STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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March 23, 2018

TO: Honorable Annette Cleveland, Chair
Honorable Ann Rivers, Ranking Member
Senate Health & Long Term Care Committee

Honorable Eileen Cody, Chair
Honorable Joe Schmick, Ranking Member
House Health Care and Wellness Committee

FROM: David Schumacher
Director

SUBJECT: WASHINGTON STATE ALL-PAYER HEALTH CARE CLAIMS DATABASE REPORTS

Pursuant to RCW 43.371.060(1)(b), the Center for Health Systems Effectiveness at Oregon Health & Science University, the lead organization for the Washington State All-Payer Health Care Claims Database (WA-APCD), submitted to the Office of Financial Management (OFM) a list of reports and data products to be produced in calendar year 2018. The list of reports was posted to the OFM website for a 30-day public comment period.

OFM is required to submit the list and any comments received to your committees. I have attached written comments we received from Cambia Health Solutions and Kaiser Permanente. I have also included a summary of the comments and OFM's response to each comment.

If you have any questions, please contact Thea Mounts in OFM's Forecasting and Research Division at (360) 902-0552 or thea.mounts@ofm.wa.gov.

Attachments

cc: Evan Klein, Senate Health and Long-Term Care Committee
Chris Blake, House Health Care and Wellness Committee
Thea Mounts, Office of Financial Management

October 31, 2017

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David Schumacher, Director
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Dear Mr. Schumacher:

The Center for Health System Effectiveness at Oregon Health & Science University, as the lead organization for the Washington All-Payer Health Care Claims Database (WA-APCD), is providing the Office of Financial Management with the list of reports based on data from the WA-APCD that we plan to produce during calendar year 2018. This report is required under RCW Chapter 43.371.060 (1)(b) to be submitted to you as the Director of OFM and for subsequent submission by you to the appropriate committees of the legislature.

	Report Name	Report Description
1	Washington State Common Measures Set for Health Care Quality and Cost	The Washington State Common Measures Set for Health Care Quality and Cost Performance will be reported on the Washington HealthCare Compare website and publicly available via a Public Use File (see below). The Common Measures Set will be reported at multiple levels of accountability including statewide, Accountable Communities for Health regions, and market sectors. Provider-specific quality performance results (RCW 43.371.060 (2)(a)) are included here and in reports listed below.
2	Facility-Based Price & Quality Transparency Report	Common shoppable procedures and services provided in the inpatient and outpatient facility setting will be available to the public free on Washington HealthCare Compare. The cost metrics, which are provider-specific, are consolidated all-insurer commercial allowed cost amounts. Shoppable services examples include vaginal delivery, C-section, hip replacement, knee replacement, knee arthroscopy, colonoscopy, mammography, Magnetic Resonance Imaging (MRI), and ultrasounds. The cost metrics will be created using the 3M All Patient Refined Diagnostic Related Groups (APR-DRG) grouper to construct hospital inpatient episodes and same-day event logic will be used to construct outpatient treatment and diagnostic service bundles. Hospital quality results -- patient experience, complications, and outcomes measures -- will be sourced from the Washington State Hospital Association and the Centers for Medicare and Medicaid Services (CMS). A hospital summary quality performance indicator – an aggregation of individual quality measure scores -- also will be reported. Hospital quality measures will be facility not procedure specific. These performance results will be free to the public on Washington HealthCareCompare.

	Report Name	Report Description
3	Professional Services Price & Quality Transparency Reporting	Medical practice quality performance will be reported based on a set of Healthcare Effectiveness Data and Information Set (HEDIS) and other quality measures. A medical practice summary quality performance indicator – an aggregation of individual quality measure scores -- also will be reported. Medical practices, comprised of four or more primary care practitioners, are reportable organizations. The cost of ambulatory, office-based care services will be reported at the county level. Examples of ambulatory services cost metrics include allowed cost amounts for common office and preventative visits, behavioral services, and ambulatory-based therapeutic services such as physical therapy. Cost of care will be based on allowed amount for services specified by Current Procedural Terminology (CPT) codes. The cost metrics, which are area-specific, not provider-specific, are consolidated all-insurer commercial allowed cost amounts. These performance results will be free to the public on Washington HealthCareCompare.
4	Person-Level Analytic File	Person-level analytic file reporting per person cost and utilization performance. These data will contain Health Insurance Portability and Accountability Act (HIPAA) compliant information, including a person's: gender, age group (<18, 18-44, 45-64, 65+ years), payer type, attribution to medical practice, coverage time period, total cost, inpatient cost, outpatient facility cost, professional cost, prescription cost, other cost, inpatient charges, inpatient days, Emergency Department (ED) visits, primary care visits, medical specialist visits, surgical specialist visits, and advanced imaging services (MRI, CT scan). These performance data will be available to WA-APCD data clients for a fee.
5	Public Use File	All of the cost and quality measures results, reported on the Washington HealthCareCompare site, will be free to the public via a downloadable Public Use File on the website.

Respectfully,

Ted von Glahn, MS
Program Director, WA-APCD Lead Organization

cc: Thea Mounts, OFM WA-APCD Program Director

From:	Simonelli, Adrianna
To:	OFM mi APCD
Cc:	Snyder, Zach
Subject:	Comments Regarding the List of Reports and Data Products
Date:	Monday, January 8, 2018 12:28:05 PM

I would like to submit the following comments in response to the Office of Financial Management (OFM) posting the list of reports and data products the Oregon Health & Science University, the lead organization for the WA-APCD, is planning to publish in 2018 on the WA-APCD website. We are supportive of the OFM choosing to extend a comment period for stakeholders. We hope that if and when the option presents itself, the OFM will continue to opt to use comment periods.

Thank you,

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Kaiser Foundation Health Plan of the Northwest
Kaiser Foundation Health Plan of Washington
Kaiser Foundation Health Plan of Washington Options, Inc.

Sent via email

February 1, 2018

Thea Mounts, Program Director
Mandy Stahre, Program Manager
Roselyn Marcus, Assistant Director of Legal and Legislative Affairs
Washington state Office of Financial Management

Dear Ms. Mounts, Ms. Stahre, and Ms. Marcus,

Kaiser Foundation Health Plan of the Northwest, Kaiser Foundation Health Plan of Washington, and Kaiser Foundation Health Plan of Washington Options, Inc. (collectively "Kaiser Permanente"), appreciate the opportunity to provide comments to the Office of Financial Management ("OFM") on the draft list of 2018 reports from the All Payer Claims Database ("APCD") that was dated October 31, 2017.

Our overarching policy comment is related to how data is validated and reflected in the proposed reports. 2018 will be the first year that reports will be produced from the APCD. We believe it is important for OHSU to engage in feedback and validation efforts prior to publishing reports. Processes should be in place to allow data suppliers, facilities, and providers to validate data, metric calculation logic, and reports prior to report publication and to appeal any inaccurate results. State law at RCW 43.371.060 (4) provides that the lead organization cannot publish reports that compare and identify providers, hospitals, or data suppliers without providing the data supplier an opportunity to review and if needed, correct any errors. Considered in the context of this state requirement, such review is especially important prior to issuing reports that have not been previously published or that contain new data from providers and other data reporting entities. Rushing to produce reports without this validation step could result in inaccurate information leading to erroneous conclusions, and will damage the integrity of the APCD. We strongly recommend that OFM and OHSU ensure that appropriate report validation activities occur.

As a technical issue, we point out that the report descriptions reference the concept of "allowed costs." The defined term in WAC 82-75-020 is "allowed expense" and is defined as follows:

> "Allowed amount" means the maximum dollar amount contractually agreed to for an eligible health care service covered under the terms of an insurance policy, health benefits plan or state labor and industries program.

This field, however, does not exist within the APCD data specifications. The APCD specification for Medical Claims includes fields for "Charge Amount" (MC062), "Paid Amount" (MC063),

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"Copay Amount" (MC065), "Coinsurance Amount" (MC066) and "Deductible Amount" (MC067)[1]. It is unclear what calculation will be used to generate this number for APCD reporting. If this field will be a calculated field, the regulatory definition in WAC 82-75-020 should be amended to provide transparency on how the allowed amount is calculated. As an alternative, the data specifications could be revised to include a field for "allowed amount." However, this would require data suppliers to revise their data submissions.

Report 1—Washington State Common Measures Set for Health Care Quality and Cost
We believe it is critical to allow data suppliers and providers to have the ability to validate the data, metric calculation methodology, and results presented in the report.

Report 2—Facility-Based Price and Quality Transparency Report
This report should exclude Kaiser Permanente facilities for two reasons. First, Kaiser Permanente facilities primarily serve Kaiser Permanente members, as well as a small population of Medicaid patients. Due to the closed nature of the provider network, consumers enrolled through other health carriers do not have the option to shop for services from Kaiser Permanente facilities, lessening the value of this information. Second and more important, including Kaiser Permanente in this report could expose proprietary financial information and violate RCW 43.371.060 (3)(b) and WAC 82-75-520 (3), which prohibit the disclosure of such information.

Report 3—Professional Services Price and Quality Transparency Reporting
This report contains both pricing information and quality reporting. The proprietary financial information exposure issue discussed above under Report 2 also applies to reporting on the prices of professional services, and Kaiser Permanente data should be excluded from this report.

For the quality transparency portion of the report, Kaiser Permanente should have the option to provide its own HEDIS results to use in this report. As an integrated health care delivery system, Kaiser Permanente calculates and reports HEDIS information to support compliance with state requirements, including RCW 48.43.510(2)(h), and consistent with NCQA requirements. If OHSU calculates HEDIS from the APCD, it creates a risk of publishing conflicting results which will add unnecessary confusion. Kaiser Permanente has access to a more robust data source to calculate HEDIS using encounter data that has no restriction on the number of diagnosis codes per encounter. The APCD has a cap on the number of diagnosis codes that may be submitted with a claim. In addition, the Kaiser Permanente data source has a longer historical time period than what is captured in the APCD and allows for more accurate statistics to be reported. It is important that the HEDIS information be accurately reported.

Report 4—Person-Level Analytic File
As this report has been described in the letter, we believe that there is a reasonable chance that the deidentified data could be manipulated to re-identify the data. We recommend that

[1] Data Submission Guide – Washington All Payer Health Care Claims Database (WA-APCD) – Version: 1.0, January 1, 2017

OFM conduct rulemaking to determine the data set for this report to ensure that the specifications support a report that does not allow for privacy breaches. Rulemaking would allow data privacy officers from the data suppliers to review and provide feedback in a transparent and public way.

In addition, any future changes to the public data set should undergo thoughtful planning and vetting because it is the public data file published for the APCD. WA APCD data clients will expect that the data set conforms to all existing laws and regulations, and the file should not contain information that could lead to privacy breaches.

Report 5—Public Use File
This file contains the cost and quality measures that are posted on the website and described under reports 1-3. Please see our earlier comments on the content and review processes for reports 1-3.

We again thank you for the opportunity to comment on the draft list of reports. We would be happy to collaborate with the OFM and OHSU on the recommendations we made in this letter.

Sincerely,

Jessica Fjerstad
Senior Regulatory Affairs Consultant

Merlene Converse
Senior Regulatory Consultant

Comment Summary and OFM Response to Comments on List of Reports for 2018 by Lead Organization

Stakeholder Comments	OFM Response to Comments
Cambia Health Solutions	
1. Comment period: Supportive of OFM choosing to extend a comment period for stakeholders and encourages OFM to continue using them.	OFM will continue providing comment periods for stakeholders (as required in statute).
Kaiser Permanente	
1. Data validation: Processes should be in place to allow data suppliers, facilities, and providers to validate data, metric calculation logic, and reports prior to report publication and to appeal any inaccurate results.	The lead organization and data vendor sent data quality reports to all data suppliers in November 2017, and data suppliers reviewed and provided feedback about any issues related to the historical data submission. The data quality reports included: o Medical Sum of Paid Dollars - Incurred Basis (plan paid + member responsibility) o Medical Sum of Paid Dollars - Paid Basis (plan paid + member responsibility) o Medical Claim Count - Incurred Basis o Inpatient Sum of Paid Dollars - Incurred Basis (plan paid + member responsibility billed on a UB-04 with inpatient bill types) o Outpatient Sum of Paid Dollars - Incurred Basis (plan paid + member responsibility billed on a UB-04 with non-inpatient bill types) o Other Sum of Paid Dollars - Incurred Basis (plan paid + member responsibility includes services billed on a HCFA 1500, professional, ambulance, DME, etc.) o Pharmacy Sum of Paid Dollars - Incurred Basis (plan paid + member responsibility) o Pharmacy Claim Count - Incurred Basis o Medical: Unique Count of Members o Pharmacy: Unique Count of Members o Medical: PMPM o Pharmacy: PMPM

	o Distinct Claim Counts (Paid Basis) - Medical o Distinct Claim Counts (Paid Basis) - Pharmacy o Distinct Member Counts o Total Record (Paid Basis) - Medical o Total Record (Paid Basis) - Pharmacy As required by RCW 43.371.060(4), the lead organization is setting up the review and reconsideration process for providers and hospitals to review data comparing their performance to that of others prior to report release. Providers and hospitals will have 30 days to complete their review.
2. Report description includes "allowed costs"	This was an error in the List of Reports for 2018. The lead organization meant to use the term "allowed amount," which is defined in WAC 82-75-020.
3. "Washington State Common Measures Set for Health Care Quality and Cost Performance Outcomes Website" - Carriers and/or facilities should be given time to validate numbers. - Carrier and facility names should be blinded in first report.	The lead organization will follow provisions in RCW 43.371.060(4)(a), which includes 30 days for review and reconciliation from data suppliers, hospitals, and providers. This report will not include results by health carrier.
4. "Facility-Based Price and Quality Transparency Report" - Suggest excluding information from Kaiser Permanente from this report because it is a closed system and could expose proprietary financial information (PFI).	The lead organization will follow provisions in RCW 43.371.060(4)(a), which includes 30 days for review and reconciliation from data suppliers, hospitals, and providers. The lead organization will also follow WAC 82-75-520 to safeguard the use of proprietary financial information.
5. "Professional Services Price and Quality Transparency Reporting" - Proprietary financial information - Provide own HEDIS results to be included in WA-APCD	The lead organization will follow provisions in RCW 43.371.060(4)(a), which includes 30 days for review and reconciliation from data suppliers, hospitals, and providers. The lead organization will follow WAC 82-75-520 to safeguard the use of proprietary financial information. HEDIS results will not be released with health carrier names.
6. "Personal Level Analytic File" - Recommend rulemaking to determine data set for deidentified data. - Confirm public data file conforms to all existing laws and regulations	The person-level analytic file will have HIPAA-compliant data, as described in the List of Reports for 2018. Data sharing agreements and current rulemaking on penalties for inappropriate use of data will stipulate guidelines on data use.
7. "Public Use File" - Similar comments to the first, second, and third report.	The lead organization will follow provisions in RCW 43.371.060(4)(a), which includes 30 days for review and reconciliation from data suppliers, hospitals, and providers. Issues resulting from that review process will be addressed at that time. Rulemaking on penalties for inappropriate use of the data and data sharing agreements will stipulate guidelines on data use.