

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 5741

Chapter 319, Laws of 2019

66th Legislature
2019 Regular Session

ALL-PAYER HEALTH CARE CLAIMS DATABASE--VARIOUS PROVISIONS

EFFECTIVE DATE: May 8, 2019

Passed by the Senate April 26, 2019
Yeas 44 Nays 1

CYRUS HABIB

President of the Senate

Passed by the House April 24, 2019
Yeas 91 Nays 3

FRANK CHOPP

Speaker of the House of Representatives

Approved May 8, 2019 4:25 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5741** as passed by the Senate and the House of Representatives on the dates hereon set forth.

BRAD HENDRICKSON

Secretary

FILED

May 13, 2019

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5741

AS AMENDED BY THE HOUSE

Passed Legislature - 2019 Regular Session

State of Washington

66th Legislature

2019 Regular Session

By Senate Health & Long Term Care (originally sponsored by Senators Keiser, Rivers, Frockt, and Mullet; by request of Office of Financial Management and Health Care Authority)

READ FIRST TIME 02/21/19.

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 new sections; 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 and
9 manage the database.

10 (a) (i) In conducting the competitive procurement, the authority
11 must ensure that no state officer or state employee participating in
12 the procurement process:

13 (A) Has a current relationship or had a relationship within the
14 last three years with any organization that bids on the procurement
15 that would constitute a conflict with the proper discharge of
16 official duties under chapter 42.52 RCW; or

17 (B) Is a compensated or uncompensated member of a bidding
18 organization's board of directors, advisory committee, or has held
19 such a position in the past three years.

20 (ii) If any relationship or interest described in (a) (i) of this
21 subsection is discovered during the procurement process, the officer
22 or employee with the prohibited relationship must withdraw from
23 involvement in the procurement process.

24 (b) Due to the complexities of the all payer claims database and
25 the unique privacy, quality, and financial objectives, the ~~((office))~~
26 authority must ~~((award extra points in the scoring evaluation for))~~
27 give strong consideration to the following elements in determining
28 the appropriate lead organization contractor: (i) The ~~((bidder's))~~
29 organization's degree of experience in health care data collection,
30 analysis, analytics, and security; (ii) whether the ~~((bidder))~~
31 organization has a long-term self-sustainable financial model; (iii)
32 the ~~((bidder's))~~ organization's experience in convening and
33 effectively engaging stakeholders to develop reports, especially
34 among groups of health providers, carriers, and self-insured
35 purchasers; (iv) the ~~((bidder's))~~ organization's experience in
36 meeting budget and timelines for report generations; and (v) the
37 ~~((bidder's))~~ organization's ability to combine cost and quality data
38 to assess total cost of care.

39 ~~((b) By December 31, 2017,))~~ (c) The successful lead
40 organization must apply to be certified as a qualified entity

1 pursuant to 42 C.F.R. Sec. 401.703(a) by the centers for medicare and
2 medicaid services.

3 (d) The authority may not select a lead organization that:

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

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

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

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

9 or

10 (v) Is an entity with a controlling interest in any entity
11 covered in (d) (i) through (iv) of this subsection.

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

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

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

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

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

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

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

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

37 (h) Store data on secure servers that are compliant with the
38 federal health insurance portability and accountability act and
39 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 to ensure
7 robust security methods are in place. The office of the chief
8 information officer must report its findings to the ((office))
9 authority and the appropriate committees of the legislature.

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

14 (a) Collect claims data from data suppliers as provided in RCW
15 43.371.030;

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

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

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

29 (e) Report performance on cost and quality pursuant to RCW
30 43.371.060 using, but not limited to, the performance measures
31 developed under RCW 41.05.690;

32 (f) Develop protocols and policies, including prerelease peer
33 review by data suppliers, to ensure the quality of data releases and
34 reports;

35 (g) Develop a plan for the financial sustainability of the
36 database as ((self-sustaining)) may be reasonable and customary as
37 compared to other states' databases and charge fees for reports and
38 data files as needed to fund the database. Any fees must be approved
39 by the ((office)) authority and should be comparable, accounting for
40 relevant differences across data requests and uses. The lead

1 organization may not charge providers or data suppliers fees other
2 than fees directly related to requested reports and data files; and

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

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

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

21 (1) The state medicaid program, public employees' benefits board
22 programs, school employees' benefits board programs beginning July 1,
23 2020, all health carriers operating in this state, all third-party
24 administrators paying claims on behalf of health plans in this state,
25 and the state labor and industries program must submit claims data to
26 the database within the time frames established by the director in
27 rule and in accordance with procedures established by the lead
28 organization. The director may expand this requirement by rule to
29 include any health plans or health benefit plans defined in RCW
30 48.43.005(26) (a) through (i) to accomplish the goals of this chapter
31 set forth in RCW 43.371.020(1). Employer-sponsored self-funded health
32 plans and Taft-Hartley trust health plans may voluntarily provide
33 claims data to the database within the time frames and in accordance
34 with procedures established by the lead organization.

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

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

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

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

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

11 (b) The stated purpose of the request and an explanation of how
12 the request supports the goals of this chapter set forth in RCW
13 43.371.020(1);

14 (c) A description of the proposed methodology;

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

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

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

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

27 (h) Consent to the penalties associated with the inappropriate
28 disclosures or uses of direct patient identifiers, indirect patient
29 identifiers, or proprietary financial information adopted under RCW
30 43.371.070(1).

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

36 (3) Except as otherwise required by law, the (~~office~~) authority
37 shall direct the lead organization and the data vendor to maintain
38 the confidentiality of claims or other data it collects for the
39 database that include proprietary financial information, direct
40 patient identifiers, indirect patient identifiers, or any combination

1 thereof. Any entity that receives claims or other data must also
2 maintain confidentiality and may only release such claims data or any
3 part of the claims data if:

4 (a) The claims data does not contain proprietary financial
5 information, direct patient identifiers, indirect patient
6 identifiers, or any combination thereof; and

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

9 (4) The lead organization shall, in conjunction with the
10 (~~office~~) authority and the data vendor, create and implement a
11 process to govern levels of access to and use of data from the
12 database consistent with the following:

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

27 (b) Claims or other data that do not contain direct patient
28 identifiers, but that may contain proprietary financial information,
29 indirect patient identifiers, unique identifiers, or any combination
30 thereof may be released to:

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

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

39 (iii) The Washington health benefit exchange established under
40 chapter 43.71 RCW, upon receipt of a signed data use agreement with

1 the authority and the lead organization as directed by rules adopted
2 under this chapter.

3 (c) Claims or other data that do not contain proprietary
4 financial information, direct patient identifiers, or any combination
5 thereof, but that may contain indirect patient identifiers, unique
6 identifiers, or a combination thereof may be released to agencies,
7 researchers, and other entities as approved by the lead organization
8 upon receipt of a signed data use agreement with the lead
9 organization.

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

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

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

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

37 (a) Take steps to protect data containing direct patient
38 identifiers, indirect patient identifiers, proprietary financial
39 information, or any combination thereof as described in the
40 agreement;

- 1 (b) Not redisclose the claims data except pursuant to subsection
2 (3) of this section;
- 3 (c) Not attempt to determine the identity of any person whose
4 information is included in the data set or use the claims or other
5 data in any manner that identifies any individual or their family or
6 attempt to locate information associated with a specific individual;
- 7 (d) Destroy ~~((or return))~~ claims data ~~((to the lead
8 organization))~~ at the conclusion of the data use agreement; and
- 9 (e) Consent to the penalties associated with the inappropriate
10 disclosures or uses of direct patient identifiers, indirect patient
11 identifiers, or proprietary financial information adopted under RCW
12 43.371.070(1).

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

15 (1)(a) Under the supervision of and through contract with the
16 ~~((office))~~ authority, the lead organization shall prepare health care
17 data reports using the database and the statewide health performance
18 and quality measure set. Prior to the lead organization releasing any
19 health care data reports that use claims data, the lead organization
20 must submit the reports to the ~~((office))~~ authority for review.

21 (b) By October 31st of each year, the lead organization shall
22 submit to the director a list of reports it anticipates producing
23 during the following calendar year. The director may establish a
24 public comment period not to exceed thirty days, and shall submit the
25 list and any comment to the appropriate committees of the legislature
26 for review.

27 (2)(a) Health care data reports that use claims data prepared by
28 the lead organization for the legislature and the public should
29 promote awareness and transparency in the health care market by
30 reporting on:

31 (i) Whether providers and health systems deliver efficient, high
32 quality care; and

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

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

1 (c) Comparisons of costs among providers and health care systems
2 must account for differences in the case mix and severity of illness
3 of patients and populations, as appropriate and feasible, and must
4 take into consideration the cost impact of subsidization for
5 uninsured and government-sponsored patients, as well as teaching
6 expenses, when feasible with available data.

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

9 (a) Directly or indirectly identify individual patients;

10 (b) Disclose a carrier's proprietary financial information;
11 (~~(c)~~)

12 (c) Compare performance in a report generated for the general
13 public that includes any provider in a practice with fewer than four
14 providers; or

15 (d) Contain medicaid data that is in direct conflict with the
16 biannual medicaid forecast.

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

19 (a) It allows the data supplier, the hospital, or the provider to
20 verify the accuracy of the information submitted to the data vendor,
21 comment on the reasonableness of conclusions reached, and submit to
22 the lead organization and data vendor any corrections of errors with
23 supporting evidence and comments within thirty days of receipt of the
24 report;

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

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

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

32 (6) (a) The lead organization shall distinguish in advance to the
33 (~~office~~) authority when it is operating in its capacity as the lead
34 organization and when it is operating in its capacity as a private
35 entity. Where the lead organization acts in its capacity as a private
36 entity, it may only access data pursuant to RCW 43.371.050(4) (b),
37 (c), or (d).

38 (b) Except as provided in RCW 43.371.050(4), claims or other data
39 that contain direct patient identifiers or proprietary financial

1 information must remain exclusively in the custody of the data vendor
2 and may not be accessed by the lead organization.

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

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

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

11 (b) Deadlines for submission of claim files;

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

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

16 (e) Procedures for ensuring compliance with state and federal
17 privacy laws;

18 (f) Procedures for establishing appropriate fees;

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

20 (h) Penalties associated with the inappropriate disclosures or
21 uses of direct patient identifiers, indirect patient identifiers, and
22 proprietary financial information; and

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

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

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

29 ~~(1) ((By December 1st of 2016 and 2017, the office shall report~~
30 ~~to the appropriate committees of the legislature regarding the~~
31 ~~development and implementation of the database, including but not~~
32 ~~limited to budget and cost detail, technical progress, and work plan~~
33 ~~metrics.~~

34 ~~(2) Every two years commencing two years following the year in~~
35 ~~which the first report is issued or the first release of data is~~
36 ~~provided from the database, the office)) The authority shall report~~
37 every two years to the appropriate committees of the legislature
38 regarding the cost, performance, and effectiveness of the database

1 and the performance of the lead organization under its contract with
2 the ((office)) authority. Using independent economic expertise,
3 subject to appropriation, the report must evaluate whether the
4 database has advanced the goals set forth in RCW 43.371.020(1), as
5 well as the performance of the lead organization. The report must
6 also make recommendations regarding but not limited to how the
7 database can be improved, whether the contract for the lead
8 organization should be modified, renewed, or terminated, and the
9 impact the database has had on competition between and among
10 providers, purchasers, and payers.

11 ~~((3) Beginning July 1, 2015, and every six months thereafter,~~
12 ~~the office)) (2) The authority shall annually report to the
13 appropriate committees of the legislature regarding any additional
14 grants received or extended.~~

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

17 (1) To ensure the database is meeting the needs of state agencies
18 and other data users, the authority shall convene a state agency
19 coordinating structure, consisting of state agencies with related
20 data needs and the Washington health benefit exchange to ensure
21 effectiveness of the database and the agencies' programs. The
22 coordinating structure must collaborate in a private/public manner
23 with the lead organization and other partners key to the broader
24 success of the database. The coordinating structure shall advise the
25 authority and lead organization on the development of any database
26 policies and rules relevant to agency data needs.

27 (2) The office must participate as a key part of the coordinating
28 structure and evaluate progress towards meeting the goals of the
29 database, and, as necessary, recommend strategies for maintaining and
30 promoting the progress of the database in meeting the intent of this
31 section, and report its findings biennially to the governor and the
32 legislature. The authority shall facilitate the office obtaining the
33 information needed to complete the report in a manner that is
34 efficient and not overly burdensome for the parties. The authority
35 must provide the office with access to database processes,
36 procedures, nonproprietary methodologies, and outcomes to conduct the
37 review and issue the biennial report. The biennial review shall
38 assess, at a minimum the following:

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

3 (b) Successful and unsuccessful data requests and outcomes
4 related to agency and nonagency health researchers pursuant to RCW
5 43.371.050(4);

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

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

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

13 (3) To promote the goal of improving health outcomes through
14 better cost and quality information, the authority, in consultation
15 with the agency coordinating structure, the office, lead
16 organization, and data vendor shall make recommendations to the
17 Washington state performance measurement coordinating committee as
18 necessary to improve the effectiveness of the state common measure
19 set as adopted under RCW 70.320.030.

20 NEW SECTION. **Sec. 10.** The lead organization and the authority
21 shall provide any persons or entities that have a signed data use
22 agreement with the lead organization in effect on June 1, 2019, with
23 the option to extend the data use agreement through June 30, 2020.
24 Any person or entity that chooses to extend its data use agreement
25 through June 30, 2020, may not be charged any fees in excess of the
26 fees in the data use agreement in effect on June 1, 2019.

27 NEW SECTION. **Sec. 11.** (1) The powers, duties, and functions of
28 the office of financial management provided in chapter 43.371 RCW,
29 except as otherwise specified in this act, are transferred to the
30 health care authority.

31 (2)(a) All reports, documents, surveys, books, records, files,
32 papers, or written material necessary for the health care authority
33 to carry out the powers, duties, and functions in chapter 43.371 RCW
34 being transferred from the office of financial management to the
35 health care authority and that are in the possession of the office of
36 financial management must be delivered to the custody of the health
37 care authority. All funds or credits of the office of financial
38 management that are solely for the purposes of fulfilling the powers,

1 duties, and functions in chapter 43.371 RCW shall be assigned to the
2 health care authority.

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

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

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

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

22 (5) If apportionments of budgeted funds are required because of
23 the transfers directed by this section, the director of financial
24 management shall certify the apportionments to the agencies affected,
25 the state auditor, and the state treasurer. Each of these must make
26 the appropriate transfer and adjustments in funds and appropriation
27 accounts and equipment records in accordance with the certification.

28 NEW SECTION. **Sec. 12.** If specific funding for the purposes of
29 this act, referencing this act by bill or chapter number, is not
30 provided by June 30, 2019, in the omnibus appropriations act, this
31 act is null and void.

32 NEW SECTION. **Sec. 13.** This act is necessary for the immediate
33 preservation of the public peace, health, or safety, or support of
34 the state government and its existing public institutions, and takes
35 effect immediately.

Passed by the Senate April 26, 2019.
Passed by the House April 24, 2019.
Approved by the Governor May 8, 2019.

Filed in Office of Secretary of State May 13, 2019.

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