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HOUSE BILL 1776

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State of Washington

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**By** Representatives Cody, Harris, Macri, Caldier, Robinson, Jinkins, Tarleton, Ormsby, and Slatter; by request of Office of Financial Management and Health Care Authority

Read first time 01/30/19. Referred to Committee on Innovation, Technology & Economic Development.

1 AN ACT Relating to making changes to support future operations of  
2 the state all payer claims database by transferring the  
3 responsibility to the health care authority, partnering with a lead  
4 organization with broad data experience, including with self-insured  
5 employers, and other changes to improve and ensure successful and  
6 sustainable database operations for access to and use of the data to  
7 improve health care, providing consumers useful and consistent  
8 quality and cost measures, and assess total cost of care in  
9 Washington state; amending RCW 43.371.005, 43.371.020, 43.371.030,  
10 43.371.050, 43.371.060, 43.371.070, and 43.371.080; reenacting and  
11 amending RCW 43.371.010; adding a new section to chapter 43.371 RCW;  
12 creating a new section; and declaring an emergency.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

16 The legislature finds that:

17 (1) The activities authorized by this chapter will require  
18 collaboration among state agencies and local governments that  
19 (~~purchase~~) are involved in health care, private health carriers,  
20 third-party purchasers, health care providers, and hospitals. These  
21 activities will identify strategies to increase the quality and

1 effectiveness of health care delivered in Washington state and are  
2 therefore in the best interest of the public.

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

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

17 The definitions in this section apply throughout this chapter  
18 unless the context clearly requires otherwise.

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

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

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

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

32 (5) "Data vendor" means an entity contracted to perform data  
33 collection, processing, aggregation, extracts, analytics, and  
34 reporting.

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

37 (7) "Direct patient identifier" means a data variable that  
38 directly identifies an individual, including: Names; telephone  
39 numbers; fax numbers; social security number; medical record numbers;

1 health plan beneficiary numbers; account numbers; certificate or  
2 license numbers; vehicle identifiers and serial numbers, including  
3 license plate numbers; device identifiers and serial numbers; web  
4 universal resource locators; internet protocol address numbers;  
5 biometric identifiers, including finger and voice prints; and full  
6 face photographic images and any comparable images.

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

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

11 (10) "Lead organization" means the organization selected under  
12 RCW 43.371.020.

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

14 (12) "Proprietary financial information" means claims data or  
15 reports that disclose or would allow the determination of specific  
16 terms of contracts, discounts, or fixed reimbursement arrangements or  
17 other specific reimbursement arrangements between an individual  
18 health care facility or health care provider, as those terms are  
19 defined in RCW 48.43.005, and a specific payer, or internal fee  
20 schedule or other internal pricing mechanism of integrated delivery  
21 systems owned by a carrier.

22 (13) "Unique identifier" means an obfuscated identifier assigned  
23 to an individual represented in the database to establish a basis for  
24 following the individual longitudinally throughout different payers  
25 and encounters in the data without revealing the individual's  
26 identity.

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

29 (1) The office shall establish a statewide all-payer health care  
30 claims database (~~(to)~~). On January 1, 2020, the office must transfer  
31 authority and oversight for the database to the authority. The office  
32 and authority must develop a transition plan that sustains operations  
33 by July 1, 2019. The database shall support transparent public  
34 reporting of health care information. The database must improve  
35 transparency to: Assist patients, providers, and hospitals to make  
36 informed choices about care; enable providers, hospitals, and  
37 communities to improve by benchmarking their performance against that  
38 of others by focusing on best practices; enable purchasers to  
39 identify value, build expectations into their purchasing strategy,

1 and reward improvements over time; and promote competition based on  
2 quality and cost. The database must systematically collect all  
3 medical claims and pharmacy claims from private and public payers,  
4 with data from all settings of care that permit the systematic  
5 analysis of health care delivery.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (a) Collect claims data from data suppliers as provided in RCW  
32 43.371.030;

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

38 (c) Ensure protection of collected data and store and use any  
39 data in a manner that protects patient privacy and complies with this

1 section. All patient-specific information must be deidentified with  
2 an up-to-date industry standard encryption algorithm;

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

7 (e) Report performance on cost and quality pursuant to RCW  
8 43.371.060 using, but not limited to, the performance measures  
9 developed under RCW 41.05.690;

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

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

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

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

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

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

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

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

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

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

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

29 (b) The stated purpose of the request and an explanation of how  
30 the request supports the goals of this chapter set forth in RCW  
31 43.371.020(1);

32 (c) A description of the proposed methodology;

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

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

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

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

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

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

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

24 (a) The claims data does not contain proprietary financial  
25 information, direct patient identifiers, indirect patient  
26 identifiers, or any combination thereof; and

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

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

33 (a) Claims or other data that include proprietary financial  
34 information, direct patient identifiers, indirect patient  
35 identifiers, unique identifiers, or any combination thereof may be  
36 released only to the extent such information is necessary to achieve  
37 the goals of this chapter set forth in RCW 43.371.020(1) to  
38 researchers with approval of an institutional review board upon  
39 receipt of a signed data use and confidentiality agreement with the  
40 lead organization. A researcher or research organization that obtains



1 claims data pursuant to this subsection must agree in writing not to  
2 disclose such data or parts of the data set to any other party,  
3 including affiliated entities, and must consent to the penalties  
4 associated with the inappropriate disclosures or uses of direct  
5 patient identifiers, indirect patient identifiers, or proprietary  
6 financial information adopted under RCW 43.371.070(1).

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

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

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

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

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

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

33 (5) Reports utilizing data obtained under this section may not  
34 contain proprietary financial information, direct patient  
35 identifiers, indirect patient identifiers, or any combination  
36 thereof. Nothing in this subsection (5) may be construed to prohibit  
37 the use of geographic areas with a sufficient population size or  
38 aggregate gender, age, medical condition, or other characteristics in  
39 the generation of reports, so long as they cannot lead to the  
40 identification of an individual.

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

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

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

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

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

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

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

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

35 (1)(a) Under the supervision of and through contract with the  
36 ~~((office))~~ authority, the lead organization shall prepare health care  
37 data reports using the database and the statewide health performance  
38 and quality measure set. Prior to the lead organization releasing any

1 health care data reports that use claims data, the lead organization  
2 must submit the reports to the ((office)) authority for review.

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

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

13 (i) Whether providers and health systems deliver efficient, high  
14 quality care; and

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

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

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

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

29 (a) Directly or indirectly identify individual patients;

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

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

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

36 (a) It allows the data supplier, the hospital, or the provider to  
37 verify the accuracy of the information submitted to the data vendor,  
38 comment on the reasonableness of conclusions reached, and submit to  
39 the lead organization and data vendor any corrections of errors with

1 supporting evidence and comments within thirty days of receipt of the  
2 report;

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

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

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

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

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

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

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

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

28 (b) Deadlines for submission of claim files;

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

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

33 (e) Procedures for ensuring compliance with state and federal  
34 privacy laws;

35 (f) Procedures for establishing appropriate fees;

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

37 (h) Penalties associated with the inappropriate disclosures or  
38 uses of direct patient identifiers, indirect patient identifiers, and  
39 proprietary financial information; and

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

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

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

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

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

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

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

33 (1) To assess and improve performance of the database by state  
34 agencies, the authority shall convene a state agency coordinating  
35 structure, consisting of state agencies with related data needs to  
36 ensure effectiveness of the database and the agencies' programs. The  
37 coordinating structure must collaborate in a private/public manner  
38 with the lead organization and other partners key to the broader

1 success of the database. The coordinating structure must consult with  
2 the authority in any development of database policies and rules,  
3 including but not limited to ensuring agency access to the database.

4 (2) The office must participate as a key part of the coordinating  
5 structure and evaluate progress towards meeting the goals of the  
6 database, and, as necessary, recommend strategies for maintaining and  
7 promoting the progress of the database in meeting the intent of this  
8 section, and report its findings annually to the legislature. The  
9 office must have all necessary access to database processes,  
10 procedures, methodologies, and outcomes to perform these functions.  
11 The annual review shall assess, at a minimum the following:

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

14 (b) Successful and unsuccessful data requests and outcomes  
15 related to agency and nonagency health researchers pursuant to RCW  
16 43.371.050(4);

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

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

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

24 (3) To promote the goal of improving health outcomes through  
25 better cost and quality information, the authority and the office, in  
26 consultation with the agency coordinating structure, lead  
27 organization, data vendor, and the performance measurement  
28 coordinating committee, must jointly develop an effectiveness review  
29 process for the state common measure set as adopted under RCW  
30 70.320.030. The office may make recommendations for improvements in  
31 the areas evaluated as needed.

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

36 (2)(a) All reports, documents, surveys, books, records, files,  
37 papers, or written material necessary for the health care authority  
38 to carry out the powers, duties, and functions in chapter 43.371 RCW  
39 being transferred from the office of financial management to the

1 health care authority and that are in the possession of the office of  
2 financial management must be delivered to the custody of the health  
3 care authority. All funds or credits of the office of financial  
4 management that are solely for the purposes of fulfilling the powers,  
5 duties, and functions in chapter 43.371 RCW shall be assigned to the  
6 health care authority.

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

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

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

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

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

32 NEW SECTION. **Sec. 11.** This act is necessary for the immediate  
33 preservation of the public peace, health, or safety, or support of  
34 the state government and its existing public institutions, and takes  
35 effect immediately.

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