

Appendix K
SOW#2
To
OFM RFP #15-1400

Statement of Work Number 2
to
Contract Number [XXX-XXX-XXX](Contract)
for
Washington All Payer Health Care Claims Database

This Statement of Work (SOW) is made and entered by and between the Office of Financial Management (“OFM”), and *[Legal Name of successful Bidder]* (“Lead Organization”), and is subject to the terms and conditions of Contract Number *[XXX-XXX-XXX]* in effect between the OFM and the Lead Organization.

OFM and Lead Organization agree as set forth herein.

Chapter 246 Laws of 2015¹ (WA-APCD Law) requires the Lead Organization to be responsible for internal governance, management, funding and operations of the state of WA-APCD. This law also requires that the Lead Organization enter into a contract with a Data Vendor to perform data collection, processing, aggregation, extracts, and analytics. The Subcontracted Data Vendor shall be the only entity allowed to perform the functions assigned to it by law. The Lead Organization shall perform only those functions directed or allowed by law or OFM rule.

As set forth in the Contract, any and all Subcontractors working under this SOW must be approved by OFM in writing prior to starting work.

This SOW is undertaken to meet the requirements and deliverables under the CMS Rate Review Cycle IV grant.

The Lead Organization and Data Vendor shall adhere to each of the requirements attached to the CMS Rate Review Cycle IV funding in 1) the Funding Opportunity Announcement (Appendix F, *The Health Insurance Rate Review Grant Program Cycle IV FOA* to the RFP) and 2) in the Notice of Award (Appendix G, *The Health Insurance Rate Review Grant Program Cycle IV Terms and Conditions* to the RFP).

1. Project or Task Objectives

The purpose of this SOW is to complete the following objectives:

¹ <http://lawfilesexxt.leg.wa.gov/biennium/2015-16/Pdf/Bills/Session%20Laws/Senate/5084-S.SL.pdf>

2. Collect and load the Phase 2 historical claims data and transfer mechanisms
3. Create health care cost claims data sets that are made available to the general public to access at no cost through the WA-APCD website
4. Create health care cost claims data sets that are made available for sale to support the sustainability of the WA-APCD Data Center

5. Scope of Work and Deliverables

Lead Organization shall provide Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

The Lead Organization will work collaboratively with OFM to inform the work conducted and to arrive at the content for each of the deliverables in this SOW.

Project Management

The Lead Organization shall provide project management for the duration of this SOW that includes, but is not limited to:

1. Maintaining an Integrated Work Plan and Schedule of all activities under SOW #1 and concurrently SOW #2 required to complete the work and deliver the results described in each SOW. The Integrated Work Plan must include:
 - all deliverables in SOW #1 and in SOW #2;
 - all major implementation deliverables of the Data Vendor from SOW #1 and SOW #2;
 - collaboration events with OFM to identify and agree upon the content of data product deliverables;
 - a minimum of ten (10) working days for OFM to review each draft deliverable and an additional minimum of five (5) working days to review and accept each final deliverable prior to payment for such deliverable;
 - all final deliverables must be accepted by OFM in writing prior to invoicing for payment
 - milestones at a detailed enough level so that activity progress may be tracked.
2. Conducting risk and issue management.
3. Resolving all issues identified by OFM on draft deliverables and integrating any agreed upon solutions into the final deliverables or working with OFM to identify alternative ways to meet OFM's concerns that are agreeable to OFM.
4. Keeping current the Integrated Work Plan and Schedule of all deliverables and milestones under SOWs #1 and #2
5. Tracking progress against SOW #1 and SOW #2 work plans for each deliverable
6. Providing status reports to OFM's Contract Manager every two (2) weeks for the duration of SOW #1 and #2 that include the progress toward and status of each deliverable, accomplishments for the period, planned activities for the upcoming period, risk management findings and revised Integrated Work Plan and Schedule (if applicable)

Deliverables

1. Voluntary Data Request

The Lead Organization shall work collaboratively with OFM to identify self-insured organizations and request from them voluntary submission of health care claims data for inclusion in the WA-APCD, as allowed by the WA-APCD Law. Historical and ongoing data submissions must be requested.

2. Collect and Load Phase 2 Historical Claims Data from Submitters

Phase 2 of data collection shall cover calendar years 2011 up to the most recent reporting period, or as otherwise required by OFM rule. The data must be loaded into the WA-APCD by the Lead Organization's Data Vendor. Regardless of the actual historical claims data date ranges, the data to be collected shall include data from the following data submitters:

- i. Public Data
 1. Public Employees – Medicare Supplemental
 2. Workers Compensation – submitted by the Washington state Department of Labor and Industry
- ii. Remaining Commercial Data (if any)
- iii. Voluntary Data, as available
- iv. Any additional suppliers identified in rule

The data must be ready for use no later than the end of the Cycle IV grant.

At the direction of OFM, and to the extent necessary and agreed upon to collect and load Phase 2 claims data, the Lead Organization and the Data Vendor will, as appropriate and as required in the WA-APCD law, work together to:

- a. Collect, Transfer and, Stage Data. The Lead Organization shall, at a minimum:
 - i. Work with the Data Vendor to design data collection mechanisms with consideration for the time and cost incurred by data suppliers and others in submission and collection and the benefits that measurement would achieve, ensuring the data submitted meet quality standards and are reviewed for quality assurance
 - ii. Use the secure Data Submission Process and Data Submission Guide to collect and transfer data
- b. Cleanse and Perform Quality Assurance of Data. The Lead Organization shall, at a minimum:
 - i. Review data submitters' files according to standards established by OFM
 - ii. Assess each record's alignment with established format, frequency, and consistency criteria
 - iii. Maintain responsibility for quality assurance, including, but not limited to:
 - 1) Accuracy and validity of data suppliers' data
 - 2) Accuracy of dates of service spans
 - 3) Consistency of record layout and counts

- 4) Identification of duplicate records
- 5) De-duplication of the data as necessary
- vi. Demonstrate internal controls and affiliations with separate organizations as appropriate to ensure safe data collection, security of the data with state of the art encryption methods, actuarial support, and data review for accuracy and quality assurance
- c. Identity Match, Longitudinalize and Unique Identifier. Lead Organization shall:
 - i. Perform identity matching on claims data with existing individuals in the WA-APCD
 - ii. Longitudinalize the data by matching individuals' claims over the time span of all data and across all payers
 - iii. Assign unique identifiers as defined in RCW 43.371.010 as modified by Chapter 246, Laws of 2015, to individuals represented in the database.
- d. Load and Store Data. Lead Organization shall:
 - i. Store data on secure servers that are compliant with the federal Health Insurance Portability and Accountability Act (HIPAA) and regulations, with access to the data strictly controlled and limited to staff with appropriate training, clearance, and background checks
 - ii. Ensure that no claims data is purged from the system except as otherwise required by law or directed by OFM.
- e. Ensure Security and Privacy of Data and the System

At the direction of OFM, the Lead Organization shall work with the Data Vendor to ensure all patient-specific information is encrypted with an up-to-date industry standard algorithm.

The Data Vendor shall follow the security policies laid out in the state of Washington's WA-Tech Office of the Chief Information Officer's Policy 141 – Securing Information Technology Assets <https://ocio.wa.gov/policies/141-securing-information-technology-assets>

The Lead Organization shall:

- i. Demonstrate internal controls and affiliations with separate organizations as appropriate to ensure safe data collection, security of the data with state of the art encryption methods, actuarial support, and data review for accuracy and quality assurance
- ii. Maintain state of the art security standards for transferring data to approved data requestors
- iii. At the direction of OFM, work with the Data Vendor to ensure protection of collected data and store and use any data in a manner that protects patient privacy and complies with Chapter 246, Laws of 2015, Section 2

- iv. Except as otherwise required by law, with the Data Vendor maintain the confidentiality of claims and other data it collects for the database that include proprietary financial information, direct patient identifiers, indirect patient identifiers, or any combination thereof.
- v. Except as provided in RCW 43.371.050 (4), claims or other data that contain direct patient identifiers or proprietary financial information must remain exclusively in the custody of the Data Vendor and may not be accessed by the Lead Organization.

3. Update the Health Care Price Schedule and Quality Data Set and Website

At the direction of OFM, the Lead Organization will update the Health Care Price Schedule and Quality Data Set published under SOW #1 with an expanded claims data set from the WA-APCD (incorporating the commercial and state purchased claims data). The methodology used to create this data set shall be published on the website.

Note: This data set replaces the data set published under SOW #1 (Publish Health Care Price Schedule and Quality Data Set on the WA-APCD Website Deliverable).

The Health Care Price Schedule and Quality Data Set shall be updated on an annual basis for the duration of the Cycle IV Grant by incorporating the most recent year's claims data submitted to the WA-APCD.

- a. Ensure that direct patient identifiers, indirect patient identifiers, and proprietary financial information are released only in compliance with the terms of this chapter (Chapter 246, Laws 2015)
- b. At the direction of the OFM, the Lead Organization shall work with the Data Vendor to, consistent with this chapter (Chapter 246, Laws of 2015), make information from the database available as a resource for public and private entities, including carriers, employers, providers, hospitals, and purchasers of health care
- c. Prior to the Lead Organization releasing any health care data reports that use claims data, the Lead Organization must submit the reports to OFM for review

4. Two Additional Health Care Claims Price Transparency Products

To meet CMS Cycle IV Grant requirements, at the direction of and in collaboration with OFM, the Lead Organization will create two (2) additional health care claims price transparency products for public consumption at no cost to the users. The methodology used to create all data products shall be published with the products.

OFM intends to conduct focus groups with individuals of various backgrounds and geographic locations to understand their health care quality and pricing information needs. The results of

these focus groups will help inform these deliverables regarding the general public's needs for health care price and quality information.

5. Two Health Care Claims Data Price Transparency Products Available For Sale

To meet CMS Cycle IV Grant requirements, at the direction of and in collaboration with OFM, the Lead Organization will create two (2) additional health care claims price transparency products that are available for sale to support sustainability of the WA-APCD and Lead Organization. These products would be used repeatedly to fulfill data and information requests, thereby creating a source of revenue for the WA-APCD Lead Organization that is not costly to reproduce and helps sustain the organization and WA-APCD. The methodology used to create all data products shall be published with the products.

Under the CMS Cycle IV Grant application, OFM identified the following two potential products:

- a. *OFM is currently considering the creation of a product similar to the Census Bureau's Public Use Microdata Sample (PUMS) data files <http://www.census.gov/programs-surveys/acs/technical-documentation/pums/about.html>. These data set files would contain a sample of individual health care claims records that can be used to create custom tables, potentially covering timeframes such as 1, 3 and 5 years. Confidentiality would be protected potentially by stripping personal information from records through data swapping and other means and limiting geographic identifiers. The intent is to provide greater accessibility to inexpensive data sets for multiple purposes.*
- b. *Another product OFM is considering is a standard report, methodology or framework for use by many types of users. This product may provide information, such as metrics, on cost, quality and/or utilization of health care for a requested cohort, updatable on a regular basis. The intent is to create a product that is easily updated with the most current data and can be tailored for the specific requestor thereby making the data accessible to a wide group of users. OFM developed this type of product with education data and can provide in-kind expertise in developing this product with data from the WA-APCD.*

6. WA-APCD Branding and General Public Education and Outreach Materials

To meet CMS Cycle IV Grant requirements, the Lead Organization will create the WA-APCD branding and general public education and outreach materials.

- a. Create the WA-APCD brand (may include logo, tag line, color scheme, etc.) OFM shall provide input through an initial discussion and during the option review. (Note that the results of this deliverable are needed for the production of the WA-APCD website in SOW #1.)
- b. Create marketing materials incorporating the brand (for example, an informational video and/or brochures) for the Lead Organization and the state's use to promote use of the WA-APCD and its products.

- c. Create branded health care price, quality and/or utilization information/content for education and marketing materials using the results of the focus groups for the Lead Organization to use.
- d. Conduct outreach activities with local, regional and state-wide organizations from across the state. Incorporate use of the educational material and branded content.
 - i. Create an outreach plan with the activities, schedule, messages, materials, list of organizations across the state to meet with and their locations.
 - ii. Provide copies of all materials from the meetings
 - iii. Document and provide each meetings' attendees, notes and follow up action items

6. Timeline and Period of Performance

Subject to filing or approval requirements, the period of performance for this project will start on January 1, 2016 and the work tasks are estimated to continue through September 30, 2016. OFM may extend this SOW at its sole discretion for up to one additional year.

No work shall be performed by Lead Organization until this SOW is executed by authorized parties for the Lead Organization and OFM and a fully signed copy returned to the Lead Organization.

7. Compensation and Payment

Funding for this SOW comes from the CMS Rate Review Cycle IV grant and expires on September 30, 2016. A one-year, no-cost extension may be requested from CMS by OFM no earlier than 90 days before the end of the grant, but receiving it is not guaranteed. No expenses or travel will be paid.