FINAL BILL REPORT
ESSB 5741

C 319 L 19
Synopsis as Enacted

Brief Description: Making changes to support future operations of the state all payer claims database by transferring the responsibility to the health care authority, partnering with a lead organization with broad data experience, including with self-insured employers, and other changes to improve and ensure successful and sustainable database operations for access to and use of the data to improve health care, providing consumers useful and consistent quality and cost measures, and assess total cost of care in Washington state.

Sponsors: Senate Committee on Health & Long Term Care (originally sponsored by Senators Keiser, Rivers, Frockt and Mullet; by request of Office of Financial Management and Health Care Authority).

Senate Committee on Health & Long Term Care
Senate Committee on Ways & Means
House Committee on Innovation, Technology & Economic Development
House Committee on Appropriations

Background: The 2014 Legislature directed the Office of Financial Management (OFM) to establish a statewide all-payer health care claims database. The goals of the database are to improve transparency to:

- assist patients, providers, and hospitals to make informed choices about care;
- enable providers, hospitals, and communities to benchmark their performance;
- enable purchasers to identify value, build expectations into their purchasing strategies, and reward improvements over time; and
- promote competition based on quality and cost.

The director of OFM is required to select a lead organization to coordinate and manage the database, and the lead organization is responsible for collecting claims data and reporting performance on cost and quality. At the direction of OFM, the lead organization must, among other things:

- design collection mechanisms with consideration for time, cost, and benefits;
- ensure protection of collected data;
- make information from the database available as a resource;
- develop policies to ensure quality of data releases;
- develop a plan for financial sustainability and charge fees; and
- appoint advisory committees on data policy and the data release process.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Data suppliers must submit claims data to the database within the time frames established by OFM and in accordance with procedures established by the lead organization. Claims data includes the following: (1) data related to health care coverage and services funded in the operating budget for Medicaid programs and the Public Employees Benefits Board program; and (2) data voluntarily provided by other data suppliers, including carriers and self-funded employers. An entity that is not a data supplier, but chooses to participate in the database, must require any third-party administrator to release any claims data related to persons receiving health coverage from the entity's plan.

The lead organization must maintain the confidentiality of the data it collects including direct or indirect patient identifiers. Any person who receives data with patient identifiers must also maintain confidentiality and may not release the information. Data with direct or indirect patient identifiers may be released to the following: (1) federal, state, and local government agencies upon receipt of a signed data use agreement; and (2) researchers with approval of an institutional review board upon receipt of a signed confidentiality agreement. Data with indirect patient identifiers may be released to an agency, researcher, and other person upon receipt of a signed data use agreement. Data not containing direct or indirect patient identifiers may be released upon request.

Recipients of data with patient identifiers must agree in a data use agreement and confidentiality agreement to take steps protecting patient identifying information and not re-disclose the data except as authorized in the agreement or as otherwise required by law. Recipients of data may not attempt to determine patients' identity or use the data in a manner identifying individuals or their families.

Under the supervision of OFM, the lead organization must use statewide performance measures and the database to prepare health care data reports. Prior to releasing reports using claims data, the lead organization must submit the reports to OFM for review and approval. Comparisons of costs among systems must account for differences, including acuity of patients.

Summary: The authority and oversight of the all payer claims database (APCD) are moved from OFM to the Health Care Authority (HCA). By July 1, 2019, OFM and HCA must develop a transition plan to sustain operations.

When determining the appropriate lead organization contractor, HCA must consider:
- the organization's degree of experience in health care data collection;
- whether the organization has a long-term self-sustaining model;
- the organization's experience convening stakeholders, especially among groups of health providers, carriers, and self-insured purchasers;
- the organization's experience meeting budget and timelines for reports; and
- the organization's ability to combine cost and quality data, especially among groups of health providers, carriers, and self-insured purchasers.

HCA may not select 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.

In conducting the procurement, HCA must ensure that no officer or employee participating in the procurement process has a conflict with the proper discharge of their duties, or is a member of a bidding organization's board of directors or advisory committee. Any officer or employee with a prohibited relationship must withdraw from the procurement process.

The lead organization is permitted to enter into a contract with multiple data vendors. Any claims data collected by the APCD is owned by the state, and ownership may not be transferred to the lead organization or data vendor through a contract.

Requiring the lead organization to develop a plan for the APCD to be self-sustaining is removed. The lead organization must develop a plan for the financial sustainability of the APCD, as may be reasonable and customary, compared to other states' databases.

Requiring each request for claims data to include the method by which the data will be stored or returned to the lead organization is removed.

Tribal agencies and the Washington Health Benefit Exchange, upon receipt of a signed data use agreement, are permitted to access and use data from the APCD not containing direct patient identifiers, but that may contain proprietary financial information, indirect patient identifiers, or unique identifiers.

Persons and entities with data use agreements in place on June 1, 2019, must be permitted to extend those agreements through June 30, 2020, with the same fee schedule, if the person or entity chooses.

Beginning July 1, 2020, the school employees' benefits board must submit claims data to the APCD.

The lead organization may not publish any Medicaid data that is in conflict with the biannual Medicaid forecast.

HCA is required to report on any grants received to the Legislature annually.

HCA is directed to convene a state agency coordinating structure, consisting of agencies with related data needs, to ensure the database is meeting the needs of state agencies and other data users. The coordinating structure must collaborate in a private or public manner with the lead organization and accountable communities of health, and consult with OFM in any development of database policies and rules. OFM must be a key part of the coordinating structure and evaluate progress towards meeting the goals of the APCD. OFM must annually assess:

- the list of approved agency use case projects;
- successful and unsuccessful data requests;
- on-line data portal access;
- adequacy of data security; and
- timeliness, adequacy, and responsiveness of the APCD regarding requests for access to data.

HCA and OFM, in consultation with the agency coordinating structure, lead organization, data vendor, and the performance management coordinating committee, must jointly develop an effectiveness review process for the state common measure set.

Votes on Final Passage:

Senate	47	1	
House	91	5	(House amended)
Senate			(Senate refused to concur)
House	91	3	(House receded/amended)
Senate	44	1	(Senate concurred)

Effective: May 8, 2019