

Washington State

Statewide All-Payer Health Care Claims Database

Report to the Legislature

As required by RCW 43.371.080

Washington State Office of Financial Management
Forecasting and Research Division
December 2017



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Executive summary

This is the second report of the Office of Financial Management's (OFM) progress in establishing the state of Washington's all-payer health care claims database (WA-APCD), as required in Chapter 43.371 RCW.

In 2014, the Legislature directed OFM in Section 10, Chapter 223, Laws of 2014 (House Bill 2572) to establish a statewide all-payer health care claims database to support transparent public reporting of health care information. OFM was charged with creating policy, providing oversight and contracting with the lead organization, which was tasked with coordinating and managing the database.

This report presents a background on the legislation creating the WA-APCD; budget and cost for implementation and reporting; the procurement history from 2015 through 2016; technical progress of implementation, including the procurement, rule-making and quality assurance activities; and current project efforts. To date, major milestones include completion of historical data submission of Group 1 data suppliers, submission of application to become a certified qualified entity by the Centers for Medicare and Medicaid Services, creation of the data policy and data release advisory committees for the WA-APCD, and development of the consumer-facing website Washington HealthCareCompare.

Over the next year, OFM will launch the consumer-facing health care price and quality transparency website and release data to requesters. OFM is now working with other state agencies to coordinate activities related to WA-APCD and health care claims data. OFM is also working with state agencies to gather potential use cases of WA-APCD data and explore potential activities that could benefit from data collected by the WA-APCD, especially on price and health care cost transparency. One potential use is a fuller understanding of pharmacy costs and out-of-pocket costs to consumers, for instance.

OFM is learning about three issues highlighted during current implementation work. First, without state appropriations for the WA-APCD, there is concern about long-term sustainability of the system. Second, the WA-APCD does not stipulate a threshold for the minimum number of covered lives or minimum dollar amount processed in claims to determine eligibility requirements for data suppliers to submit data. OFM will propose legislation seeking authority to establish a minimum threshold in rule. Third, although there are many different structures for state all-payer health care claims databases, the current structure for the WA-APCD, with OFM contracting with a lead organization which then subcontracts with a data vendor, results in confusion among stakeholders. OFM will gather more information over the next year on how the WA-APCD structure could better meet needs of stakeholders and become more efficient.

Introduction and background

In 2014, the Legislature directed OFM in Section 10, Chapter 223, Laws of 2014 (E2SHB 2572) to establish a statewide all-payer health care claims database to improve health care price transparency to:

- Assist patients, providers and hospitals to make informed choices about care;
- Enable providers, hospitals and communities to improve by benchmarking their performance against that of others by focusing on best practice;
- Enable purchasers to identify value, build expectations into their purchasing strategy and reward improvements over time; and
- Promote competition based on quality and cost.

OFM is required in Chapter 43.371 RCW to submit a report to the Legislature by Dec. 1, 2016, and Dec. 1, 2017, that provides the status of the budget and cost, technical progress and work plan metrics for the database. The 2016 report is available on the Washington All-Payer Health Care Claims Database Program website: <http://www.ofm.wa.gov/healthcare/pricetransparency/>.

In establishing the WA-APCD, OFM was charged with creating rules, providing oversight and contracting with the lead organization, which was tasked with coordinating and managing the database. The lead organization's responsibilities also include contracting with a data vendor; ensuring protection of the data; developing a financial sustainability plan, including fees for reports and data files; convening data release and data policy committees; and developing reports from the database, including reporting on the Common Measure Set for Health Care Quality and Cost.

Under the original statute, the WA-APCD was to include covered medical services claims, pharmacy claims, dental claims, member eligibility and enrollment data, and provider data, with certain identifiers from Medicaid, the Public Employees Benefits program and the Washington Department of Labor and Industries eliminated. Commercial health insurance carriers were allowed to voluntarily submit claims data. Use of the data was limited by the restriction that no more than 25 percent of data in a report originate from a data supplier.

The 2015 Legislature amended the statute. Section 2, Chapter 246, Laws of 2015 required OFM to competitively procure for the lead organization, removed the 25 percent reporting restriction and mandated that all health insurance carriers operating in the state and all third-party administrators paying claims on behalf of plans operating in the state submit claims to the database. (Self-funded plans can still voluntarily submit claims data.)

The broad array of data included in the WA-APCD will serve as a valuable resource for many state agencies and other stakeholders. The WA-APCD will be the first opportunity for many stakeholders to access cost information related to health care claims data, including billed, allowed and paid amounts. The WA-APCD Master Patient Identifier creates a means to track individuals across time and health coverage and to identify gaps or changes in coverage. The Master Provider Index creates a unique identifier for each provider and offers a way to link providers with their patients for cost and quality measures at the medical practice level. The WA-APCD provides unique opportunities for the state to track and evaluate many of its health care goals set forth in statewide initiatives, including Healthier Washington and Medicaid transformation initiatives. Working with other state agencies, OFM is gathering potential use cases of the WA-APCD data and will continue to seek coordination in activities that could benefit from data collected by the WA-APCD. In addition, the cost information included in the WA-APCD could help with state efforts to better understand pharmacy costs and out-of-pocket costs to consumers.

Budget and cost

No state funding has been allocated for the implementation of the WA-APCD. Implementation is being funded with \$1.9 million from the two-year, U.S. Department of Health and Human Services CMS Rate Review Cycle III grant to OFM. The Cycle III grant requires the lead organization for the WA-APCD to be a nonprofit or an academic institution.

In 2014, OFM received a two-year CMS Rate Review Cycle IV grant, \$700,000 of which will be used to produce data sets and reports available for sale to the public. Both grants are currently in one-year, no-cost extension periods:

- Cycle III grant original award period: Oct. 1, 2013–Sept. 30, 2015
- Cycle III grant first no-cost extension period: Oct. 1, 2015–Sept. 30, 2016
- Cycle III grant second no-cost extension period: Oct. 1, 2016–Sept. 30, 2017
- Cycle III grant third no-cost extension period: Oct. 1, 2017–Sept. 30, 2018
- Cycle IV grant original award period: Sept. 19, 2014–Sept. 18, 2016
- Cycle IV grant first no-cost extension period: Sept. 19, 2016–Sept. 18, 2017
- Cycle IV grant second no-cost extension period: Sept. 19, 2017–Sept. 18, 2018

As of Sept. 1, 2017, the WA-APCD has spent \$1.3 million from the Cycle III grant and \$110,550 from the Cycle IV grant for implementation.

In addition, the Health Care Authority included \$6.0 million in the CMS State Innovation Model (SIM) grant for support of the WA-APCD. The Legislature appropriated \$4.0 million of these funds in the 2015–17 and 2017–19 biennial budgets for OFM to use for operational enhancements of the WA-APCD, including improvements to data collection and the production of the Washington State Common Measure Set for Health Care Quality and Cost reporting.

As of Oct. 1, 2017, the WA-APCD has spent \$165,175 from the SIM grant to enhance the WA-APCD data collection and production of the Washington State Common Measure Set for Health Care Quality and Cost.

Under the law, the lead organization is required to sustain itself and the WA-APCD through charging of fees for data and data products, securing grants and/or other revenue. OFM has reviewed a draft of the sustainability plan; the final plan will be submitted by December 2017. OFM will assist in pursuing additional funding opportunities, such as grants, Medicaid match, etc.

Technical progress

Procurement

In 2015, OFM began development of the request for proposals (RFP) to procure a lead organization and data vendor. This RFP was released in October 2015 and closed in December 2015. Despite hearing from many interested vendors, OFM received no bids. Following the close of the RFP, OFM staff reached out to several vendors who had expressed interest to determine why they had not submitted proposals.

Vendors identified several common areas of concern:

- The requirement for the lead organization to subcontract with a data vendor and be a nonprofit or academic institution.
- The requirement for the lead organization to assume the full responsibility for self-sustainability of the WA-APCD without an opportunity to determine system feasibility.

- The shortness of the grant funding timeline for implementing the system.

All-payer claims databases are complex, and the WA-APCD had several unique organizational and financial issues. OFM staff addressed these and other concerns in a second procurement that opened April 15, 2016.

For the second procurement, OFM adopted a three-phased approach. In Phase I, bidders were asked to submit written responses to questions about the bidder's ability to meet administrative requirements, minimum mandatory qualifications and experience. Four bidders submitted responses in Phase I, three of whom then passed to Phase II. For Phase II, bidders were invited to an all-day, in-person session to describe their approach and strategy for implementing and operating the WA-APCD. Two bidders were invited to the third and final phase which required the submission of their final written proposals.

The apparently successful bidder was announced July 27, 2016. The Center for Health Systems Effectiveness at Oregon Health and Sciences University (OHSU) was chosen as the lead organization, holding subcontracts with Onpoint Health Data as the data vendor and Forum One as the marketing and website developer. OHSU has been a leader in finding better ways to deliver health care through the effective use of data. It uses econometric and advanced analytic methods and large data sets, most prominently claims, to answer important health care delivery questions. Onpoint Health Data has four decades of experience designing, constructing, managing and analyzing a wide array of health care databases, including the development of the first multi-payer claims database, in Maine, in 1994. Onpoint Health Data has since implemented seven statewide databases. The WA-APCD contract was signed between OFM and OHSU on Oct. 5, 2016.

Rule making

OFM has made significant progress in the development of rules required for establishing the WA-APCD (see Chapter 82-75 WAC). In July 2014, OFM initiated rule making by filing a pre-proposal statement of inquiry (commonly referred to as CR 101) and hosted a general information session to explain the rule-making process. That process was delayed, pending the outcome of the 2015 legislative session, to amend Chapter 43.371 RCW. On May 14, 2015, Gov. Inslee signed Engrossed Substitute Senate Bill 5084 (Section 2, Chapter 246, Laws of 2015), which amended the WA-APCD provisions in Chapter 43.371 RCW related to definitions about data, reporting and pricing of products, responsibilities of OFM and the lead organization, submission to the database and parameters for release of information.

Phase I rule making began in July 2015 and concluded January 2016, with rules effective Feb. 29, 2016. (OFM published background papers for each rule category and posted these on the WA-APCD website at: <http://www.ofm.wa.gov/healthcare/pricetransparency>.) The rules passed in this phase were:

- Definition of claims data, including billed, allowed and paid amounts and such additional information as defined by the OFM director. Required by RCW 43.471.010(3).
- Definitions of claim and data files that data suppliers must submit to the database, including files for covered medical services, pharmacy claims and dental claims; member eligibility and enrollment data; and provider data with necessary identifiers. Required by RCW 43.371.070(1)(a).
- Deadlines for submission of claim files. Required by RCW 43.371.070(1)(b).
- Penalties for failure to submit claim files as required. Required by RCW 43.371.070(1)(c).

Phase II rule making began in February 2016, with the following rules passed on Dec. 2, 2016:

- Procedures for data release. Required by RCW 43.371.070(1)(g).
- Reasons to decline a request for data. Required by RCW 43.371.050(2).

Phase III rule making began in October 2016, with the following rules adopted or in process:

- An amendment to WAC 82-75-060 for the historical data time period because of the delay in procurement. Effective March 10, 2017.
- Penalties associated with inappropriate disclosures or uses of direct patient identifiers, indirect patient identifiers and proprietary financial information. Required by RCW 43.371.070(1)(h)
- Procedures for ensuring that all data received from data suppliers are securely collected and stored in compliance with state and federal law. Required by RCW 43.371.070(1)(d) and effective May 5, 2017.
- A format for the calculation and display of aggregate cost data consistent with the act that will prevent the disclosure or determination of proprietary financial information. Required by RCW 43.371.050(6).
- Procedures for establishing appropriate fees. Required by RCW 43.371.070(1)(f)
- Procedures for ensuring compliance with state and federal privacy laws. Required by RCW 43.371.070(1)(e) and effective May 5, 2017.
- Submission of claims data relating to chemical dependence/substance abuse treatment.
- Procedures for ensuring compliance with the submission of claims, release of data, use of data and destruction of data.

Additional rules may be developed, as needed, as more information is learned through WA-APCD development and implementation.

Quality assurance

The Office of the Chief Information Officer (OCIO) determined that the WA-APCD project required quality assurance. In spring 2016, OFM conducted a procurement and contracted with Stellar Associates, LLC, to provide quality assurance services. Quality assurance reports for the WA-APCD project are available on the [OCIO's website](#), including the Post Implementation Review Report, which was issued Sept. 29, 2017 (see Appendix A).

Work plan metrics

In early October 2016, OFM signed a contract with OHSU to establish the WA-APCD. The contract is performance-based; dates for the completion of the deliverables are outlined in the work plan and will be monitored by OFM. OFM expects WA-APCD data and results becoming available in first quarter 2018. Since the last report, the lead organization has completed several key milestones associated with the project and is progressing according to the timeline.

Data intake

All Group 1 (see Appendix B) data suppliers were registered and began attending onboarding webinars in January 2017. The data submission guide was released to Group 1 data suppliers on Jan. 15, 2017. Data intake for Group 1 data suppliers began on March 15, 2017. All historical data for years 2013–16 and quarters 1 and 2 of 2017 are complete for Group 1 data suppliers (see Appendix C). The WA-APCD currently has more than 4 million covered lives and more than 400 million claims based on this initial data submission.

Group 2 (see Appendix D) data suppliers, which includes stand-alone dental plans and the Department of Labor and Industries, have registered and received the data submission guide. Historical data submission begins for the Group 2 data suppliers on Nov. 15, 2017.

Lead organization management

The lead organization finalized its stakeholder management plan and presented it to OFM in January 2017. As required by RCW 43.371.020(5)(h), the lead organization formed advisory committees on data policy development and data release processes. The advisory committees include in-state representation from key providers, hospitals, public health agencies, health maintenance organizations, large and small private purchasers, consumer organizations and the two largest carriers supplying claims data to the database. The Data Policy Committee began meeting in April 2017 and is providing feedback on the fee schedule for the WA-APCD data products. The Data Release Committee began meeting in July 2017 and is reviewing the data release documents.

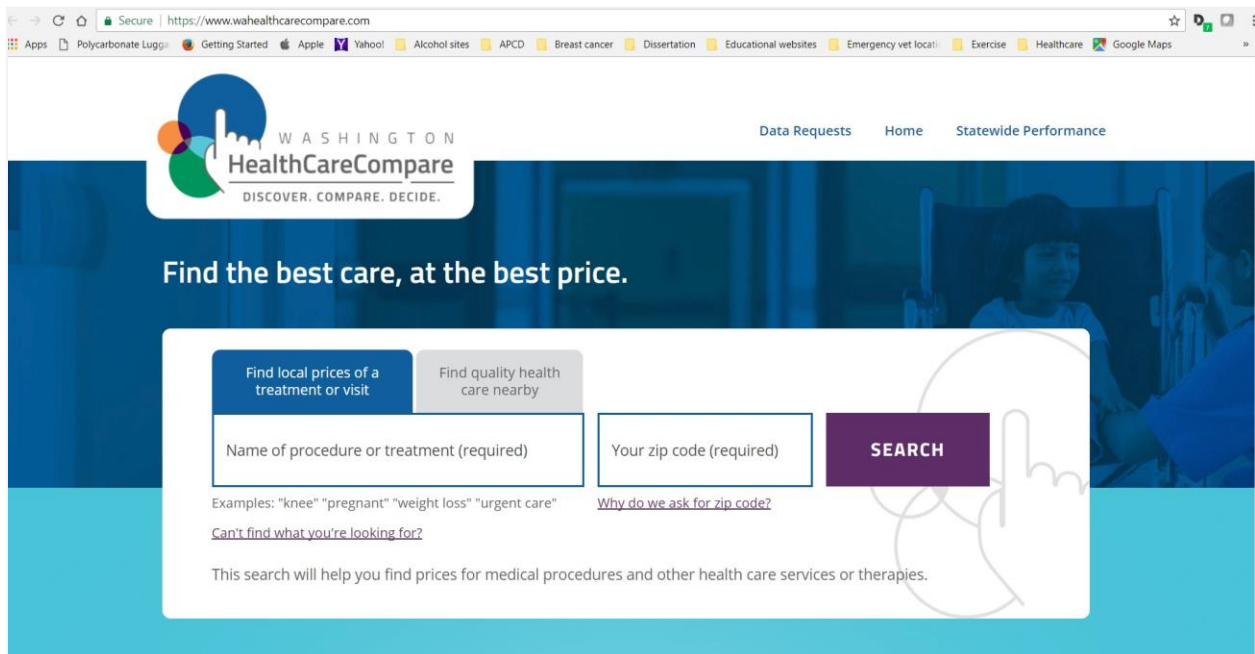
As required by RCW 43.371.020, the lead organization completed and submitted on Sept. 29, 2017, the application to become certified as a qualified entity by the Centers for Medicare and Medicaid Services.

Data processing and publishing

Upon completion of intake of historical data from Group 1, the data vendor began creating the Master Patient Identifier and Master Provider Index, and applying groupers (such as flags for chronic disease). The lead organization working with the data vendor has completed measure scoring and successfully transferred the reporting of the Washington State Common Measure Set for Health Care Quality and Cost.

The Common Measure Set will be published on the consumer-facing website of the WA-APCD Washington HealthCareCompare (See Figure 1). This website will have separate sections for cost of the most commonly shopped procedures, quality measures for provider groups and hospitals, and the Washington State Common Measure Set for Health Care Quality and Cost reported by Accountable Communities of Health (see Figure 2) and insurer market type. The website will be fully accessible for consumers in the first quarter of 2018.

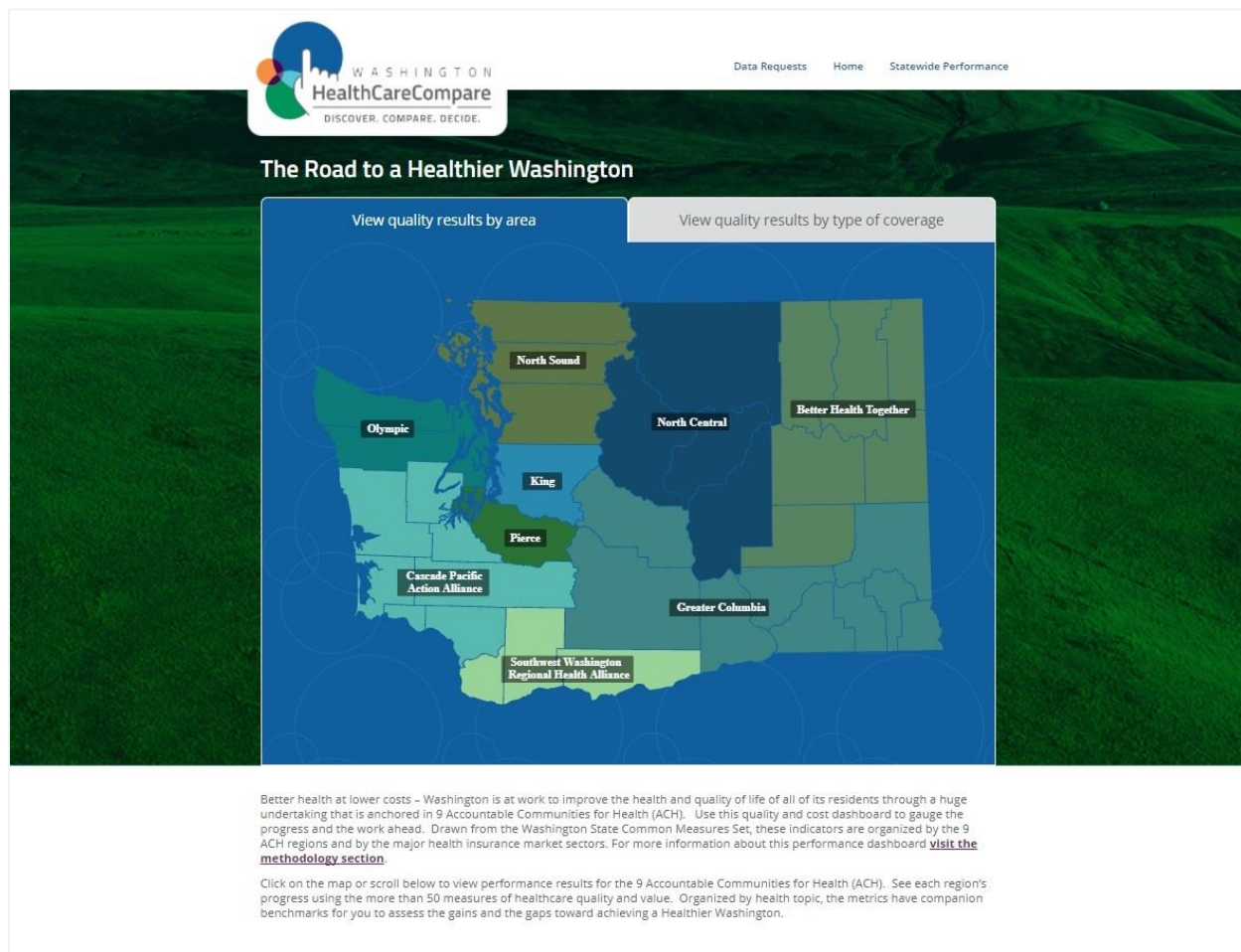
Figure 1. Screenshot of Washington HealthCareCompare website



Current efforts

As of the report writing, the lead organization and data vendor are onboarding Group 2 data suppliers for intake of historical data (years 2013–16) to the WA-APCD. Group 1 data suppliers are completing third quarter 2017 data submissions. The data vendor is preparing a website portal for the review and reconsideration of claims data by providers as required in RCW 43.371.060(4). Providers will have 30 days to review health care claims data assigned to them and provide any updates to the WA-APCD. The website Washington HealthCareCompare is being finalized with content and functionality.

Figure 2. Washington State Common Measure Set Reporting home page



As the WA-APCD has progressed through implementation, several issues have arisen. First, without state appropriations for it, there is concern about long-term sustainability of the system. Many state agencies have provided use cases for the WA-APCD, but have expressed concern about being able to find funding to pay for the data or reports. Second, the WA-APCD does not stipulate a threshold for the minimum number of covered lives or minimum dollar amount processed in claims to determine eligibility requirements for data suppliers to report data. All-payer claims databases in other states have minimum thresholds. OFM is concerned that smaller insurers in the state may be unduly burdened by the requirements of reporting to the WA-APCD. OFM is proposing legislation to give it the authority to establish the minimum threshold in rule. Third, although there are many different structures for state all-payer health care claims databases, the current structure for the WA-APCD, with a lead organization

contracting directly with a data vendor, results in duplication of efforts and confusion among stakeholders. OFM will gather more information over the coming months on how the WA-APCD structure could better meet needs of stakeholders and become more efficient. OFM will continue researching all these issues and keep the Legislature apprised of its findings.

Conclusion

OFM has made significant progress on the development of the WA-APCD since the completion of the first legislatively mandated report in 2016. The WA-APCD has completed initial intake of claims data from Group 1 data suppliers and is preparing to intake claims data from Group 2 data suppliers. OFM has continued development of rules required by statute; additional rules are being developed with stakeholder input. Advisory committees have been formed, are currently meeting and creating processes and procedures for end users to request data and reports. The consumer facing website, Washington HealthCareCompare, is nearing completion and will launch with cost and quality information as well as detailed results for the Washington State Common Measure Set for Health Care Quality and Cost. As more use cases for the WA-APCD are identified, the database is transforming into a valuable state resource that could meet the needs of a diverse group of stakeholders.

**Quality Assurance Post
Implementation Review Report**



Office of Financial Management

**Washington All Payer Health
Care Claims Database
Implementation Project**

Post Implementation Review Report

August - September 2017

Review Period





September 25, 2017

Marc Baldwin, Assistant Director
Office of Financial Management
PO Box 43124
Olympia, WA 98504-3113

**Washington All Payer Health Care Claims Database (WA-APCD) Implementation Project
Quality Assurance Post-Implementation Review Report
August - September 2017**

Dear Mr. Baldwin:

Thank you for the opportunity to provide external quality assurance services for the WA-APCD Project over the past year. We are pleased to provide the final Quality Assurance Post Implementation Review Report for the project summarizing lessons learned that could be repeated or opportunities for improvements that could be applied to projects in the future.

Stellar Associates conducted WA-APCD interviews in August and September 2017 with key participants from the Office of Financial Management, the Oregon Health and Science University, Onpoint, Forum One, and the Office of the Chief Information Officer. The following questions were provided ahead of each interview so participants could reflect on their perspectives related to what the most important success factors have been for the APCD Project.

1. What worked/went well/is a best practice for future projects?
2. What didn't work well/could be improved or should be avoided in future projects, and how could each have been done differently?
3. Was there something that wasn't done, that should be considered for future projects?
4. Are there any lingering concerns or issues that the OFM should be aware of?

The results of this report are based on our professional experience, judgment, and quality assurance methodology and reflect the feedback we received from the interview participants and our own observations. See the attached report for additional details regarding project strengths, opportunities for improvement, and other lessons learned.

Marc Baldwin, Assistant Director
WA-APCD Quality Assurance Close-Out Report
September 25, 2017
Page 2

Thank you again for the opportunity to work with you and the rest of the project team on this successful project. We have enjoyed our time in OFM and have learned a lot about the transparency of health care claims. Please contact me or Melanie Roberts if you have any questions or comments.

Sincerely,



Julie Boyer, Principal
Stellar Associates, LLC



cc: Pat Lashway, OFM
John McConnell, OHSU Executive Sponsor
Thea Mounts, OFM Project Director
Ted von Glahn, OHSU Project Director
Jim Harrison, Onpoint Project Director
Nam-ho Park, Forum One Project Director
Kathy Pickens-Rucker, OCIO

Office of Financial Management

All Payer Health Care Claims Database Project

Quality Assurance Post Implementation Report – September 2017

PROJECT BACKGROUND

The Washington Health Care All Payer Claims Database (WA-APCD) project was created to support Chapter 43.371 RCW which directs the Office of Financial Management (OFM) to establish the database to support transparent public reporting of health care information. The database was intended to support transparent public reporting of health care information. The improved transparency would:

-) Assist patients, providers, and hospitals to make informed choices about care.
-) Enable providers, hospitals, and communities to improve by benchmarking their performance against that of others by focusing on best practices.
-) Enable purchasers to identify value, build expectations into their purchasing strategy, and reward improvements over time.
-) Promote competition based on quality and cost.

The original statute passed in 2014 was not workable. Although the original grant funding was approved in 2013, the OFM was not able to begin work on implementing the new WA-APCD legislation until the revised statute became law in July of 2015. The WA-APCD activities were delayed for reasons completely outside their control. The grant funding extended through September 2016, giving the OFM project staff less than 14 months to complete the deliverables associated with the funding.

The OFM was required to conduct a competitive procurement for services from a lead organization and data vendor to establish the All Payer Health Care Claims Database for the state of Washington. Health care claims data, including proprietary financial information, would be collected from public and private health care payers.

The statute requires the WA-APCD to be self-sustaining by securing grant or other funding and by charging fees for data and data products. The lead organization would be responsible for internal governance, management, funding, and operations of the database. The lead organization had to be a non-profit or academic institution, as required by the grant funding. The data vendor would collect and securely store claims data from specified health care payers including the Medicaid program, the Public Employees Benefits Board program, all health insurance carriers operating in Washington, all third-party administrators paying claims on behalf of health plans in Washington, and the Labor and Industries programs.

Office of Financial Management

All Payer Health Care Claims Database Project

Quality Assurance Post Implementation Report – September 2017

Initiation and Planning

The OFM Division of Forecasting and Research established the WA-APCD Project and conducted the first competitive procurement in late 2015, which did not result in a contract being awarded to any organization. Project staff and the OFM Contracts Office staff redesigned the procurement process to clarify questions raised during the initial procurement and to increase the likelihood of awarding a contract upon completion of the procurement process. In the spring of 2016, the OFM initiated the second competitive procurement to identify the lead organization and the data vendor to coordinate and manage the database. The OFM project staff requested a non-cost extension of the grant in the summer of 2016 to allow adequate time to complete WA-APCD activities. The extension of the grant was approved through September 2017.

The OFM Contracts Office staff and project staff worked together to manage and complete the procurement process and contracted with the Oregon Health and Science University (OHSU) Center for Health Systems Effectiveness (CHSE) as the lead organization in October of 2016 to perform the following services:

-) Establish the WA-APCD system and functional mechanism.
-) Collect and load historical claims data.
-) Establish the lead organization administrative processes and governance activities.
-) Create claims data products to be made available for free use by the public and other data products to sell to support the WA-APCD.
-) Establish the WA-APCD branding and website.
-) Conduct market and outreach activities.
-) Establish reporting for the Washington State Common Measure Set for Health Care Quality and Cost Performance Outcomes and conduct quarterly reporting.
-) Ongoing maintenance and support.

The CHSE contracted with Onpoint, the data vendor, to implement, operate, and maintain the database system. Onpoint responsibilities included data collection, staging, cleansing, transforming, identity matching, de-identifying, storing, retrieval, and manipulation technology and capabilities for the system. Although Onpoint has not had a direct relationship with the OFM, Onpoint had to comply with established state system security and data privacy requirements set by the Office of Cyber Security in the Washington Office of the Chief Information Officer (OCIO).

The CHSE also contracted with Forum One to establish branding for the WA-APCD and to develop a public website with information about the availability, the quality, and the cost

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All Payer Health Care Claims Database Project

Quality Assurance Post Implementation Report – September 2017

of health care services in Washington state. The information contained in the website will be updated periodically based on the data contained in the APCD database system maintained by Onpoint.

The OFM contracted for a professional project manager to lead WA-APCD activities and for quality assurance services. The WA-APCD Project was rated by the Severity/Risk Matrix as a Level 2, which requires adherence to the OCIO policies and standards for projects of this size and complexity.

The project scope was established as the activities and deliverables associated with:

-) Provision of subject matter expertise, planning and design.
-) Establishment and convening of advisory committees.
-) Establishment of the data submission process.
-) Establishment of the WA-APCD system and documentation.
-) Collection and loading of historical claims data from submitters – Group 1 suppliers.
-) Establishment of data processes and criteria.
-) Establishment of the WA-APCD website.
-) CMS Medicare qualified entity application, impacts and recommendations.
-) Report on security and privacy of the WA-APCD and claims data to the state of Washington Office of the Chief Information Officer.

The Investment Plan described the WA-APCD Project as being those activities funded by \$1,900,000 of federal grant money from the Department of Health and Human Services (HHS) Centers for Medicare and Medicaid Services (CMS). Other closely related activities but funded from other grants, such as data collection from Group 2 data suppliers, were considered to be outside the WA-APCD Project but within the WA-APCD Program. The project has been scheduled to end upon completion of the deliverables associated with the CMS Cycle III grant, shown above, on September 30, 2017.

Execution and Implementation

The OFM staff worked collaboratively with the staff from CHSE, Onpoint, and Forum One to create a strong team with common goals and a shared desire to make the Washington APCD successful. Project directors met together weekly to discuss current issues, to identify barriers, and to coordinate resources needed for upcoming deliverables. Similarly, the project managers met together weekly to take a detailed look at the status of work in progress, dependencies between products, and projected completion dates to determine if any adjustments or changes were needed to stay on schedule.

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All Payer Health Care Claims Database Project

Quality Assurance Post Implementation Report – September 2017

The OFM staff established the WA-APCD Executive Steering Committee and began meeting routinely to monitor status of the scope, schedule, and budget. Members of the Executive Steering Committee included the executive sponsor, program director, program manager, and project manager as the voting members of the committee. The non-voting members of the committee included the OCIO liaison, and quality assurance vendor. The project directors from CHSE, Onpoint, and Forum One were often invited to participate or present information to the committee. While this committee was small in numbers, it was effective in governing the project and functioned efficiently.

The OFM staff conducted weekly project management meetings internally and monthly risk management assessments to identify risks and mitigation that could reduce the severity or impact of the risk on the WA-APCD Project. Summary information from these meetings was provided to each Executive Steering Committee meeting.

As planned, a recruitment was conducted for a full-time program manager to begin conducting ongoing WA-APCD program operations and finish up the Cycle III and IV grant activities. The OFM hired an epidemiologist with a background in data management, analysis, and project management to be the WA-APCD Program Manager. Responsibility for rule-making transitioned smoothly to the new program manager.

A month into the contract with the lead organization, the CHSE Project Director resigned unexpectedly and departed with little notice in November 2016. The CHSE Executive Sponsor appointed a contractor with experience working in other states on similar APCD efforts to assume the responsibilities of the project director. The newly appointed project director began work as the data submission guide was released and Group 1 data suppliers reacted negatively to the schedule and requirements established for data submission. This would be the first of many opportunities for the new CHSE Project Director to exhibit his leadership and communications skills and find solutions to potentially divisive issues that threatened to delay or derail progress within the WA-APCD Project.

Simultaneously, the CHSE struggled to produce early deliverables defined in the contract between the CHSE and OFM including a detailed project plan with due dates, dependencies, and owners for the tasks that could be used to monitor and report on the status of the work being accomplished. Project staffing resources had been significantly underestimated and overcommitted within the lead organization. In early 2017, the CHSE added project management expertise and program expertise to accomplish the work occurring in the lead organization.

Office of Financial Management

All Payer Health Care Claims Database Project

Quality Assurance Post Implementation Report – September 2017

While slow to begin, deliverables began to emerge that were timely and of good quality. A process to track the status of deliverables was developed between the OFM and CHSE project managers and payments for accepted deliverables began in February 2017.

Project staff have worked closely with the Washington State Office of Cyber-Security (OCS) to ensure the WA-APCD system meets state security requirements. The OCS conducted the initial security design review and authorized Onpoint to proceed with data collection in the spring of 2017. Onpoint and Forum One provided additional details to the OCS to explain the functionality of the WA-APCD website and obtain authorization for Forum One to make the functionality available to the general public.

Project staff are also providing the OCS with details on the review and reconsideration process, the planned Enclave development, and the eventual release of data from the WA-APCD database to data requestors beginning in 2018. The OFM project staff have helped facilitate these interactions with the OCS staff and supply CHSE, Onpoint, and Forum One staff with any guidelines or requirements regarding data privacy and security that were available from OCS. The OCS guidelines and requirements are not static and are frequently updated. This has created some difficulty for project staff as they try to follow the guidelines and meet all the requirements that apply to the WA-APCD Project in some way.

The CHSE project staff established both the Data Policy and Data Release Advisory Committees and have conducted multiple meetings to discuss policy options and to gather suggestions and comments from industry representatives who participate in the meetings. With few exceptions, the organizations offered an opportunity to participate as a member of one of the advisory committees have quickly identified their representative and have been actively participating in committee activities. The suggestions and comments from committee members are used to guide rule-making, policy development, and procedures within the WA-APCD Program.

Data submission for the Group 1 data suppliers is materially complete. This represents health care claims and the associated costs for the majority of Washington residents from 2013 through 2016 and for the two quarters of 2017. Health care providers will be given the opportunity to review the data submitted and request correction of inaccuracies before the data becomes part of the WA-APCD database. Group 2 data suppliers, who represent the remainder of the data suppliers who are mandated to submit data, have registered with Onpoint, are learning about how to submit data, and beginning to submit

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their historical data. The Group 2 data submission process has been improved based on lessons learned during the same process with Group 1.

The OFM project staff requested another no-cost extension of the grant funding in the summer of 2017. The extension was approved through September 2018. Prior to submitting the request for the no-cost extension, project managers developed a contingency plan to accelerate completion of the deliverables associated with the grant based on the uncertainty of even being able to request an extension from CMS, let alone have it approved.

The WA-APCD Project is considered complete and operations are now transitioning into the ongoing WA-APCD Program.

SUMMARY OF STRENGTHS AND IMPROVEMENT OPPORTUNITIES

Project Strengths

The WA-APCD Project was successful due to:

1. Strong relationships developed between individual team members built trusting partnerships with good synergy, mutual respect, and a shared vision of creating the WA-APCD to meet its statutory requirements and goals of improving transparency about the cost and quality of health care in Washington.
 -) The OFM project staff set the tone with their leadership, sharing their vision for the WA-APCD, being open, and by taking analytical approach to resolving an issue. They didn't react until they gathered the facts and determined what has happened and why.
 -) The OFM staff kept up with the political environment in which the WA-APCD exists and helped explain behaviors or interests that were unusual to the contractors.
 -) Project staff with strong work ethic were personally committed to making the WA-APCD successful, regardless of their role in the project.
2. Changes made to the traditional competitive procurement process that considered feedback received from interested organizations and used a gated approach from one stage to the next. OFM staff:
 -) Identified organizations that might be interested in competing for the work either as the lead organization or the data vendor.

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- J Conducted vendor conferences to explain what was needed by the state for the WA-APCD.
 - J Asked potential vendors for feedback about the process, the approach, and information that would be beneficial explaining the WA-APCD.
 - J Repeatedly solicited questions from vendors and provided thorough answers about the WA-APCD.
 - J Asked other state agencies for feedback about the procurement process, the approach, and information that would be beneficial explaining the WA-APCD.
 - J Provided a list of the deliverables expected from contractor.
 - J Identified and secured resources needed to support procurement process.
3. Streamlined governance structure and compact size of the steering committee.
 4. Availability of WA-APCD experts with first-hand knowledge of similar efforts in other states was invaluable. The program should deliberately mine that knowledge and take advantage of what they learn as they proceed.
 - J Database design, data submission, cleansing, and analysis expertise of the Onpoint staff was extraordinary.
 - J Policy and program development expertise of the CHSE project director was extraordinary.
 5. Knowing that the WA-APCD is intended to be self-sustaining, project leaders have proactively looked for options to help support the ongoing cost of the WA-APCD beyond the sale of data products. Project leaders have identified a potential funding source using federal Medicaid funds, which is being done in other states to support their APCD, and are actively discussing this option with decision makers.
 - J Project leaders do not believe that the WA-APCD database and public website maintenance and operations costs can be self-sustaining yet based solely on the sale of data products. Other state APCD programs are not yet self-sustaining, although working toward that goal.
 6. Approach to rule-making was effective, providing a strawman version of the rules in advance of filing CR 102 allowed better interaction with stakeholders about the impact and intent of draft rules.
 - J A time line for rule-making was established, prioritizing the work, and announcing when the public could expect to see draft rules.

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7. Having full-time project management expertise on the OFM project team kept things moving forward and helped other project team members understand how to use a tool or process and why it was needed.
 -) The OFM project manager insisted on recurring meetings with appropriate project team members, pre-set agenda items, and assignment tracking, and kept upcoming due dates or barriers for deliverables as the primary focus of project management meetings.
 -) The OFM project manager was tenacious and relentless in making sure everyone was on the same page, working toward the same result, and being successful.
8. Receiving helpful expertise and assistance provided by the OCIO Liaison.
9. Communicating about the WA-APCD current and upcoming rule-making activities with stakeholders who were on the WA-APCD Listserv was essential.
10. Keeping decision makers and industry representatives apprised of WA-APCD activities and progress by developing and following communication and stakeholder management plans. These plans are essential to being able to deliver the right message to the right people at the right time about the WA-APCD.
11. Establishing some contingency funding within the WA-APCD budget to cover unexpected costs or to allow for changes in the scope of the project.

Suggested Opportunities for Improvement on the Next Project

1. Security requirements and the design review process need to be better defined and documented by OCS for reference and planning purposes for any technology project.
 -) Without having their own chief information officer, the OFM staff rely on WaTech staff to provide expertise and support for technology issues. As part of this written agreement, the OCS staff, like other WaTech staff, should take a consultative approach to their role instead of a directive, **gotcha** approach to their role to help OFM's projects improve security associated with state systems and assist in compliance with the requirements.
2. Organizational support from other executive cabinet agencies should be established as early on in a project as possible to avoid misalignment between statewide policies or programs.

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- J Project participants outside OFM expressed confusion about the lack of support for the governor requested WA-APCD legislation, the establishment of the database as outlined in the statute, and the use of data or data products from the database. Participants believed that any question about alignment with state statutes should be quickly escalated by project leaders and addressed between agency executives. Without clarification, state agencies may be duplicating efforts or even working at cross purposes.
 - J Create a forum to keep other agencies impacted by the project apprised of the progress being made, the issues being address, and the expected outcomes from the project.
3. Establish what tools will be used for project management, responsibilities for maintenance, and expectations for reporting by all project managers from the start of the project.
 - J The project schedule had many deliverables that involved staff and resources from more than one organization and it was difficult to determine who was doing what from the schedule, which is one purpose of the schedule.
 - J Staff from CHSE, Onpoint, Forum One, and OFM spent significant time working on the schedule for months without producing a useable product.
 4. At least one of the OFM project team members should be on the RFP evaluation team during the procurement process to represent the interests of the project and OFM.
 5. With the OFM, CHSE, Onpoint, and Forum One all involved in this complex project, spend as much time as necessary to explain the roles and responsibilities of each one internally and with stakeholders externally to reduce confusion and improve operations.
 6. When more than one organization is involved as the vendor, communication can be complicated between the vendors themselves and with the OFM requiring more time and attention than a straight-forward, one contract, one vendor situation.
 7. Plan for communication between multiple vendors and with the OFM to take more time and resources than normally expected or planned. As new processes unfold, like the data submission process or the review and reconsideration process, spend more time explaining what will be happening, how it will be monitored, who will

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report on the progress being made, and what barriers may be encountered along the way.

8. Recognize the need within each vendor and the OFM for additional resources if staff become overcommitted and have inadequate bandwidth to accomplish the assigned work within the time planned.
 -) Additional legal expertise would have been helpful when the OFM legal staff were assigned to other priorities.
 -) Additional expertise would have been helpful when the existing CHSE staff were overcommitted and had inadequate bandwidth to accomplish the assigned work in the time allowed.
9. Having artificial end dates set by the end of the grant funding without any contingency time, adds risk to any project and can compromise the quality of the results.
 -) Avoid setting completion dates, whenever possible, for deliverables without completing adequate planning and detailed scheduling to support getting the work done.
 -) Understand the trade-offs associated with grant money that is tied to specific results by a specific point in time.
 -) The CMS grant application was not developed by any of the project staff or even within the OFM, adding to the difficulty associated with producing specific results by a specific point in time.
10. In addition to having deliverables defined in the contract, a short description of the product or deliverable would have saved significant time and effort for the entire project. The value of the descriptions, often referred to as deliverable expectation documents, would have off-set the cost of preparation, benefitting the vendors preparing the product or deliverable, and reducing frustration for staff developing and reviewing products.
11. Build in time for communication with those individuals or organizations that will be using any public website to determine how best to organize, present, and market complicated data from the WA-APCD.
 -) If a usability study had been conducted with consumers who will use the website, web site developers would know how to address the interests, preferences, and current information sources of potential users.

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- J If a professional marketing plan was developed that incorporated the results of a usability study, the launch of the public website and announcement of the availability of WA-APCD generated reports and products would increase the likelihood of success.
12. Contract negotiations could have been shortened if individuals with the authority to commit OHSU had been part of the negotiations. The OHSU legal staff did not participate in the negotiations but had to approve the contract language agreed to during negotiations between the OFM and OHSU staff. This was not an efficient use of resources for either organization and should be avoided in the future.

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LESSONS LEARNED

The following lessons learned are ones that worked well and should be considered as the WA-APCD moves out of project mode and into ongoing operational mode. Some of the lessons learned may apply to future projects, others were surprises encountered along the way that may need to be addressed as soon as they occur, and finally, other areas that could have been improved within the project. We have labeled each lesson learned in these three categories:



Went Well / Should Be Repeated



Surprises Encountered Along the Way / Address Early if Possible



Opportunities to Improve



Continue to be attentive to the significance of Washington taking the most transparent approach of any state working on some type of an all payer health care claims database to having cost data submitted along with services data by all health care providers.

-) There will always be a natural tension between promoting public transparency and protecting closely held pricing information about health care services.
-) Pay close attention to all reactions when WA-APCD data is being released to individuals or organizations who could use it for a variety of purposes.



Having strong, committed leaders who share a vision for project success can overcome many unexpected challenges including turnover of a project director in the first 6 weeks of the contract, lack of adequate staff to perform the agreed upon work, lack of support by other state agencies for the WA-APCD Project, and a compressed timeframe to accomplish the results associated with the grant funding.



The agreement OFM has with WaTech to provide information technology expertise that would normally be provided by a chief information officer within the agency does not meet the needs of OFM's projects related to security requirements and guidelines.

-) The WA-APCD Project apprised WaTech of its new system plans as the procurement progressed for the lead organization and data vendor through the

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involvement with the OCIO liaison and by having one of the OCS staff as an evaluator of the proposals and reviewer of the contract.

-) Although the WA-APCD Project asked for security requirements and guidelines in advance of the security design review to provide the lead organization and the data vendor with an opportunity to prepare for the review and address any gaps, additional requirements and guidelines emerged during the design review process that had not been shared earlier.

▲ The OFM project leaders should address concerns that threaten the long-term success of the WA-APCD raised by project directors or escalate the issues to other decision makers.

-) The lack of alignment within cabinet agencies has presented project directors with challenges that they cannot overcome by themselves.
-) Despite offering invaluable data that cannot be obtained anywhere else, at least one state agency exhibits little support for the WA-APCD.

★ Outreach to industry representatives, vendors, and potential vendors after the initial failed procurement was very informative for staff preparing the next RFP and designing the competitive procurement process.

-) Organizations who had seen the previous procurement documents shared their concerns and questions about what results were expected, what roles and responsibilities would be assigned, why there were any restrictions placed on the lead organization, who would have responsibility for the security of the data collected, and what alternatives might be available to the self-sustaining requirement.
-) Staff initiating the inquiries listened carefully to the feedback and considered what changes could be made in the procurement process.
-) The second procurement might not have been successful without the extensive outreach that occurred in advance of beginning the procurement process in 2016.

▲ There is no substitute for experienced project managers working collaboratively in each of the organizations involved in the project to make things run smoothly and increase the likelihood of success for the project. Given the compressed time line and the many deliverables associated with the CMS Cycle III grant, experienced project managers should have been secured in each organization to organize and guide the work. Clear roles and responsibilities for each project manager are required when

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multiple organizations are involved in the work to avoid redundancy and promote efficiency. Seek project management candidates with the expertise to fit the complexity of the project and the temperament to fit the culture of the project.

▲ Establish project management controls that fit the size and complexity of the project. Use a common set of standards tools and processes for similar project, considering the location and time zone of all project participants. Adopt consistent meeting management practices and apply them to all meetings.

▲ Allow adequate time to recruit, hire, and train adequate staff to perform the work. Staff need time to come up to speed on the project and the processes and will not be fully productive on day one.

) Recruitment and hiring take effort and never happen as quickly as planned.

) Don't overcommit to having contract deliverables done too soon.

) Load available resources into the project schedule to determine if they are adequate to complete the tasks.

Appendices:

Appendix A – Summary of Quality Assurance Recommendations

Appendix B – Summary of Risk Ratings by Category

Appendix C – List of Interview Participants

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APPENDIX A

Summary of Quality Assurance Recommendations

ID#	Date Offered	Current Status	Description	QA Recommendation	Impact
#1	6/2016	Completed and Closed 1/2017	The project lacks a stakeholder management plan to guide their efforts for communication and meet the needs of key stakeholders	<i>The WA-APCD Project Director should lead the development and implementation of a stakeholder management plan in order to understand and meet the needs of key stakeholders and increase the likelihood of success for the project.</i>	Completion of the stakeholder management plan will benefit the project in multiple ways.
#2	11/2016	Completed and Closed 3/2017	The OHSU lacks an adequate level of project management capability to lead the WA-APCD project.	<i>The OFM Project Director should request a plan from the OHSU Project Director outlining how and when they intend to increase their project management capabilities, to finish the work plan and detailed schedule, to begin reporting on the status of each contract deliverable due in the next 60 days, and to lead project management activities for the WA-APCD going forward.</i>	Having a plan from OHSU on increasing project management capabilities and leadership will provide the OFM assurance that the WA-APCD activities will be completed successfully and reduce the risk of unexpected outcomes.

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APPENDIX B

Summary of Quality Assurance Risk Assessments

QA Assessment Area	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	April 2017	May 2017	June 2017	July 2017
Overall Project Health and Environment	Mod	Mod	Mod	Mod	Mod	Mod	Mod	Low	Low	Low	Low	Low
Project Integration Management	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Scope Management	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Time Management	Low	Mod	Mod	High	Mod	Mod	Mod	Mod	Mod	Mod	Mod	Low
Cost Management	Mod	Mod	Mod	Mod	Mod	Low	Low	Low	Low	Low	Low	Low
Human Resources Management	Low	Low	Low	Mod	Mod	Mod	Mod	Low	Low	Low	Low	Low
Quality Management	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Risk Management	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Communications Management	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Procurement Management	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Stakeholder Management	High	High	High	High	Mod	Low	Low	Low	Low	Low	Low	Low

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APPENDIX C

Post Implementation Review Interview Participants

The following people contributed to the report through their interviews.

Thank you for your thoughtful comments, insights, and observations.

Marc Baldwin, OFM Executive Sponsor

Thea Mounts, OFM Program Director

Mandy Stahre, OFM Program Manager

Christina McDougall, OFM Project Manager

Roselyn Marcus, OFM Assistant Director, Legal and Legislative Affairs

John McConnell, CHSE Executive Sponsor

Ted von Glahn, CHSE Project Director

Lorie Geryk, CHSE Project Manager

Ruth Rowland, CHSE Project Analyst

Jim Harrison, Onpoint Project Director

Jeff Spaulding, Onpoint Project Manager

Nam-ho Park, Forum One Project Director

Bridget Veerhoff, Forum One Project Manager

Kathy Pickens-Rucker, OCIO Consultant

Appendix B: Group 1 data suppliers

Aetna Health Plan Inc.	HealthSmart Benefits Solution	Providence Health Assurance
Aetna Life Insurance Company	Health Alliance Northwest Health Plan	Providence Health Plan
Amerigroup Washington, Inc.	Health Care Authority: Medicaid	Regence Blue Cross Blue Shield of Oregon
Asuris Northwest Health	Health Care Authority: PEBB (carrier supplied data)	Regence Blue Shield of Idaho
Bridgespan	Health Net of Oregon	Regence BlueShield
Cigna Health & Life Insurance Company	Humana Health Plan, Inc.	Sierra Health & Life
Community Health Plan of Washington	Humana Insurance Company	SilverScript Insurance Company
Connecticut General Life Insurance	HealthSmart Benefit Solutions	United Healthcare Community Plan
Coordinated Care Corporation	Kaiser Foundation Health Plan of the Northwest	United Healthcare Insurance Company
Coventry Health & Life	LifeWise Assurance Company	United HealthCare of Washington, Inc.
CVS Caremark	LifeWise Health Plan of Washington	Wellcare Prescriptions Insurance
Envision Pharmaceutical Services	Molina Healthcare of Washington	
Group Health Cooperative	Premera Blue Cross	

Appendix C: Data supplier submission status through second quarter 2017

	2013	2014	2015	2016	2017 Q1	2017 Q2
Aetna Life Insurance Company (includes Medicare)		X	X	X	X	X
Cambia (includes Asuris Northwest Health, Bridgespan, Regence Blue Shield of Oregon, Regence Blue Shield of Idaho, Regence Blue Shield)	X	X	X	X	X	X
Cigna Health and Life Insurance Company (includes Connecticut General Life Insurance)	X	X	X	X	X	X
Community Health Plan of Washington	X	X	X	X	X	X
Coordinated Care	X	X	X	X	X	X
CVS Health (includes SilverScript)						
Envision Pharmaceutical Services	X	X	X	X	X	X
HealthSmart Benefit Solution	X	X	X	X	X	X
Health Alliance Northwest Health Plan		X	X	X	X	X
Health Care Authority	X	X	X	X	X	X
Health Net of Oregon	X	X	X	X	X	X
Humana Health Plan, Inc.	X	X	X	X	X	X
Humana Insurance Company	X	X	X	X	X	X
Kaiser Foundation Health Plan of the Northwest		X	X	X	X	X
Kaiser Permanente (formerly Group Health Cooperative)	X	X	X	X	X	X
Molina Healthcare of Washington	X	X	X	X	X	X
Premera Blue Cross (includes LifeWise Assurance Company and LifeWise Health Plan of Washington)	X	X	X	X	X	X
Providence Health Assurance	X	X	X	X	X	X
Providence Health Plan	X	X	X	X	X	X
Sierra Health and Life			X	X	X	X
United Behavioral Health		X	X	X	X	X
United Healthcare Insurance Company (Dental, Medicare-Retirement, Student Resources, Medicaid)	X	X	X	X	X	X
United Healthcare of Washington, Inc.	X	X	X	X	X	X
Wellcare Prescriptions Insurance	X	X	X			

Appendix D: Group 2 data suppliers

Ameritas Life Insurance Corp.	Lincoln National Life Insurance Company	Soundpath Health
Cigna Dental Managed Care	MaxorPlus, Ltd	Standard Insurance Company
Delta Dental of Washington	Metropolitan Life Insurance Company	Time Insurance
Dental Health Services	Navitus Health Solutions	WA Dept. of Labor and Industries
Dentegra Insurance Company	Principal Life Insurance Company	Willamette Dental of Washington, Inc.
Guardian Life Insurance Company of America	Reliance Standard Life Insurance Company	
LifeMap Assurance Company	Scion Dental, Inc.	

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