
SENATE BILL 5197

State of Washington 65th Legislature 2017 Regular Session

By Senators Becker, Rivers, Cleveland, Brown, and Bailey

Read first time 01/16/17. Referred to Committee on Health Care.

1 AN ACT Relating to requiring additional security review of the
2 all payer claims database; and amending RCW 43.371.020.

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

4 **Sec. 1.** RCW 43.371.020 and 2015 c 246 s 2 are each amended to
5 read as follows:

6 (1) The office shall establish a statewide all-payer health care
7 claims database to support transparent public reporting of health
8 care information. The database must improve transparency to: Assist
9 patients, providers, and hospitals to make informed choices about
10 care; enable providers, hospitals, and communities to improve by
11 benchmarking their performance against that of others by focusing on
12 best practices; enable purchasers to identify value, build
13 expectations into their purchasing strategy, and reward improvements
14 over time; and promote competition based on quality and cost. The
15 database must systematically collect all medical claims and pharmacy
16 claims from private and public payers, with data from all settings of
17 care that permit the systematic analysis of health care delivery.

18 (2) The office shall use a competitive procurement process, in
19 accordance with chapter 39.26 RCW, to select a lead organization from
20 among the best potential bidders to coordinate and manage the
21 database.

1 (a) Due to the complexities of the all payer claims database and
2 the unique privacy, quality, and financial objectives, the office
3 must award extra points in the scoring evaluation for the following
4 elements: (i) The bidder's degree of experience in health care data
5 collection, analysis, analytics, and security; (ii) whether the
6 bidder has a long-term self-sustainable financial model; (iii) the
7 bidder's experience in convening and effectively engaging
8 stakeholders to develop reports; (iv) the bidder's experience in
9 meeting budget and timelines for report generations; and (v) the
10 bidder's ability to combine cost and quality data.

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

14 (3) As part of the competitive procurement process in subsection
15 (2) of this section, the lead organization shall enter into a
16 contract with a data vendor to perform data collection, processing,
17 aggregation, extracts, and analytics. The data vendor must:

18 (a) Establish a secure data submission process with data
19 suppliers;

20 (b) Review data submitters' files according to standards
21 established by the office;

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

24 (d) Maintain responsibility for quality assurance, including, but
25 not limited to: (i) The accuracy and validity of data suppliers'
26 data; (ii) accuracy of dates of service spans; (iii) maintaining
27 consistency of record layout and counts; and (iv) identifying
28 duplicate records;

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

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

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

38 (h) Store data on secure servers that are compliant with the
39 federal health insurance portability and accountability act and
40 regulations, with access to the data strictly controlled and limited

1 to staff with appropriate training, clearance, and background checks;
2 and

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

5 (4) The lead organization and data vendor must submit detailed
6 descriptions to the office of the chief information officer on an
7 annual basis to ensure robust security methods are in place. The
8 office of the chief information officer may request additional
9 information as needed to ensure the data systems are secure, and the
10 office of the chief information officer must annually report its
11 findings to the office of financial management and the appropriate
12 committees of the legislature.

13 (5) The lead organization is responsible for internal governance,
14 management, funding, and operations of the database. At the direction
15 of the office, the lead organization shall work with the data vendor
16 to:

17 (a) Collect claims data from data suppliers as provided in RCW
18 43.371.030;

19 (b) Design data collection mechanisms with consideration for the
20 time and cost incurred by data suppliers and others in submission and
21 collection and the benefits that measurement would achieve, ensuring
22 the data submitted meet quality standards and are reviewed for
23 quality assurance;

24 (c) Ensure protection of collected data and store and use any
25 data in a manner that protects patient privacy and complies with this
26 section. All patient-specific information must be deidentified with
27 an up-to-date industry standard encryption algorithm;

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

32 (e) Report performance on cost and quality pursuant to RCW
33 43.371.060 using, but not limited to, the performance measures
34 developed under RCW 41.05.690;

35 (f) Develop protocols and policies, including prerelease peer
36 review by data suppliers, to ensure the quality of data releases and
37 reports;

38 (g) Develop a plan for the financial sustainability of the
39 database as self-sustaining and charge fees for reports and data
40 files as needed to fund the database. Any fees must be approved by

1 the office and should be comparable, accounting for relevant
2 differences across data requests and uses. The lead organization may
3 not charge providers or data suppliers fees other than fees directly
4 related to requested reports; and

5 (h) Convene advisory committees with the approval and
6 participation of the office, including: (i) A committee on data
7 policy development; and (ii) a committee to establish a data release
8 process consistent with the requirements of this chapter and to
9 provide advice regarding formal data release requests. The advisory
10 committees must include in-state representation from key provider,
11 hospital, public health, health maintenance organization, large and
12 small private purchasers, consumer organizations, and the two largest
13 carriers supplying claims data to the database.

14 (6) The lead organization governance structure and advisory
15 committees for this database must include representation of the
16 third-party administrator of the uniform medical plan. A payer,
17 health maintenance organization, or third-party administrator must be
18 a data supplier to the all-payer health care claims database to be
19 represented on the lead organization governance structure or advisory
20 committees.

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