

Statewide All-Payer Health Care Claims Database Review and Recommendation Report

Biennial report to the Legislature
RCW 43.371.090(2)



Forecasting and Research Division
Office of Financial Management
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www.ofm.wa.gov.

Executive summary

In 2019, the Legislature directed the Office of Financial Management to conduct a biennial review of the Washington all-payer health care claims database (WA-APCD) and provide recommendations for maintaining and promoting the progress of the database (RCW 43.371.090(2)). This is the second report and presents OFM's update on the recommendations from the first report¹ with a brief overview of database operations and funding.

For this report, OFM gathered information from HCA and surveyed three stakeholder groups – health insurance companies that submit claims to the database, representatives from health care organizations that review results produced from the data, and current and past requestors of WA-APCD data products.

After reviewing the available information, OFM recommends keeping the six recommendations in place from the first report.

Recommendations

As a review, the recommendations from the first report are as follows:

- 1) **Improve transparency and accountability** of expectations and requirements around HCA's various roles with the WA-APCD and discuss with stakeholders the value of continuing the lead organization's role.
- 2) **Complete all database and program tasks** required in statute and rule.
- 3) **Create a financial plan** for the sustainability of the database that includes leveraging the Medicaid match and guaranteeing continued state access to the data.
- 4) **Ensure continued state agency access** to the WA-APCD and Medicare fee-for-service data.
- 5) **Improve transparency and efficiency of processes** around data requests by updating data use agreements and ensuring timely access to data.
- 6) **Increase communication**, transparency of operations and outreach to potential data users.

OFM strongly recommends that HCA move forward with increased communications and create a financial sustainability plan with or without a lead organization in place. The size, operating costs, and maintenance of the database are increasing, and the WA-APCD program needs a clear path on how to continue operating in a fiscally responsible way.

¹ [Statewide All-Payer Health Care Claims Database Report 2021](#)

Purpose of the review

This is the second report to the Legislature from OFM on the operating status of the Washington all-payer health care claims database (WA-APCD) pursuant to RCW 43.371.090(2).

The report covers activities from January 1, 2021, through December 31, 2023, and includes updates in procuring the lead organization. OFM gathered information from HCA and surveyed data submitters, data requesters and organizations that participate in the review and reconsideration process. For this report, each recommendation from the first report is presented along with the progress achieved by HCA and an update to the recommendation.

Recommendation 1. Improve transparency and accountability of expectations and requirements around HCA’s various roles with the WA-APCD and discuss with stakeholders the value of continuing the lead organization’s role.

This recommendation addresses HCA’s numerous roles, both in administering the database and overseeing the administration of the database. Since the first report, HCA has added information to the WashingtonHealthCareCompare website detailing the role of HCA and its partners.²

HCA has also provided information for this report regarding its administrative policy (10-05) which identifies HCA as a hybrid entity in accordance with Health Insurance Portability and Accountability Act (HIPAA) regulations. Per such designation, the WA-APCD, including employees acting on behalf of the WA-APCD, are a non-health care component of HCA (i.e., acting as a non-HIPAA covered entity). We encourage HCA to include this information on its [website](#) for the WA-APCD³ and to communicate this to stakeholders.

Current status of the WA-APCD lead organization

HCA conducted a procurement for a new lead organization in 2019 and announced in October of that year that the apparently successful bidder was the Washington Health Alliance. Contract negotiations ended on June 10, 2022, and did not result in a signed contract. HCA continues as the acting lead organization, a role it has served since January 1, 2020.

After ending contract negotiations, HCA developed and executed a strategic plan to re-procure a WA-APCD lead organization. The plan included:

- Two debrief meetings in November 2022 to document lessons learned from the failed procurement.
- A Request for Qualifications and Quotes (RFQQ) for two things. One, to conduct a comprehensive market scan of other state APCD program models to highlight similarities and differences with the WA-APCD. Two, to conduct a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of the WA-APCD.

² <https://www.wahealthcarecompare.com/washingtons-apcd>

³ <https://www.hca.wa.gov/about-hca/data-and-reports/washington-state-all-payer-claims-database-wa-apcd>

HCA contracted with Manatt with a budget of \$60,000 to complete the RFQQ work from April 1, 2023, to May 31, 2023, with the scan due by June 2023. Manatt conducted interviews with HCA leadership, current WA-APCD administrators, partners, current users, potential customers and peer state APCDs. They also assessed other state health data organizations and models through publicly available material.

Manatt shared several high-level preliminary recommendations with HCA leadership. A copy of the Manatt report and findings is available from HCA, which is in the process of analyzing the findings and recommendations. HCA will include the Manatt report findings in its biennial report to the Legislature on the WA-APCD in 2024.

HCA also released a Request for Information on November 9, 2023, to learn from vendors associated with all-payer health care claims databases about possible interest in serving as the lead organization for the WA-APCD. The overarching objective is to learn whether any experienced vendors have interest in serving as the lead organization for the WA-APCD and to develop a distribution list of qualified vendors to be notified of subsequent procurement efforts for a lead organization.

During the reporting period, the WA-APCD program at HCA continued all operations as both the lead organization and administrative oversight agency. Additionally, HCA used a range of process-improvement tools like Clarizen to plan, track and advance program operations. The program also used Lean methods, ServiceNow and tracking documentation to improve data request processes, reporting and response times. No net staffing level changes were made during this time (end of calendar year 2023). HCA also submitted the WA-APCD Lead Organization [report](#) to the Legislature detailing operations from July 1, 2021, to June 30, 2023.

Update to Recommendation 1: We recommend keeping this recommendation in place as HCA determines next steps regarding the lead organization. We also encourage HCA to reach out to stakeholders for feedback on current lead organization operations.

Recommendation 2. Complete all database and program tasks required in statute and rule.

This recommendation includes:

- **Create a financial sustainability plan** that is reasonable and customary compared to other states' databases (RCW 43.371.020(5)(g)).⁴
- **Develop de minimis rule** (RCW 43.371.070(1)(h)(i)).⁵
- **Make recommendations** to the Washington State Performance Measurement Coordinating Committee about the statewide performance measures (RCW 43.371.090(3)).⁶
- **Develop audit guide** (WAC 182-70-715).⁷
- **Use independent economic expertise to evaluate goals** set forth for the WA-APCD in RCW 43.371.020(1) and performance of the lead organization; make recommendations for improvement and for whether the contract for the lead organization should be modified, renewed or terminated; and evaluate the database's impact on competition among providers, purchasers and payers (RCW 43.371.080(1)).⁸

Progress on creating a financial sustainability plan that is reasonable and customary compared to other states' databases includes the following.

According to HCA, a formal financial sustainability plan is on hold until a final decision is made regarding the future of a lead organization. HCA maintains all operations and maintenance of the WA-APCD using current appropriations and revenue from the sales of data products.

Progress on development of a de minimis rule:

HCA engaged stakeholders and surveyed other state all-payer claims database programs to gather information about other states' de minimis rules – the minimum reporting threshold below which a data supplier is not required to submit data. Program staff assessed the impact of different cut points on the WA-APCD program. A workgroup drafted a rule and gathered

⁴ <https://app.leg.wa.gov/rcw/default.aspx?cite=43.371.020>

⁵ <https://app.leg.wa.gov/rcw/default.aspx?cite=43.371.070>

⁶ <https://app.leg.wa.gov/rcw/default.aspx?cite=43.371.090>

⁷ <https://app.leg.wa.gov/wac/default.aspx?cite=182-70-715>

⁸ <https://app.leg.wa.gov/rcw/default.aspx?cite=43.371.080>

feedback. A final rule setting the threshold at 1,000 covered persons was adopted in November 2021. (See Appendix A for full language.)

Progress on recommendations to the Washington State Performance Measurement Coordinating Committee about the statewide performance measures:

The Statewide Common Measure Set is imbedded in the [WashingtonHealthCareCompare website](#). Measures are found in the “Statewide Performance” section and on the quality information in the main search results for doctor groups or medical offices. HCA has updated the data annually and the data currently (as of early 2024) includes records for 2022. In 2021, HCA updated the health care measures to better align with the 2021 statewide common measure set.

Two members of the WA-APCD State Agency Coordinating Committee (SACC) (see Appendix B for membership) also serve on the Washington State Performance Measurement Coordinating Committee (PMCC). These SACC members bring PMCC meeting updates to the SACC and, in consultation with program stakeholders, make recommendations to the PMCC.

Progress on development of an audit guide:

Development of the audit guide is on hold until more information is known regarding the future of a lead organization.

Update to Recommendation 2: We recommend keeping this recommendation in place until all requirements are met.

Additionally, RCW 43.371.080(1) directs HCA to use independent economic expertise, subject to appropriation, to evaluate the lead organization and make recommendations and evaluate the database’s impact on health care competition. There have not been appropriations to support this section of the statute, and we add to this recommendation that HCA review and determine how to address this requirement moving forward.

Recommendation 3. Create a financial plan for the sustainability of the database that includes leveraging the Medicaid match and guaranteeing continued state agency access to the data.

Below is an overview of the WA-APCD fiscal operations.

Appropriations:

The table below shows appropriations and expenditures of the WA-APCD.

Table 1. Legislative appropriations and expenditures through January 12, 2023*

	Appropriations	Expenditures
Fiscal year 2021	\$2,222,000	\$1,527,646
Fiscal year 2022	\$2,222,000	\$1,383,757
Fiscal year 2023	\$2,222,000	\$1,884,288

*A more detailed breakdown of expenditures is listed in HCA's report to the Legislature.

The cost of data access for state agencies is included in the appropriations. HCA had one full-time employee allocated to support the WA-APCD as of the close of 2023. HCA in 2024 has added staff to help with operations of the database. Appropriations for the WA-APCD have stayed level over the years even as the size and complexity of the database have grown. Table 2 shows the total membership counts in the database and proportion of Washington residents covered. Overall, the WA-APCD holds over 1.5 billion medical and pharmacy claims.

Table 2. WA-APCD membership counts for medical and pharmacy eligibility

Market Segment	FY 2021	FY 2022	FY 2023
Commercial	2,162,412	2,196,040	2,171,265
Self-Insured	580,984	624,019	611,937
Public Employees Benefits Board (PEBB)	382,080	385,949	384,512
School Employees Benefits Board (SEBB)	269,827	284,411	287,617
Exchange	437,161	510,876	495,147
Medicaid	1,931,176	2,163,272	2,285,658
Medicare Advantage	539,025	587,300	638,161
Medicare FFS ¹	967,312	895,449	Not yet available
Total Lives with Medical Coverage (including Medicare FFS where available) ²	5,377,219	5,517,738	4,937,524
Total WA Population ³	7,766,925	7,864,400	-
% of Total Population Captured (including Medicare FFS)	69%	70%	-

Other Insurance Markets			
Dental	4,472,953	4,682,421	4,894,686
Workers' Compensation	124,409	124,219	116,536
Out-of-State Lives	3,091,824	3,121,704	4,653,999

State fiscal year is the 12-month period from July 1 to June 30 of the following year. Example: FY 2023 represents 7/1/2022 – 6/30/2023.

¹ Note that Medicare FFS data is only available through 12/31/2021; only FY 2021 has Medicare FFS data available for the full year.

² Total Lives with Medical and/or Pharmacy Coverage are less than the sum of the different plan types because some members may have had two types of coverage during the year. The totals reflect each member with any coverage during the year. Note the drop in FY 2023 is due to the lack of Medicare FFS data for that period.

³ Total WA population estimate based on OFM reporting: <https://www.ofm.wa.gov/washington-data-research/statewide-data/washington-trends/population-changes/total-population-and-percent-change>. Note that OFM population estimates are only available through 2022.

Data product sales

Revenue generated from data product sales supports the WA-APCD program and operations. The price of data products varies depending on the type of data requested and who is making the request. A detailed description of the pricing and fee schedule is listed on the Washington HealthCareCompare website.⁹ Reviews of the pricing and fee schedule occur annually and changes are made based on a variety of factors including sales and changes in cost to create products and, in the future, will include goals from the financial sustainability plan for the WA-APCD.

During the reporting period, HCA conducted two surveys to assist with revisiting the fee schedule. The first survey was sent to other state APCD programs to assess data product offerings, cost and associated funding. The second survey was sent to WA-APCD data users and collected information about their role, data product uses and comments on the current pricing schedule. The WA-APCD program also formalized the grant/fee reduction application process used to offset data fees for qualifying requesters (e.g., college students).

Table 3 lists all the data requests resulting in sales since the release of the WA-APCD. Total sales have steadily increased over time. Some state agencies purchased additional data access beyond that already covered by legislative appropriations. HCA covered one data request through appropriations in 2020 and continued the waiver through 2022 for a graduate student at the University of Rochester for the release-upon-request data product.

⁹ www.wahealthcarecompare.com/pricing

Table 3. Data product sales from the WA-APCD by fiscal year

Data requestor	FY 2019 (7/2018– 6/2019)	FY 2020 (7/2019– 6/2020)	FY 2021 (7/2020– 6/2021)	FY 2022 (7/2021– 6/2022)	FY 2023 (7/2022– 6/2023)
Washington state agencies*:					
HCA (each line is a separate request)				\$45,450 \$14,000	\$29,300 \$168,350 \$23,250 \$44,480
OFM (Education Research Data Center)			\$3,050	\$500	\$500
Office of the Insurance Commissioner					\$29,300 \$100,000
Washington Health Benefit Exchange	\$22,750				\$5,250
Other government agencies:					
Public Health Seattle and King County	\$15,000				\$5,000
Veterans Affairs Charleston Health Care					\$12,495 (in process)
Veterans Affairs Puget Sound Health Care			\$9,100		
Academia:					
Berkeley SkyDeck at University of California, Berkeley					\$500
NORC at the University of Chicago				\$48,000	
OHSU - CHSE (not acting as lead org)	\$7,980				
University of Washington	\$10,000			\$11,665	\$58,700
Nonprofits:					
Kaiser Foundation Health Plan of Washington	\$16,700	\$10,290			
RAND Corporation				\$9,400	
Washington State Hospital Association		\$52,500	\$52,500	\$52,500	\$52,500
Washington State Medical Association			\$16,667		
For profit companies:					
Quilted Health				\$29,000	\$1,500
Total	\$72,430	\$62,790	\$72,217	\$210,015	\$531,125

*These requests were for additional data products beyond those covered by appropriations.

Medicaid Match

HCA received approval to claim the Centers for Medicare and Medicaid Services (CMS) Medicaid funding at the 50% federal financial participation (FFP) rate for the Medicaid allowable share of WA-APCD operating costs. The approval was effective retroactive to January 2020 and the Medicaid match funding will continue into the future.

Update to Recommendation 3: While HCA has successfully leveraged Medicaid match funding for the WA-APCD, as noted earlier in this report, there is still no financial sustainability plan. Without a financial plan, it's unclear if data products are priced appropriately to be able to sustain the program and database. We recommend keeping Recommendation 3 in place until a financial plan has been completed and includes details on appropriations for state agency access to data.

Recommendation 4. Ensure continued state agency access to the WA-APCD and Medicare fee-for-service data.

Table 4. State agencies and entities conducting work on behalf of the state that have access to WA-APCD data by fiscal year

Data access covered by appropriations or grant funding	FY 2019 (7/2018– 6/2019)	FY 2020 (7/2019– 6/2020)	FY 2021 (7/2020– 6/2021)	FY 2022 (7/2021– 6/2022)	FY 2023 (7/2022– 6/2023)
Department of Health	X	X	X	X	X
Health Care Authority	X	X	X	X	X
HCA acting as the lead organization		Starting 1/1/2020	X	X	X
Department of Labor and Industries	X	X			
Office of Financial Management (Health Care Research Center)	X	X	X	X	X
Office of the Insurance Commissioner		X	X	X	X
OHSU - CHSE acting as the lead organization	X	Ended 12/30/2019			
Providence CORE	X	X			
Public Health Seattle and King County	X	X	X	X	X
Washington Health Benefit Exchange	X	X	X	X	X

State agency access to analytic enclave¹⁰ (“the enclave”) licenses is included in appropriations.

Currently, only state government agencies can access Medicare fee-for-service data due to HCA’s agreement with CMS. There have been several customers outside of state government interested in Medicare data. While there are other avenues to request Medicare fee-for-service data, any resulting datasets would be stored outside the WA-APCD, limiting research that crosses both data sources.

Update to Recommendation 4: We recommend keeping this recommendation in place as HCA develops a financial sustainability plan to ensure that state agencies continue to have access to the data products. We also recommend that HCA consider the limitations on access to Medicare fee-for-service data and consider potential solutions for customers who need access to the full database.

¹⁰ The analytic enclave is a working environment for study of WA-APCD data. Users connect remotely to the enclave to examine and analyze data.

Recommendation 5. Improve transparency and efficiency of processes around data requests, updating data use agreements and ensuring timely access to data once access is approved.

Most respondents to the 2023 OFM survey of current and former data users noted that it was easy to find information about access to WA-APCD data, but respondents noted some areas for improvement, including:

- More detailed information about each data product specifically around variables in the dataset.
- Information missing among variables by year.

These areas are similar to those brought up in the previous legislative report, and HCA and Onpoint Health Data (“Onpoint”) have tried to be responsive. Onpoint created a searchable dashboard called “APCD Snapshot”¹¹ for possible requestors to review covered lives, total claims and years of data. The dashboard also lists top medical procedures and prescription drugs along with cost information.

Survey participants noted HCA was responsive to questions about applying for data access and updating data sharing agreements. Most respondents noted it was easy to set up enclave access and communicate with Onpoint about any issues related to setup or using the enclave. However, some users have noticed connectivity issues with the Amazon Web Service platform which hosts the enclave.

Respondents suggested the following areas for improvement related to the enclave:

- **Include STATA, SAS and R software** inside the enclave.
- **Provide additional training resources** such as coding examples for analyses (e.g., creating a cohort).
- **Provide refresher courses for data users** about how to download files from the enclave or provide instructions within the enclave.

¹¹ www.wahealthcarecompare.com/wa-apcd-snapshot

Data requestors surveyed noted concerns around creating custom data files, including responsiveness in creating files and providing access to them. They also noted some confusion in the point of contact when making the data request. There were also comments about the need for more details about the variables in the database.

Data users provided recommendations on the additional data elements they would like to see included and linked to WA-APCD data:

- Vital statistics data
- Behavioral health treatment claims
- Members' primary spoken language
- Social determinants of health for geocoded patient data
- Non-claims based payments
- Links to electronic health records
- Cancer registry data

Most respondents noted that HCA was either very or somewhat responsive in answering questions or concerns when it came to updating data sharing agreements. Currently, it takes about four weeks to conduct minor updates (e.g., removing or adding new users) to these agreements.

Update to Recommendation 5: HCA and Onpoint should review the feedback listed here from current data requestors regarding improvements to the data request process, especially around custom data requests. HCA may also consider ways to fast-track data user updates for current data sharing agreements.

Recommendation 6. Improve communication, transparency of operations and outreach to potential data users.

Information about the WA-APCD spans two websites: HCA¹² and WashingtonHealthCareCompare.¹³ Information on program operations and status updates are located on the HCA website. HCA also includes the public comment period for data requests along with a brief description of the request, while the WashingtonHealthCareCompare site posts all fulfilled data requests.

All application materials for data requests are included on the WashingtonHealthCareCompare website along with a detailed explanation of the review process. A detailed data set request form in an Excel spreadsheet lists all the variables in each table or schema contained within the database that is available to data requestors. Since the data user survey indicated some issues finding this information, HCA should consider placing the detailed variable spreadsheet on other areas of the website to increase visibility.

Providers and facilities surveyed by OFM that participated in the review and reconsideration process also expressed concerns around communication. Specifically, they noted a lack of response when incorrect information about patients, providers or facilities is noted or when they have issues with the portal where they conduct the reviews. Participants did note that Onpoint was responsive to suggestions for improving data display and site functionality.

After the review and reconsideration period, Onpoint updates and removes any flagged data and prepares the files for Forum One (website vendor for the [WashingtonHealthCareCompare](https://www.washingtonhealthcarecompare.com/) website) to upload to the WashingtonHealthCareCompare website. One suggestion from OFM would be for Onpoint to send a summary report to users listing the number of deletions accepted by the system or some other confirmation so users know their concerns or flags about incorrect data were addressed.

OFM surveyed data submitters and many noted they were very or somewhat satisfied with communications from Onpoint regarding the quarterly data submission process. Some submitters did note difficulty communicating with Onpoint when they have an issue with submissions, but fewer noted difficulty communicating with HCA if there was an issue.

¹² <https://www.hca.wa.gov/about-hca/data-and-reports/washington-state-all-payer-claims-database-wa-apcd>

¹³ <https://www.wahealthcarecompare.com/>

Update to Recommendation 6: To help with transparency, HCA should consider adding a status to data requests (e.g., in process or rescinded) to its website along with the public comments received. HCA should also consider more outreach to stakeholders, since a newsletter has not been released since January 2021. Rulemaking information on HCA's website should also be updated. We noted above some suggestions for increased communication around the review and reconsideration process.

Conclusions

We strongly recommend HCA begin work on Recommendation 3 around the financial sustainability plan instead of waiting for a decision about the future of the lead organization. The database intakes millions of claims quarterly and maintaining operations is imperative.

Additionally, several themes from survey respondents have emerged around communication that HCA should address. HCA should increase communication with stakeholders about current management of the system including lead organization updates. Both HCA and Onpoint should enhance the details of the available data products and work on providing more communications around processes (e.g., review and reconsideration). Leveraging existing websites and reviving the newsletter are all outlets that HCA could explore related to communications and engagement.

Appendix A

The recent change to the rule is highlighted below.

Washington Administrative Code 182-70-040

Registration requirements.

(1) **Washington covered persons threshold for data suppliers.** Any carrier, third-party administrator, public program, or other potential data supplier identified in RCW [43.371.030](#) with **1000 or more Washington covered persons**, as defined in WAC [182-70-030](#), as of December 31st of the previous calendar year must submit data in accordance with this chapter.

(a) For the purposes of determining whether a potential data supplier is subject to the requirements of this chapter, potential data suppliers must aggregate the number of Washington covered persons for all companies at the group code level, as defined by the National Association of Insurance Commissioners.

(b) Potential data suppliers that offer any combination of medical, dental, or pharmaceutical benefits under separate or combined plans must count all Washington covered persons, regardless of the comprehensiveness of the plan, toward the 1000 Washington covered persons threshold.

(2) **Initial registration.** Each data supplier required to submit health care data pursuant to chapter [43.371](#) RCW must register within thirty days of notification from the lead organization.

(3) **Annual registration.** Each data supplier required to submit health care data pursuant to chapter [43.371](#) RCW must register by December 31st of each year after the initial registration. If the data supplier initially registers September 1st or later, then the data supplier must file its annual registration by December 31st of the year following the year of the initial registration.

(4) Each data supplier newly required to submit health care data under chapter [43.371](#) RCW, either by a change in law or loss of qualified exemption, must register with the lead organization within thirty days of being required to submit data.

Appendix B

WA-APCD State Agency Coordinating Committee:

- Vishal Chaudhry, Health Care Authority
- Kirsta Glenn, Department of Labor and Industries
- Leah Hole-Marshall, Washington Health Benefit Exchange
- David Mancuso, Department of Social and Health Services
- Thea Mounts, Department of Corrections
- Marc Baldwin, Office of Financial Management
- Simon Casson, Office of the Insurance Commissioner
- Ian Painter, Department of Health