

CERTIFICATION OF ENROLLMENT

ENGROSSED HOUSE BILL 1382

69th Legislature
2025 Regular Session

Passed by the House April 19, 2025
Yeas 58 Nays 37

**Speaker of the House of
Representatives**

Passed by the Senate April 16, 2025
Yeas 30 Nays 19

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 1382** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED HOUSE BILL 1382

AS AMENDED BY THE SENATE

Passed Legislature - 2025 Regular Session

State of Washington 69th Legislature 2025 Regular Session

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

Read first time 01/17/25. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to modernizing the all payers claims database by
2 updating reporting requirements, data disclosure standards, and lead
3 organization requirements; amending RCW 43.371.010, 43.371.020,
4 43.371.020, 43.371.050, 43.371.060, 43.371.070, and 43.371.090;
5 creating a new section; providing an effective date; and providing an
6 expiration date.

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

8 **Sec. 1.** RCW 43.371.010 and 2019 c 319 s 2 are each amended to
9 read as follows:

10 The definitions in this section apply throughout this chapter
11 unless the context clearly requires otherwise.

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

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

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

19 (4) "Data supplier" means: (a) A carrier, third-party
20 administrator, or a public program identified in RCW 43.371.030 that
21 provides claims data; and (b) a carrier or any other entity that

1 provides claims data to the database at the request of an employer-
2 sponsored self-funded health plan or Taft-Hartley trust health plan
3 pursuant to RCW 43.371.030(1).

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

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

9 (7) "Direct patient identifier" means a data variable that
10 directly identifies an individual, including: Names; telephone
11 numbers; fax numbers; social security number; medical record numbers;
12 health plan beneficiary numbers; account numbers; certificate or
13 license numbers; vehicle identifiers and serial numbers, including
14 license plate numbers; device identifiers and serial numbers; web
15 universal resource locators; internet protocol address numbers;
16 biometric identifiers, including finger and voice prints; and full
17 face photographic images and any comparable images.

18 (8) "Director" means the director of the authority.

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

21 (10) "Lead organization" means the organization selected under
22 RCW 43.371.020.

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

24 (12) (~~"Proprietary financial information" means claims data or~~
25 ~~reports that disclose or would allow the determination of specific~~
26 ~~terms of contracts, discounts, or fixed reimbursement arrangements or~~
27 ~~other specific reimbursement arrangements between an individual~~
28 ~~health care facility or health care provider, as those terms are~~
29 ~~defined in RCW 48.43.005, and a specific payer, or internal fee~~
30 ~~schedule or other internal pricing mechanism of integrated delivery~~
31 ~~systems owned by a carrier.~~

32 (13)) "Unique identifier" means an obfuscated identifier
33 assigned to an individual represented in the database to establish a
34 basis for following the individual longitudinally throughout
35 different payers and encounters in the data without revealing the
36 individual's identity.

37 **Sec. 2.** RCW 43.371.020 and 2024 c 54 s 54 are each amended to
38 read as follows:

1 (1) The office shall establish a statewide all-payer health care
2 claims database. On January 1, 2020, the office must transfer
3 authority and oversight for the database to the authority. The office
4 and authority must develop a transition plan that sustains operations
5 by July 1, 2019. The database shall support transparent public
6 reporting of health care information. The database must improve
7 transparency to: Assist patients, providers, and hospitals to make
8 informed choices about care; enable providers, hospitals, and
9 communities to improve by benchmarking their performance against that
10 of others by focusing on best practices; enable purchasers to
11 identify value, build expectations into their purchasing strategy,
12 and reward improvements over time; and promote competition based on
13 quality and cost. The database must systematically collect all
14 medical claims and pharmacy claims from private and public payers,
15 with data from all settings of care that permit the systematic
16 analysis of health care delivery.

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

22 (a)(i) In conducting the competitive procurement, the authority
23 must ensure that no state officer or state employee participating in
24 the procurement process:

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

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

32 (ii) If any relationship or interest described in (a)(i) of this
33 subsection is discovered during the procurement process, the officer
34 or employee with the prohibited relationship must withdraw from
35 involvement in the procurement process.

36 (b) Due to the complexities of the all-payer claims database and
37 the unique privacy, quality, and financial objectives, the authority
38 must give strong consideration to the following elements in
39 determining the appropriate lead organization contractor: (i) The
40 organization's degree of experience in health care data collection,

1 analysis, analytics, and security; (ii) whether the organization has
2 a long-term self-sustainable financial model; (iii) the
3 organization's experience in convening and effectively engaging
4 stakeholders to develop reports, especially among groups of health
5 providers, carriers, and self-insured purchasers; (iv) the
6 organization's experience in meeting budget and timelines for report
7 generations; and (v) the organization's ability to combine cost and
8 quality data to assess total cost of care.

9 (c) The successful lead organization must apply to be certified
10 as a qualified entity pursuant to 42 C.F.R. Sec. 401.703(a) by the
11 centers for medicare and medicaid services.

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

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

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

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

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

18 or

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

21 (3) As part of the competitive procurement process referenced in
22 subsection (2) of this section, the lead organization shall enter
23 into a contract with a data vendor or multiple data vendors to
24 perform data collection, processing, aggregation, extracts, and
25 analytics. A data vendor must:

26 (a) Establish a secure data submission process with data
27 suppliers;

28 (b) Review data submitters' files according to standards
29 established by the authority;

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

32 (d) Maintain responsibility for quality assurance, including, but
33 not limited to: (i) The accuracy and validity of data suppliers'
34 data; (ii) accuracy of dates of service spans; (iii) maintaining
35 consistency of record layout and counts; and (iv) identifying
36 duplicate records;

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

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

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

8 (h) Store data on secure servers that are compliant with the
9 federal health insurance portability and accountability act and
10 regulations, with access to the data strictly controlled and limited
11 to staff with appropriate training, clearance, and background checks;
12 and

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

15 (4) The lead organization and data vendor must submit detailed
16 descriptions to Washington technology solutions to ensure robust
17 security methods are in place. Washington technology solutions must
18 report its findings to the authority and the appropriate committees
19 of the legislature.

20 (5) The lead organization is responsible for internal governance,
21 management, funding, and operations of the database. At the direction
22 of the authority, the lead organization shall work with the data
23 vendor to:

24 (a) Collect claims data from data suppliers as provided in RCW
25 43.371.030;

26 (b) Design data collection mechanisms with consideration for the
27 time and cost incurred by data suppliers and others in submission and
28 collection and the benefits that measurement would achieve, ensuring
29 the data submitted meet quality standards and are reviewed for
30 quality assurance;

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

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

1 (e) Report performance on cost and quality pursuant to RCW
2 43.371.060 using, but not limited to, the performance measures
3 developed under RCW 41.05.690;

4 (f) Develop protocols and policies, including prerelease peer
5 review by data suppliers, to ensure the quality of data releases and
6 reports;

7 (g) Develop a plan for the financial sustainability of the
8 database as may be reasonable and customary as compared to other
9 states' databases and charge fees for reports and data files as
10 needed to fund the database. Any fees must be approved by the
11 authority and should be comparable, accounting for relevant
12 differences across data requests and uses. The lead organization may
13 not charge providers or data suppliers fees other than fees directly
14 related to requested reports and data files; and

15 (h) Convene advisory committees with the approval and
16 participation of the authority, including: (i) A committee on data
17 policy development; and (ii) a committee to establish a data release
18 process consistent with the requirements of this chapter and to
19 provide advice regarding formal data release requests. The advisory
20 committees must include in-state representation from key provider,
21 hospital, public health, health maintenance organization, large and
22 small private purchasers, consumer organizations, and the two largest
23 carriers supplying claims data to the database.

24 (6) The lead organization governance structure and advisory
25 committees for this database must include representation of the
26 third-party administrator of the uniform medical plan. A payer,
27 health maintenance organization, or third-party administrator must be
28 a data supplier to the all-payer health care claims database to be
29 represented on the lead organization governance structure or advisory
30 committees.

31 (7) This section expires July 1, 2026.

32 **Sec. 3.** RCW 43.371.020 and 2024 c 54 s 54 are each amended to
33 read as follows:

34 (1) The office shall establish a statewide all-payer health care
35 claims database. On January 1, 2020, the office must transfer
36 authority and oversight for the database to the authority. The office
37 and authority must develop a transition plan that sustains operations
38 by July 1, 2019. The database shall support transparent public
39 reporting of health care information. The database must improve

1 transparency to: Assist patients, providers, and hospitals to make
2 informed choices about care; enable providers, hospitals, and
3 communities to improve by benchmarking their performance against that
4 of others by focusing on best practices; enable purchasers,
5 providers, hospitals, carriers, and statewide associations
6 representing providers, hospitals, or carriers to identify value,
7 build expectations into their purchasing strategy, and reward
8 improvements over time; and promote competition based on quality and
9 cost. The database must systematically collect all medical claims and
10 pharmacy claims from private and public payers, with data from all
11 settings of care that permit the systematic analysis of health care
12 delivery.

13 (2) The authority (~~(shall use)~~) may act as the lead organization,
14 or select a lead organization from among the best potential bidders
15 using a competitive procurement process, in accordance with chapter
16 39.26 RCW, (~~(to select a lead organization from among the best~~
17 ~~potential bidders)~~) to coordinate and manage the database.

18 (a)(i) In conducting the competitive procurement, the authority
19 must ensure that no state officer or state employee participating in
20 the procurement process:

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

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

28 (ii) If any relationship or interest described in (a)(i) of this
29 subsection is discovered during the procurement process, the officer
30 or employee with the prohibited relationship must withdraw from
31 involvement in the procurement process.

32 (b) Due to the complexities of the all-payer claims database and
33 the unique privacy, quality, and financial objectives, the authority
34 must give strong consideration to the following elements in
35 determining the appropriate lead organization contractor: (i) The
36 organization's degree of experience in health care data collection,
37 analysis, analytics, and security; (ii) whether the organization has
38 a long-term self-sustainable financial model; (iii) the
39 organization's experience in convening and effectively engaging
40 stakeholders to develop reports, especially among groups of health

1 providers, carriers, and self-insured purchasers; (iv) the
2 organization's experience in meeting budget and timelines for report
3 generations; and (v) the organization's ability to combine cost and
4 quality data to assess total cost of care.

5 (c) The successful lead organization must apply to be certified
6 as a qualified entity pursuant to 42 C.F.R. Sec. 401.703(a) by the
7 centers for medicare and medicaid services.

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

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

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

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

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

14 or

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

17 (3) As part of the competitive procurement process referenced in
18 subsection (2) of this section, the lead organization shall enter
19 into a contract with a data vendor or multiple data vendors to
20 perform data collection, processing, aggregation, extracts, and
21 analytics. A data vendor must:

22 (a) Establish a secure data submission process with data
23 suppliers;

24 (b) Review data submitters' files according to standards
25 established by the authority;

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

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

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

35 (f) Ensure that direct patient identifiers(~~(7)~~) and indirect
36 patient identifiers(~~(7, and proprietary financial information)~~) are
37 released only in compliance with the terms of this chapter;

38 (g) Demonstrate internal controls and affiliations with separate
39 organizations as appropriate to ensure safe data collection, security

1 of the data with state of the art encryption methods, actuarial
2 support, and data review for accuracy and quality assurance;

3 (h) Store data on secure servers that are compliant with the
4 federal health insurance portability and accountability act and
5 regulations, with access to the data strictly controlled and limited
6 to staff with appropriate training, clearance, and background checks;
7 and

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

10 (4) The lead organization and data vendor must submit detailed
11 descriptions to Washington technology solutions to ensure robust
12 security methods are in place. Washington technology solutions must
13 report its findings to the authority and the appropriate committees
14 of the legislature.

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

19 (a) Collect claims data from data suppliers as provided in RCW
20 43.371.030;

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

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

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

34 (e) Report performance on cost and quality pursuant to RCW
35 43.371.060 using, but not limited to, the performance measures
36 developed under RCW 41.05.690;

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

1 (g) Develop a plan for the financial sustainability of the
2 database as may be reasonable and customary as compared to other
3 states' databases and charge fees for reports and data files as
4 needed to fund the database. Any fees must be approved by the
5 authority and should be comparable, accounting for relevant
6 differences across data requests and uses. The lead organization may
7 not charge providers or data suppliers fees other than fees directly
8 related to requested reports and data files; and

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

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

25 **Sec. 4.** RCW 43.371.050 and 2019 c 319 s 5 are each amended to
26 read as follows:

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

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

35 (b) The stated purpose of the request and an explanation of how
36 the request supports the goals of this chapter set forth in RCW
37 43.371.020(1);

38 (c) A description of the proposed methodology;

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

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

7 (f) The method by which the data will be destroyed at the
8 conclusion of the data use agreement;

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

12 (h) Consent to the penalties associated with the inappropriate
13 disclosures or uses of direct patient identifiers(~~(7)~~) or indirect
14 patient identifiers(~~(7, or proprietary financial information)~~) adopted
15 under RCW 43.371.070(1).

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

21 (3) Except as otherwise required by law, the authority shall
22 direct the lead organization and the data vendor to maintain the
23 confidentiality of claims or other data it collects for the database
24 that include (~~(proprietary financial information,7)~~) direct patient
25 identifiers, indirect patient identifiers, or any combination
26 thereof. Any entity that receives claims or other data must also
27 maintain confidentiality, including by agreeing to not reidentify any
28 deidentified patient information, and may only release such claims
29 data or any part of the claims data if:

30 (a) The claims data does not contain (~~(proprietary financial~~
31 ~~information,7)~~) direct patient identifiers, indirect patient
32 identifiers, or any combination thereof; and

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

35 (4) The lead organization shall, in conjunction with the
36 authority and the data vendor, create and implement a process to
37 govern levels of access to and use of data from the database
38 consistent with the following:

39 (a) Claims or other data that include (~~(proprietary financial~~
40 ~~information,7)~~) direct patient identifiers, indirect patient

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

13 (b) Claims or other data that do not contain direct patient
14 identifiers, but that may contain (~~proprietary financial~~
15 ~~information,~~) indirect patient identifiers, unique identifiers, or
16 any combination thereof may be released to:

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

23 (ii) Providers who practice a profession identified in RCW
24 18.130.040, hospitals licensed under chapter 70.41 or 71.12 RCW,
25 carriers licensed under chapter 48.43 or 41.05 RCW, managed care
26 organizations, and statewide associations representing hospitals,
27 carriers, or providers upon receipt of a signed data use agreement
28 with the authority and the lead organization. For entities within
29 this class, the following purposes support the goals of this chapter
30 set forth in RCW 43.371.020(1):

31 (A) Promoting informed choices and understanding of health care
32 access, quality, or affordability, including related barriers;

33 (B) Benchmarking value and efficiency against that of others;

34 (C) Validating and assessing third-party analysis and reports
35 based on claims data; and

36 (D) Performing quality improvement activities;

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

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

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

3 (v) Agencies, researchers, and other entities as approved by the
4 lead organization upon receipt of a signed data use agreement with
5 the authority and the lead organization.

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

13 ~~(d))~~ Claims or other data that do not contain direct patient
14 identifiers, indirect patient identifiers, ~~((proprietary financial~~
15 ~~information,))~~ or any combination thereof may be released upon
16 request.

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

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

38 ~~(7))~~ Recipients of claims or other data under subsection (4) of
39 this section must agree in a data use agreement or a confidentiality
40 agreement to, at a minimum:

1 (a) Take steps to protect data containing direct patient
2 identifiers, indirect patient identifiers, (~~proprietary financial~~
3 ~~information~~), or any combination thereof as described in the
4 agreement;

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

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

11 (d) Destroy claims data at the conclusion of the data use
12 agreement; and

13 (e) Consent to the penalties associated with the inappropriate
14 disclosures or uses of direct patient identifiers(~~(7)~~) or indirect
15 patient identifiers(~~(7, or proprietary financial information)~~) adopted
16 under RCW 43.371.070(1).

17 **Sec. 5.** RCW 43.371.060 and 2020 c 131 s 1 are each amended to
18 read as follows:

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

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

31 (2)(a) Health care data reports that use claims data prepared by
32 the lead organization for the legislature and the public should
33 promote awareness and transparency in the health care market by
34 reporting on:

35 (i) Whether providers and health systems deliver efficient, high
36 quality care; and

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

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

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

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

13 (a) Directly or indirectly identify individual patients;

14 (b) ~~((Disclose a carrier's proprietary financial information;~~
15 ~~(e)))~~ Compare performance in a report generated for the general
16 public that includes any provider in a practice with fewer than four
17 providers; or

18 ~~((d))~~ (c) Contain medicaid data that is in direct conflict with
19 the biannual medicaid forecast.

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

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

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

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

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

35 (6) The lead organization shall make information about claims
36 data related to the provision of air ambulance service available on a
37 website that is accessible to the public in a searchable format by
38 geographic region, provider, and other relevant information.

39 (7) (a) The lead organization shall distinguish in advance to the
40 authority when it is operating in its capacity as the lead

1 organization and when it is operating in its capacity as a private
2 entity. Where the lead organization acts in its capacity as a private
3 entity, it may only access data pursuant to RCW 43.371.050(4) (b)
4 ((~~r~~) (v) or (c) (~~r~~ or ~~d~~)).

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

9 **Sec. 6.** RCW 43.371.070 and 2019 c 319 s 7 are each amended to
10 read as follows:

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

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

17 (b) Deadlines for submission of claim files;

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

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

22 (e) Procedures for ensuring compliance with state and federal
23 privacy laws;

24 (f) Procedures for establishing appropriate fees;

25 (g) Procedures for data release;

26 (h) Penalties associated with the inappropriate disclosures or
27 uses of direct patient identifiers(~~r~~) and indirect patient
28 identifiers(~~r~~ and ~~proprietary financial information~~); and

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

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

33 **Sec. 7.** RCW 43.371.090 and 2024 c 54 s 50 are each amended to
34 read as follows:

35 (1) To ensure the database is meeting the needs of state agencies
36 and other data users, the authority shall convene a state agency
37 coordinating structure, consisting of state agencies with related
38 data needs and the Washington health benefit exchange to ensure

1 effectiveness of the database and the agencies' programs. The
2 coordinating structure must collaborate in a private/public manner
3 with the lead organization and other partners key to the broader
4 success of the database. The coordinating structure shall advise the
5 authority and lead organization on the development of any database
6 policies and rules relevant to agency data needs.

7 (2) The office must participate as a key part of the coordinating
8 structure and evaluate progress towards meeting the goals of the
9 database, and, as necessary, recommend strategies for maintaining and
10 promoting the progress of the database in meeting the intent of this
11 section, and report its findings (~~(biennially)~~) every five years to
12 the governor and the legislature. The authority shall facilitate the
13 office obtaining the information needed to complete the report in a
14 manner that is efficient and not overly burdensome for the parties.
15 The authority must provide the office with access to database
16 processes, procedures, nonproprietary methodologies, and outcomes to
17 conduct the review and issue the (~~(biennial)~~) five-year report. The
18 (~~(biennial)~~) five-year review shall assess, at a minimum the
19 following:

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

22 (b) Successful and unsuccessful data requests and outcomes
23 related to agency and nonagency health researchers pursuant to RCW
24 43.371.050(4);

25 (c) Online data portal access and effectiveness related to
26 research requests and data provider review and reconsideration;

27 (d) Adequacy of data security and policy consistent with the
28 policy of Washington technology solutions; and

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

32 (3) To promote the goal of improving health outcomes through
33 better cost and quality information, the authority, in consultation
34 with the agency coordinating structure, the office, lead
35 organization, and data vendor shall make recommendations to the
36 Washington state performance measurement coordinating committee as
37 necessary to improve the effectiveness of the state common measure
38 set as adopted under RCW 70.320.030.

1 NEW SECTION. **Sec. 8.** By December 31, 2025, the health care
2 authority shall review all Washington state and federal transparency
3 programs and tools related to health care pricing and provide an
4 update to the appropriate committees of the legislature summarizing
5 the existing data reporting requirements and the types of data that
6 are available to the public and policymakers.

7 NEW SECTION. **Sec. 9.** Sections 1 and 3 through 7 of this act
8 take effect July 1, 2026.

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