

HOUSE BILL REPORT

HB 1382

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to modernizing the all payers claims database by updating reporting requirements, data disclosure standards, and lead organization requirements.

Brief Description: Modernizing the all payers claim database.

Sponsors: Representatives Tharinger, Macri, Stonier, Thai, Parshley, Obras, Lekanoff, Davis, Simmons, Hill and Ormsby; by request of Health Care Authority.

Brief History:

Committee Activity:

Health Care & Wellness: 1/28/25, 2/18/25 [DP].

Brief Summary of Bill

- Removes references to "proprietary financial information" in statutes implementing the Washington State All Payer Claims Database (WA-APCD).
- Allows the Health Care Authority to act as the lead organization for the WA-APCD.
- Modifies the timing of reports from the Office of Financial Management regarding the WA-APCD.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 12 members: Representatives Bronoske, Chair; Lekanoff, Vice Chair; Rule, Vice Chair; Davis, Macri, Obras, Parshley, Shavers, Simmons, Stonier, Thai and Tharinger.

Minority Report: Do not pass. Signed by 7 members: Representatives Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; Marshall, Assistant

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Ranking Minority Member; Engell, Low, Manjarrez and Stuebe.

Staff: Emily Poole (786-7106).

Background:

All Payer Claims Database.

The Washington State All Payer Claims Database (WA-APCD) is a tool used to collect health care claims data for reporting and development of analytics. The WA-APCD collects medical claims and pharmacy claims from private and public payers, with data from all settings of care, that permit the systematic analysis of health care delivery. The WA-APCD is intended to assist patients, providers, and hospitals in making informed choices about care.

The Health Care Authority (HCA) has oversight over the WA-APCD and is required to use a competitive procurement process to select a lead organization to coordinate and manage the WA-APCD.

Public and private entities may only access claims or other data from the WA-APCD if certain requirements are met. Subject to certain exceptions, the HCA must direct the lead organization to maintain the confidentiality of claims or other data it collects that include proprietary financial information or direct or indirect patient identifiers. Claims or other data including proprietary financial information may only be released to researchers and government agencies if certain conditions are met. "Proprietary financial information" is defined to include claims data or reports that disclose or would allow the determination of specific terms of contracts, discounts, or fixed reimbursement arrangements or other specific reimbursement arrangements between an individual health care facility or health care provider and a specific payer.

The HCA must report every two years to the Legislature regarding the cost, performance, and effectiveness of the WA-APCD and the performance of the lead organization.

The Office of Financial Management (OFM) is required to evaluate progress towards meeting the goals of the WA-APCD and, as necessary, recommend strategies for maintaining and promoting such progress. The OFM must report its findings biennially to the Governor and the Legislature.

Federal Transparency Requirements.

Since the initial implementation of the WA-APCD, various federal price transparency regulations have been adopted that require insurer, provider, and facility disclosures of payer-specific negotiated rates.

Summary of Bill:

Statutes implementing the WA-APCD are modified to remove references to "proprietary financial information." Accordingly, restrictions regarding the confidentiality and use of WA-APCD claims data do not vary based on the presence of "proprietary financial information" in the data. Government agencies that obtain claims data from the WA-APCD are not prohibited from using such data in the purchase or procurement of health benefits for their employees.

The HCA is permitted to act as the lead organization for the WA-APCD or select a lead organization.

The OFM is required to report its findings regarding the WA-APCD to the Governor and the Legislature every five years, instead of biennially.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In Support) The WA-APCD is an important resource, used by many other states, for better understanding the costs of the health care system, including health care claims and spending. This bill will help align state law with federal policy regarding health care price transparency by allowing the use of financial data that is already permitted to be used under federal rules. This bill will help increase the usability of certain data that is already being reported to the WA-APCD. The Office of the Insurance Commissioner (OIC) relies heavily on the WA-APCD, including for reporting on cost drivers, mental health service use, and affordability, but without this bill, the data in the reports is reported at the aggregate level. This bill will allow the OIC to support analyses of carrier-specific information. Federal rules require hospitals to report certain pricing information, but it is hard for the general public to access. Financial data in the WA-APCD will still have to be used only for specific purposes.

(Opposed) None.

(Other) This bill does not provide sufficient protections for financial information, and there is misalignment with federal standards. Federal rules balance transparency with protections for sensitive data, and removing these protections under state law would go beyond the federal requirements. The proposed changes conflict with other state laws, and there are broad implications for market competition. When the WA-APCD was first established, the Legislature put restrictions on the use of proprietary information. The WA-APCD should

not be used for procurement purposes. There should be a change in the WA-APCD fee structure to allow for equitable access to data.

Persons Testifying: (In support) Representative Steve Tharinger, prime sponsor; Jane Beyer, Office of the Insurance Commissioner; Evan Klein, Health Care Authority (HCA)-Special Assistant, Legislative and Policy Affairs; and Emily Brice, Northwest Health Law Advocates.

(Other) Katie Kolan, Washington State Hospital Association (WSHA); and Peggi Lewis Fu, Association of Washington Health Care Plans.

Persons Signed In To Testify But Not Testifying: None.