

INTRODUCTION TO THE ALL PAYER CLAIM DATABASE RULES

BACKGROUND

In 2014, the Washington State Legislature passed Chapter 223, Laws of 2014 (E2SHB 2572). Codified as chapter 43.371, the bill directs the Office of Financial Management (OFM) to establish and write rules for a statewide all payer claims database (WA-APCD). An all payer claims database (APCD) collects information from public and private carriers. “Carriers” may include health carriers, third-party administrators, pharmacy benefit managers, Medicaid agencies, and public employee health benefit programs. Information collected includes medical, pharmacy, and dental claims data, as well as information about eligibility, benefit design, and providers.

In July 2014, OFM initiated rule-making by filing a Pre-proposal Statement of Inquiry (CR 101) and hosting a general information session to explain the rule-making process.

Over the 2014 interim the Governor’s Office and a stakeholder coalition met to discuss concerns with the implementation and long-term sustainability of the WA-APCD envisioned in chapter 43.371 RCW. They agreed to support legislation in the 2015 legislative session to improve the viability of the WA-APCD. Given the momentum to amend the WA-APCD law, OFM decided to delay the rule-making process pending the outcome of the 2015 legislative session.

ESSB 5084 PASSED IN THE 2015 LEGISLATIVE SESSION

On May 14, 2015, Governor Inslee signed ESSB 5084, which amends the WA-APCD provisions in chapter 43.371 RCW related to definitions regarding data, reporting and pricing of products, responsibilities of the OFM and the lead organization, submission to the database, and parameters for release of information. ESSB 5084 requires submission to the WA-APCD of health care claims, pharmacy claims, and dental claims including prices for the Medicaid program, the Public Employees Benefits Board program, all health insurance carriers operating in this state, all third-party administrators paying claims on behalf of health plans in this state, and the state Labor and Industries program. Employer-sponsored self-funded health plans and Taft-Hartley trusts may voluntarily provide claims data.

ESSB 5084 further directs OFM to adopt the following rules for the WA-APCD:

- Definition of claims data including billed, allowed and paid amounts and such additional information as defined by the OFM director.
- 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.
- Deadlines for submission of claim files.
- Penalties for failure to submit claim files as required.
- Penalties associated with inappropriate disclosures or uses of direct patient identifiers, indirect patient identifiers, and proprietary financial information.
- Procedures for ensuring that all data received from data suppliers are securely collected and stored in compliance with state and federal law.
- Procedures for ensuring compliance with state and federal privacy laws.
- Reasons to decline a request for data.
- A format for the calculation and display of aggregate cost data consistent with this act that will prevent the disclosure or determination of proprietary financial information.
- Procedures for establishing appropriate fees.
- Procedures for data release.
- The Director of OFM may expand the mandate for claims data submission by rule to any health plans or health benefit plans that provide long term care insurance, Medicare supplemental, coverage supplemental to the coverage provided under 55, Title 10 USC, limited health care services offered by limited health care service contractors RCW 48.44.035, disability income, coverage incidental to a property/casualty liability insurance policy such as automobile personal injury protection coverage and homeowner guest medical, accident only coverage, specified disease or illness-triggered payment insurance, and hospital confinement fixed payment insurance offered as an independent, non-coordinated benefit.

OFM WILL FILE A NEW CR 101 TO INITIATE THE RULE-MAKING PROCESS FOR ESSB 5084 IN JULY 2015. ¹

OFM plans to adopt the rules in three phases.

PHASE I starts in July 2015 and finishes no later than January 2016. Phase I rules are required to implement and submit data to the WA-APCD. Due to the WA-APCD project and funding deadlines, Phase I rules will be developed in the same timeframe as the selection of the lead organization.

¹ The CR 101 that was filed in July 2014 to start the rule-making for ESSB 2572 expires in July 2015.

PHASE II starts in February 2016 and finishes in September 2016. Phase II rules are required to release data from database and establish the WA-APCD program. Input from the lead organization is necessary for these rules.

PHASE III starts after the database is operational. Phase III includes:

- Any amendments to the rules that were adopted in Phases I and II.
- Any further rules that were identified in the rule-making process.
- The rule to add additional data suppliers to the WA-APCD, should the OFM director decide to do so.

OFM will publish a background paper for each rule category on its WA-APCD rule website at <http://www.ofm.wa.gov/healthcare/pricetransparency>. The background papers provide information on similar rules in other states and issues for consideration in preparing the rule.

Please let OFM know if you wish to actively participate in the rule-making process by submitting your comments. Send an email indicating your interest to apcd@ofm.wa.gov.

To learn more about the OFM rules related to the WA-APCD you may:

- Send OFM an email with your questions at apcd@ofm.wa.gov
- Sign up on the WA-APCD listserv at <http://listserv.wa.gov/>. We will send you information on the rule, including hearing dates and the drafts of the rules for your comments.
- Call Susan Meldazy, Health Care Price Transparency Project Director at 360-972-5411 for more information.