

SENATE BILL REPORT

EHB 1382

As Reported by Senate Committee On:
Health & Long-Term Care, March 27, 2025

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: Passed House: 3/5/25, 58-39.

Committee Activity: Health & Long-Term Care: 3/20/25, 3/27/25 [DP, DNP].

Brief Summary of Bill

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

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Cleveland, Chair; Orwall, Vice Chair; Bateman, Holy, Riccelli, Robinson and Slatter.

Minority Report: Do not pass.

Signed by Senators Muzzall, Ranking Member; Christian and Harris.

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.

Staff: Greg Attanasio (786-7410)

Background: All Payer Claims Database. The Washington State All Payer Claims Database (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. APCD is intended to assist patients, providers, and hospitals in making informed choices about care.

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

Public and private entities may only access claims or other data from APCD if certain requirements are met. Subject to certain exceptions, 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.

HCA must report every two years to the Legislature regarding the cost, performance, and effectiveness of APCD and the performance of the lead organization. The Office of Financial Management (OFM) is required to evaluate progress towards meeting the goals of APCD and, as necessary, recommend strategies for maintaining and promoting such progress. OFM must report its findings biennially to the Governor and the Legislature.

Federal Reporting Requirements. Since the initial implementation of APCD, various federal price transparency regulations, including the Transparency in Coverage rules and Hospital Price Transparency rules, have been adopted that require insurer, provider, and facility disclosures of payer-specific negotiated rates.

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

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

OFM is required to report its findings regarding APCD to the Governor and the Legislature

every five years, instead of biennially.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This change aligns the APCD with federal rules and creates more transparency. This is an HCA agency request legislation to ensure HCA can function as lead organization if there is not a successful third-party bidder. OIC relies heavily on data from the APCD, but has been unable to provide insurer level data. This is a commonsense improvement for data access.

OTHER: Health care prices will rise if this data is available. There should be an amendment to allow associations to have the same access to data to validate third-party conclusions drawn from the data.

Persons Testifying: PRO: Representative Steve Tharinger, Prime Sponsor; Patrick Connor, NFIB; Nico Janssen, Office of the Insurance Commissioner; Evan Klein, Health Care Authority (HCA) - Special Assistant, Legislative & Policy Affairs; Emily Brice, Northwest Health Law Advocates.

OTHER: Katie Kolan, Washington State Hospital Association (WSHA); Jennifer Ziegler, Association of Washington Health Care Plans.

Persons Signed In To Testify But Not Testifying: No one.