
SECOND SUBSTITUTE HOUSE BILL 1776

State of Washington

66th Legislature

2019 Regular Session

By House Appropriations (originally sponsored by Representatives Cody, Harris, Macri, Caldier, Robinson, Jinkins, Tarleton, Ormsby, and Slatter; by request of Office of Financial Management and Health Care Authority)

READ FIRST TIME 03/01/19.

1 AN ACT Relating to making changes to support future operations of
2 the state all payer claims database by transferring the
3 responsibility to the health care authority, partnering with a lead
4 organization with broad data experience, including with self-insured
5 employers, and other changes to improve and ensure successful and
6 sustainable database operations for access to and use of the data to
7 improve health care, providing consumers useful and consistent
8 quality and cost measures, and assess total cost of care in
9 Washington state; amending RCW 43.371.005, 43.371.020, 43.371.030,
10 43.371.050, 43.371.060, 43.371.070, and 43.371.080; reenacting and
11 amending RCW 43.371.010; adding a new section to chapter 43.371 RCW;
12 creating a new section; and declaring an emergency.

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

14 **Sec. 1.** RCW 43.371.005 and 2014 c 223 s 9 are each amended to
15 read as follows:

16 The legislature finds that:

17 (1) The activities authorized by this chapter will require
18 collaboration among state agencies and local governments that
19 (~~purchase~~) are involved in health care, private health carriers,
20 third-party purchasers, health care providers, and hospitals. These
21 activities will identify strategies to increase the quality and

1 effectiveness of health care delivered in Washington state and are
2 therefore in the best interest of the public.

3 (2) The benefits of collaboration, together with active state
4 supervision, outweigh potential adverse impacts. Therefore, the
5 legislature intends to exempt from state antitrust laws, and provide
6 immunity through the state action doctrine from federal antitrust
7 laws, activities that are undertaken, reviewed, and approved by the
8 (~~office~~) authority pursuant to this chapter that might otherwise be
9 constrained by such laws. The legislature does not intend and does
10 not authorize any person or entity to engage in activities not
11 provided for by this chapter, and the legislature neither exempts nor
12 provides immunity for such activities including, but not limited to,
13 agreements among competing providers or carriers to set prices or
14 specific levels of reimbursement for health care services.

15 **Sec. 2.** RCW 43.371.010 and 2015 c 246 s 1 are each reenacted and
16 amended to read as follows:

17 The definitions in this section apply throughout this chapter
18 unless the context clearly requires otherwise.

19 (1) "Authority" means the health care authority.

20 (2) "Carrier" and "health carrier" have the same meaning as in
21 RCW 48.43.005.

22 (3) "Claims data" means the data required by RCW 43.371.030 to be
23 submitted to the database, including billed, allowed and paid
24 amounts, and such additional information as defined by the director
25 in rule.

26 (4) "Data supplier" means: (a) A carrier, third-party
27 administrator, or a public program identified in RCW 43.371.030 that
28 provides claims data; and (b) a carrier or any other entity that
29 provides claims data to the database at the request of an employer-
30 sponsored self-funded health plan or Taft-Hartley trust health plan
31 pursuant to RCW 43.371.030(1).

32 (5) "Data vendor" means an entity contracted to perform data
33 collection, processing, aggregation, extracts, analytics, and
34 reporting.

35 (6) "Database" means the statewide all-payer health care claims
36 database established in RCW 43.371.020.

37 (7) "Direct patient identifier" means a data variable that
38 directly identifies an individual, including: Names; telephone
39 numbers; fax numbers; social security number; medical record numbers;

1 health plan beneficiary numbers; account numbers; certificate or
2 license numbers; vehicle identifiers and serial numbers, including
3 license plate numbers; device identifiers and serial numbers; web
4 universal resource locators; internet protocol address numbers;
5 biometric identifiers, including finger and voice prints; and full
6 face photographic images and any comparable images.

7 (8) "Director" means the director of (~~financial management~~) the
8 authority.

9 (9) "Indirect patient identifier" means a data variable that may
10 identify an individual when combined with other information.

11 (10) "Lead organization" means the organization selected under
12 RCW 43.371.020.

13 (11) "Office" means the office of financial management.

14 (12) "Proprietary financial information" means claims data or
15 reports that disclose or would allow the determination of specific
16 terms of contracts, discounts, or fixed reimbursement arrangements or
17 other specific reimbursement arrangements between an individual
18 health care facility or health care provider, as those terms are
19 defined in RCW 48.43.005, and a specific payer, or internal fee
20 schedule or other internal pricing mechanism of integrated delivery
21 systems owned by a carrier.

22 (13) "Unique identifier" means an obfuscated identifier assigned
23 to an individual represented in the database to establish a basis for
24 following the individual longitudinally throughout different payers
25 and encounters in the data without revealing the individual's
26 identity.

27 **Sec. 3.** RCW 43.371.020 and 2015 c 246 s 2 are each amended to
28 read as follows:

29 (1) The office shall establish a statewide all-payer health care
30 claims database (~~(to)~~). On January 1, 2020, the office must transfer
31 authority and oversight for the database to the authority. The office
32 and authority must develop a transition plan that sustains operations
33 by July 1, 2019. The database shall support transparent public
34 reporting of health care information. The database must improve
35 transparency to: Assist patients, providers, and hospitals to make
36 informed choices about care; enable providers, hospitals, and
37 communities to improve by benchmarking their performance against that
38 of others by focusing on best practices; enable purchasers to
39 identify value, build expectations into their purchasing strategy,

1 and reward improvements over time; and promote competition based on
2 quality and cost. The database must systematically collect all
3 medical claims and pharmacy claims from private and public payers,
4 with data from all settings of care that permit the systematic
5 analysis of health care delivery.

6 (2) The ~~((office))~~ authority shall use a competitive procurement
7 process, in accordance with chapter 39.26 RCW, to select a lead
8 organization ~~((from among the best potential bidders))~~ to coordinate
9 and manage the database.

10 (a) Due to the complexities of the all payer claims database and
11 the unique privacy, quality, and financial objectives, the ~~((office))~~
12 authority must ~~((award extra points in the scoring evaluation for))~~
13 give strong consideration to the following elements in determining
14 the appropriate lead organization contractor: (i) The ~~((bidder's))~~
15 organization's degree of experience in health care data collection,
16 analysis, analytics, and security; (ii) whether the ~~((bidder))~~
17 organization has a long-term self-sustainable financial model; (iii)
18 the ~~((bidder's))~~ organization's experience in convening and
19 effectively engaging stakeholders to develop reports, especially
20 among groups of health providers, carriers, and self-insured
21 purchasers in the state; (iv) the ~~((bidder's))~~ organization's
22 experience in meeting budget and timelines for report generations;
23 and (v) the ~~((bidder's))~~ organization's ability to combine cost and
24 quality data, especially among groups of health providers, carriers,
25 and self-insured purchasers.

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

30 (c) The authority may not select a lead organization that:

31 (i) Is a health plan as defined by and consistent with the
32 definitions in RCW 48.43.005;

33 (ii) Is a hospital as defined in RCW 70.41.020;

34 (iii) Is a provider regulated under Title 18 RCW;

35 (iv) Is a third-party administrator as defined in RCW 70.290.010;

36 or

37 (v) Is an entity with a controlling interest in any entity
38 covered in (c) (i) through (iv) of this subsection.

39 (3) As part of the competitive procurement process referenced in
40 subsection (2) of this section, the lead organization shall enter

1 into a contract with a data vendor or multiple data vendors to
2 perform data collection, processing, aggregation, extracts, and
3 analytics. ((The)) A data vendor must:

4 (a) Establish a secure data submission process with data
5 suppliers;

6 (b) Review data submitters' files according to standards
7 established by the ((office)) authority;

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

10 (d) Maintain responsibility for quality assurance, including, but
11 not limited to: (i) The accuracy and validity of data suppliers'
12 data; (ii) accuracy of dates of service spans; (iii) maintaining
13 consistency of record layout and counts; and (iv) identifying
14 duplicate records;

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

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

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

24 (h) Store data on secure servers that are compliant with the
25 federal health insurance portability and accountability act and
26 regulations, with access to the data strictly controlled and limited
27 to staff with appropriate training, clearance, and background checks;
28 and

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

31 (4) The lead organization and data vendor must submit detailed
32 descriptions to the office of the chief information officer to ensure
33 robust security methods are in place. The office of the chief
34 information officer must report its findings to the ((office))
35 authority and the appropriate committees of the legislature.

36 (5) The lead organization is responsible for internal governance,
37 management, funding, and operations of the database. At the direction
38 of the ((office)) authority, the lead organization shall work with
39 the data vendor to:

1 (a) Collect claims data from data suppliers as provided in RCW
2 43.371.030;

3 (b) Design data collection mechanisms with consideration for the
4 time and cost incurred by data suppliers and others in submission and
5 collection and the benefits that measurement would achieve, ensuring
6 the data submitted meet quality standards and are reviewed for
7 quality assurance;

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

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

16 (e) Report performance on cost and quality pursuant to RCW
17 43.371.060 using, but not limited to, the performance measures
18 developed under RCW 41.05.690;

19 (f) Develop protocols and policies, including prerelease peer
20 review by data suppliers, to ensure the quality of data releases and
21 reports;

22 (g) Develop a plan for the financial sustainability of the
23 database as ((self-sustaining)) may be reasonable and customary as
24 compared to other states' databases and charge fees for reports and
25 data files as needed to fund the database. Any fees must be approved
26 by the ((office)) authority and should be comparable, accounting for
27 relevant differences across data requests and uses. The lead
28 organization may not charge providers or data suppliers fees other
29 than fees directly related to requested reports and data files; and

30 (h) Convene advisory committees with the approval and
31 participation of the ((office)) authority, including: (i) A committee
32 on data policy development; and (ii) a committee to establish a data
33 release process consistent with the requirements of this chapter and
34 to provide advice regarding formal data release requests. The
35 advisory committees must include in-state representation from key
36 provider, hospital, public health, health maintenance organization,
37 large and small private purchasers, consumer organizations, and the
38 two largest carriers supplying claims data to the database.

39 (6) The lead organization governance structure and advisory
40 committees for this database must include representation of the

1 third-party administrator of the uniform medical plan. A payer,
2 health maintenance organization, or third-party administrator must be
3 a data supplier to the all-payer health care claims database to be
4 represented on the lead organization governance structure or advisory
5 committees.

6 **Sec. 4.** RCW 43.371.030 and 2015 c 246 s 3 are each amended to
7 read as follows:

8 (1) The state medicaid program, public employees' benefits board
9 programs, school employees' benefits board programs, all health
10 carriers operating in this state, all third-party administrators
11 paying claims on behalf of health plans in this state, and the state
12 labor and industries program must submit claims data to the database
13 within the time frames established by the director in rule and in
14 accordance with procedures established by the lead organization. The
15 director may expand this requirement by rule to include any health
16 plans or health benefit plans defined in RCW 48.43.005(26) (a)
17 through (i) to accomplish the goals of this chapter set forth in RCW
18 43.371.020(1). Employer-sponsored self-funded health plans and Taft-
19 Hartley trust health plans may voluntarily provide claims data to the
20 database within the time frames and in accordance with procedures
21 established by the lead organization.

22 (2) Any data supplier used by an entity that voluntarily
23 participates in the database must provide claims data to the data
24 vendor upon request of the entity.

25 (3) The lead organization shall submit an annual status report to
26 the ((office)) authority regarding compliance with this section.

27 **Sec. 5.** RCW 43.371.050 and 2015 c 246 s 5 are each amended to
28 read as follows:

29 (1) Except as otherwise required by law, claims or other data
30 from the database shall only be available for retrieval in processed
31 form to public and private requesters pursuant to this section and
32 shall be made available within a reasonable time after the request.
33 Each request for claims data must include, at a minimum, the
34 following information:

35 (a) The identity of any entities that will analyze the data in
36 connection with the request;

1 (b) The stated purpose of the request and an explanation of how
2 the request supports the goals of this chapter set forth in RCW
3 43.371.020(1);

4 (c) A description of the proposed methodology;

5 (d) The specific variables requested and an explanation of how
6 the data is necessary to achieve the stated purpose described
7 pursuant to (b) of this subsection;

8 (e) How the requester will ensure all requested data is handled
9 in accordance with the privacy and confidentiality protections
10 required under this chapter and any other applicable law;

11 (f) The method by which the data will be (~~stored~~) destroyed(~~or
12 or returned to the lead organization~~) at the conclusion of the data
13 use agreement;

14 (g) The protections that will be utilized to keep the data from
15 being used for any purposes not authorized by the requester's
16 approved application; and

17 (h) Consent to the penalties associated with the inappropriate
18 disclosures or uses of direct patient identifiers, indirect patient
19 identifiers, or proprietary financial information adopted under RCW
20 43.371.070(1).

21 (2) The lead organization may decline a request that does not
22 include the information set forth in subsection (1) of this section
23 that does not meet the criteria established by the lead
24 organization's data release advisory committee, or for reasons
25 established by rule.

26 (3) Except as otherwise required by law, the (~~office~~) authority
27 shall direct the lead organization and the data vendor to maintain
28 the confidentiality of claims or other data it collects for the
29 database that include proprietary financial information, direct
30 patient identifiers, indirect patient identifiers, or any combination
31 thereof. Any entity that receives claims or other data must also
32 maintain confidentiality and may only release such claims data or any
33 part of the claims data if:

34 (a) The claims data does not contain proprietary financial
35 information, direct patient identifiers, indirect patient
36 identifiers, or any combination thereof; and

37 (b) The release is described and approved as part of the request
38 in subsection (1) of this section.

39 (4) The lead organization shall, in conjunction with the
40 (~~office~~) authority and the data vendor, create and implement a

1 process to govern levels of access to and use of data from the
2 database consistent with the following:

3 (a) Claims or other data that include proprietary financial
4 information, direct patient identifiers, indirect patient
5 identifiers, unique identifiers, or any combination thereof may be
6 released only to the extent such information is necessary to achieve
7 the goals of this chapter set forth in RCW 43.371.020(1) to
8 researchers with approval of an institutional review board upon
9 receipt of a signed data use and confidentiality agreement with the
10 lead organization. A researcher or research organization that obtains
11 claims data pursuant to this subsection must agree in writing not to
12 disclose such data or parts of the data set to any other party,
13 including affiliated entities, and must consent to the penalties
14 associated with the inappropriate disclosures or uses of direct
15 patient identifiers, indirect patient identifiers, or proprietary
16 financial information adopted under RCW 43.371.070(1).

17 (b) Claims or other data that do not contain direct patient
18 identifiers, but that may contain proprietary financial information,
19 indirect patient identifiers, unique identifiers, or any combination
20 thereof may be released to:

21 (i) Federal, state, tribal, and local government agencies upon
22 receipt of a signed data use agreement with the ~~((office))~~ authority
23 and the lead organization. Federal, state, tribal, and local
24 government agencies that obtain claims data pursuant to this
25 subsection are prohibited from using such data in the purchase or
26 procurement of health benefits for their employees; ~~((and))~~

27 (ii) Any entity when functioning as the lead organization under
28 the terms of this chapter; and

29 (iii) The Washington health benefit exchange established under
30 chapter 43.71 RCW, upon receipt of a signed data use agreement with
31 the authority and the lead organization as directed by rules adopted
32 under this chapter.

33 (c) Claims or other data that do not contain proprietary
34 financial information, direct patient identifiers, or any combination
35 thereof, but that may contain indirect patient identifiers, unique
36 identifiers, or a combination thereof may be released to agencies,
37 researchers, and other entities as approved by the lead organization
38 upon receipt of a signed data use agreement with the lead
39 organization.

1 (d) Claims or other data that do not contain direct patient
2 identifiers, indirect patient identifiers, proprietary financial
3 information, or any combination thereof may be released upon request.

4 (5) Reports utilizing data obtained under this section may not
5 contain proprietary financial information, direct patient
6 identifiers, indirect patient identifiers, or any combination
7 thereof. Nothing in this subsection (5) may be construed to prohibit
8 the use of geographic areas with a sufficient population size or
9 aggregate gender, age, medical condition, or other characteristics in
10 the generation of reports, so long as they cannot lead to the
11 identification of an individual.

12 (6) Reports issued by the lead organization at the request of
13 providers, facilities, employers, health plans, and other entities as
14 approved by the lead organization may utilize proprietary financial
15 information to calculate aggregate cost data for display in such
16 reports. The ~~((office))~~ authority shall approve by rule a format for
17 the calculation and display of aggregate cost data consistent with
18 this chapter that will prevent the disclosure or determination of
19 proprietary financial information. In developing the rule, the
20 ~~((office))~~ authority shall solicit feedback from the stakeholders,
21 including those listed in RCW 43.371.020(5)(h), and must consider, at
22 a minimum, data presented as proportions, ranges, averages, and
23 medians, as well as the differences in types of data gathered and
24 submitted by data suppliers.

25 (7) Recipients of claims or other data under subsection (4) of
26 this section must agree in a data use agreement or a confidentiality
27 agreement to, at a minimum:

28 (a) Take steps to protect data containing direct patient
29 identifiers, indirect patient identifiers, proprietary financial
30 information, or any combination thereof as described in the
31 agreement;

32 (b) Not redisclose the claims data except pursuant to subsection
33 (3) of this section;

34 (c) Not attempt to determine the identity of any person whose
35 information is included in the data set or use the claims or other
36 data in any manner that identifies any individual or their family or
37 attempt to locate information associated with a specific individual;

38 (d) Destroy ~~((or return))~~ claims data ~~((to the lead
39 organization))~~ at the conclusion of the data use agreement; and

1 (e) Consent to the penalties associated with the inappropriate
2 disclosures or uses of direct patient identifiers, indirect patient
3 identifiers, or proprietary financial information adopted under RCW
4 43.371.070(1).

5 **Sec. 6.** RCW 43.371.060 and 2015 c 246 s 6 are each amended to
6 read as follows:

7 (1)(a) Under the supervision of and through contract with the
8 ((office)) authority, the lead organization shall prepare health care
9 data reports using the database and the statewide health performance
10 and quality measure set. Prior to the lead organization releasing any
11 health care data reports that use claims data, the lead organization
12 must submit the reports to the ((office)) authority for review.

13 (b) By October 31st of each year, the lead organization shall
14 submit to the director a list of reports it anticipates producing
15 during the following calendar year. The director may establish a
16 public comment period not to exceed thirty days, and shall submit the
17 list and any comment to the appropriate committees of the legislature
18 for review.

19 (2)(a) Health care data reports that use claims data prepared by
20 the lead organization for the legislature and the public should
21 promote awareness and transparency in the health care market by
22 reporting on:

23 (i) Whether providers and health systems deliver efficient, high
24 quality care; and

25 (ii) Geographic and other variations in medical care and costs as
26 demonstrated by data available to the lead organization.

27 (b) Measures in the health care data reports should be stratified
28 by demography, income, language, health status, and geography when
29 feasible with available data to identify disparities in care and
30 successful efforts to reduce disparities.

31 (c) Comparisons of costs among providers and health care systems
32 must account for differences in the case mix and severity of illness
33 of patients and populations, as appropriate and feasible, and must
34 take into consideration the cost impact of subsidization for
35 uninsured and government-sponsored patients, as well as teaching
36 expenses, when feasible with available data.

37 (3) The lead organization may not publish any data or health care
38 data reports that:

39 (a) Directly or indirectly identify individual patients;

1 (b) Disclose a carrier's proprietary financial information; or
2 (c) Compare performance in a report generated for the general
3 public that includes any provider in a practice with fewer than four
4 providers.

5 (4) The lead organization may not release a report that compares
6 and identifies providers, hospitals, or data suppliers unless:

7 (a) It allows the data supplier, the hospital, or the provider to
8 verify the accuracy of the information submitted to the data vendor,
9 comment on the reasonableness of conclusions reached, and submit to
10 the lead organization and data vendor any corrections of errors with
11 supporting evidence and comments within thirty days of receipt of the
12 report;

13 (b) It corrects data found to be in error within a reasonable
14 amount of time; and

15 (c) The report otherwise complies with this chapter.

16 (5) The (~~office~~) authority and the lead organization may use
17 claims data to identify and make available information on payers,
18 providers, and facilities, but may not use claims data to recommend
19 or incentivize direct contracting between providers and employers.

20 (6) (a) The lead organization shall distinguish in advance to the
21 (~~office~~) authority when it is operating in its capacity as the lead
22 organization and when it is operating in its capacity as a private
23 entity. Where the lead organization acts in its capacity as a private
24 entity, it may only access data pursuant to RCW 43.371.050(4) (b),
25 (c), or (d).

26 (b) Except as provided in RCW 43.371.050(4), claims or other data
27 that contain direct patient identifiers or proprietary financial
28 information must remain exclusively in the custody of the data vendor
29 and may not be accessed by the lead organization.

30 **Sec. 7.** RCW 43.371.070 and 2015 c 246 s 7 are each amended to
31 read as follows:

32 (1) The director shall adopt any rules necessary to implement
33 this chapter, including:

34 (a) Definitions of claim and data files that data suppliers must
35 submit to the database, including: Files for covered medical
36 services, pharmacy claims, and dental claims; member eligibility and
37 enrollment data; and provider data with necessary identifiers;

38 (b) Deadlines for submission of claim files;

39 (c) Penalties for failure to submit claim files as required;

1 (d) Procedures for ensuring that all data received from data
2 suppliers are securely collected and stored in compliance with state
3 and federal law;

4 (e) Procedures for ensuring compliance with state and federal
5 privacy laws;

6 (f) Procedures for establishing appropriate fees;

7 (g) Procedures for data release; ~~((and))~~

8 (h) Penalties associated with the inappropriate disclosures or
9 uses of direct patient identifiers, indirect patient identifiers, and
10 proprietary financial information; and

11 (i) A minimum reporting threshold below which a data supplier is
12 not required to submit data.

13 (2) The director may not adopt rules, policies, or procedures
14 beyond the authority granted in this chapter.

15 **Sec. 8.** RCW 43.371.080 and 2015 c 246 s 8 are each amended to
16 read as follows:

17 ~~(1) ((By December 1st of 2016 and 2017, the office shall report~~
18 ~~to the appropriate committees of the legislature regarding the~~
19 ~~development and implementation of the database, including but not~~
20 ~~limited to budget and cost detail, technical progress, and work plan~~
21 ~~metrics.~~

22 ~~(2) Every two years commencing two years following the year in~~
23 ~~which the first report is issued or the first release of data is~~
24 ~~provided from the database, the office)) The authority shall report~~
25 every two years to the appropriate committees of the legislature
26 regarding the cost, performance, and effectiveness of the database
27 and the performance of the lead organization under its contract with
28 the ~~((office))~~ authority. Using independent economic expertise,
29 subject to appropriation, the report must evaluate whether the
30 database has advanced the goals set forth in RCW 43.371.020(1), as
31 well as the performance of the lead organization. The report must
32 also make recommendations regarding but not limited to how the
33 database can be improved, whether the contract for the lead
34 organization should be modified, renewed, or terminated, and the
35 impact the database has had on competition between and among
36 providers, purchasers, and payers.

37 ~~((3) Beginning July 1, 2015, and every six months thereafter,~~
38 ~~the office)) (2) The authority shall annually report to the~~

1 appropriate committees of the legislature regarding any additional
2 grants received or extended.

3 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.371
4 RCW to read as follows:

5 (1) To assess and improve performance of the database by state
6 agencies, the authority shall convene a state agency coordinating
7 structure, consisting of state agencies with related data needs and
8 the Washington health benefit exchange to ensure effectiveness of the
9 database and the agencies' programs. The coordinating structure must
10 collaborate in a private/public manner with the lead organization and
11 other partners key to the broader success of the database. The
12 coordinating structure must consult with the authority in any
13 development of database policies and rules, including but not limited
14 to ensuring agency access to the database.

15 (2) The office must participate as a key part of the coordinating
16 structure and evaluate progress towards meeting the goals of the
17 database, and, as necessary, recommend strategies for maintaining and
18 promoting the progress of the database in meeting the intent of this
19 section, and report its findings annually to the legislature. The
20 office must have all necessary access to database processes,
21 procedures, methodologies, and outcomes to perform these functions.
22 The annual review shall assess, at a minimum the following:

23 (a) The list of approved agency use case projects and related
24 data requirements under RCW 43.371.050(4);

25 (b) Successful and unsuccessful data requests and outcomes
26 related to agency and nonagency health researchers pursuant to RCW
27 43.371.050(4);

28 (c) On-line data portal access and effectiveness related to
29 research requests and data provider review and reconsideration;

30 (d) Adequacy of data security and policy consistent with the
31 policy of the office of the chief information officer; and

32 (e) Timeliness, adequacy, and responsiveness of the database with
33 regard to requests made under RCW 43.371.050(4) and for potential
34 improvements in data sharing, data processing, and communication.

35 (3) To promote the goal of improving health outcomes through
36 better cost and quality information, the authority and the office, in
37 consultation with the agency coordinating structure, lead
38 organization, data vendor, and the performance measurement
39 coordinating committee, must jointly develop an effectiveness review

1 process for the state common measure set as adopted under RCW
2 70.320.030. The office may make recommendations for improvements in
3 the areas evaluated as needed.

4 NEW SECTION. **Sec. 10.** (1) The powers, duties, and functions of
5 the office of financial management provided in chapter 43.371 RCW,
6 except as otherwise specified in this act, are transferred to the
7 health care authority.

8 (2)(a) All reports, documents, surveys, books, records, files,
9 papers, or written material necessary for the health care authority
10 to carry out the powers, duties, and functions in chapter 43.371 RCW
11 being transferred from the office of financial management to the
12 health care authority and that are in the possession of the office of
13 financial management must be delivered to the custody of the health
14 care authority. All funds or credits of the office of financial
15 management that are solely for the purposes of fulfilling the powers,
16 duties, and functions in chapter 43.371 RCW shall be assigned to the
17 health care authority.

18 (b) Any specific appropriations made to the office of financial
19 management for the sole purpose of fulfilling the duties, powers, and
20 functions in chapter 43.371 RCW must, on the effective date of this
21 section, be transferred and credited to the health care authority.

22 (c) If any question arises as to the transfer of any funds,
23 books, documents, records, papers, files, equipment, or other
24 tangible property used or held in the exercise of the powers and the
25 performance of the duties and functions transferred, the director of
26 financial management must make a determination as to the proper
27 allocation and certify the same to the state agencies concerned.

28 (3) All rules and pending business before the office of financial
29 management specifically related to its powers, duties, and functions
30 in chapter 43.371 RCW that are being transferred to the health care
31 authority shall be continued and acted upon by the health care
32 authority. All existing contracts and obligations remain in full
33 force and must be performed by the health care authority.

34 (4) The transfer of the powers, duties, and functions of the
35 office of financial management does not affect the validity of any
36 act performed before the effective date of this section.

37 (5) If apportionments of budgeted funds are required because of
38 the transfers directed by this section, the director of financial
39 management shall certify the apportionments to the agencies affected,

1 the state auditor, and the state treasurer. Each of these must make
2 the appropriate transfer and adjustments in funds and appropriation
3 accounts and equipment records in accordance with the certification.

4 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
5 preservation of the public peace, health, or safety, or support of
6 the state government and its existing public institutions, and takes
7 effect immediately.

--- END ---