30, 2020.

(9) Removes the provision that includes Accountable Communities of Health as a partner that the state agency coordinating structure must collaborate with.

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