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**DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION
HEALTH CARE PAYMENTS DATA PROGRAM
DATA COLLECTION REGULATIONS**

NOTICE OF PROPOSED ACTION

**CALIFORNIA CODE OF REGULATIONS
TITLE 22, DIVISION 7, CHAPTER 11**

9/12/2025

The Department of Health Care Access and Information (HCAI or Department) proposes to adopt regulations to update its data collection regulations for the Health Care Payments Data Program (HPD) after considering all comments, objections, and recommendations regarding the proposed action.

I. PUBLIC HEARING

The Department has not scheduled a public hearing on this proposed action. However, the Department will hold a hearing if it receives a written request for a public hearing from any interested person or their authorized representative no later than 15 days before the close of the written comment period.

II. WRITTEN PUBLIC COMMENT PERIOD AND CONTACT PERSON

Any interested person, or their authorized representative, may submit written comments relevant to the proposed regulatory action. All comments must be received by the Department by October 30, 2025. Inquiries and written comments regarding the proposed action should be addressed to the primary contact person named below. Comments delivered by email are suggested. Comments may also be hand delivered or mailed.

Sherry Mung, Health Program Specialist II
Office of Information Services
Department of Health Care Access and Information
Tel: (916) 326-3939
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Mailing address: 2020 West El Camino Avenue, Suite 1100
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Inquiries and comments may also be directed to the backup contact person at the same mailing address:

Suzanne Hermreck, Health Program Specialist II
Office of Information Services
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Tel: (916) 326-3841
Email: suzanne.hermreck@hcai.ca.gov

III. AUTHORITY AND REFERENCE

California Health and Safety Code (HSC) section 127673(f) authorizes the Department to adopt these proposed regulations. The specific code sections that are being implemented, interpreted, or made specific are HSC sections 127671, 127671.1, 127673, 127673.1, and 127673.4.

IV. INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

a. Summary of Existing Laws and Effect of the Proposed Regulations

Existing law¹ required the Department to establish the HPD. The purpose of the HPD is to collect health care data from health care plans, health insurers, government agencies, and others, and to use this data to provide greater transparency regarding health care costs, utilization, quality, and equity to improve health care in California.

The Department initially promulgated regulations for the collection of HPD data on December 20, 2021, and data collection began in 2022 for the collection of core claims data files including member eligibility, medical claims, pharmacy claims, and provider data. The Department has updated these regulations twice since then. Most recently, in 2025, the Department added the collection of non-claims payment (NCP) data to these regulations.

This proposed rulemaking is to update and clarify the HPD data collection regulations. Primarily, the Department seeks to adopt the most up-to-date version of the national standard used for HPD data collection—the APCD-CDL™ Version 4.0.1. This proposed rulemaking also seeks to update and clarify specific regulation sections to correct inaccuracies and to add new requirements for data submission.

The proposed regulations will make HPD data collection easier and more efficient while correcting inconsistencies between regulation and actual practice. The additional requirements will also ensure that the highly confidential medical data being transmitted to HPD is well protected while allowing submitters and HCAI to send/process data files more efficiently.

¹ HSC sections 127671 to 127674.1.

The proposed regulatory changes include:

- Incorporating by reference the new version of the APCD-CDL™ Version 4.0.1 and new HPD Data Submission Guide Version 4.0 (Sections 97300(a) and (c));
- Transition period from the old to new versions of the APCD-CDL™ and Data Submission Guide (Sections 97300(a) and (c) and Section 97341(a))
- Removal and transition period to remove the NCP Data Layout™ which has been incorporated into the APCD-CDL™ Version 4.0.1 (Section 97300(m));
- Updating definition of “data portal” (Section 97300(b));
- Adding data portal requirements (Section 97332(a)(1) and Section 97340(b));
- Clarifying and adding data submission requirements, including additional registration requirements, encryption and data submission methods (Section 97340);
- Adding reason to reject data files if files have non-California resident data (new Data Submission Guide Version 4.0);
- Altering historical data submission requirements to account for required data that does not exist (Section 97351); and
- Adopting an updated version of the HPD Data Submission Guide Version 4.0 with changes, including adding and clarifying data portal requirements, noted in the change log.

b. Policy Statement Overview

As stated in HSC section 127671(b), the HPD was created because health care data is reported and collected through many disparate systems which makes it difficult to study California’s health care system. This creates substantial hurdles to improve health care in California. To address this problem, the HPD’s purpose is to collect and centralize health care data from various sources and process the data in a way that it can be used by the state and the public to learn and seek improvements in health care in California, while protecting patient privacy.

Regarding the objectives and benefits of this rulemaking, this rulemaking will allow HPD to more efficiently and safely collect health care data. This will also clarify HPD data collection requirements to submitters, making data submissions more efficient and easier for them.

c. Existing Comparable Federal Regulation or Statute

The Department is not aware of any comparable federal statute or regulation to the proposed regulations.

d. Evaluation of Inconsistency/Incompatibility with Existing State Regulations

The Department evaluated the language contained in the proposed regulations and determined that these proposed regulations are not inconsistent with or incompatible

with existing state regulations. These regulations are necessary to enhance the clarity and efficacy of a statutorily mandated program.

e. Documents Incorporated by Reference

The Department intends to incorporate by reference the following documents for the proposed regulations:

- The Health Care Payments Data Program: Data Submission Guide, Version 4.0, dated August 11, 2025.
- The APCD-CDL™ (APCD Common Data Layout), Version 4.0.1, released February 2025.

V. MANDATE ON LOCAL AGENCY OR SCHOOL DISTRICT

HCAI determined that these regulations do not impose a mandate on local agencies or school districts because it does not mandate a new program or a higher level of service of an existing program pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. These regulations are applicable to public and private entities and are not unique to local government.

VI. FISCAL IMPACT ESTIMATES

The Department has made the following fiscal impact estimates:

- a. Cost or savings to any state agency: None.
- b. Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: None.
- c. Other nondiscretionary cost or savings imposed on local agencies: None.
- d. Cost or savings in federal funding to the state: None.

VII. HOUSING COSTS

The Department determined that the proposed regulations will not impact housing costs.

VIII. SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS, INCLUDING ABILITY TO COMPETE

HCAI has made its initial determination that this regulatory proposal will not have a significant statewide adverse economic impact directly affecting business, including their ability to compete. HCAI believes this because this regulatory proposal makes minor changes to existing requirements for the approximately 40 health/dental plans and insurers who currently submit data to the HPD.

This is further supported by the survey HCAI conducted on May 7, 2025, with all current mandatory submitters to better understand the one-time cost, and ongoing system costs to comply with the new requirements in this proposed rulemaking. These results are discussed in detail in the next section and revealed that business subject to the proposed regulations would not be significantly impacted.

IX. COST IMPACTS ON REPRESENTATIVE PRIVATE PERSON OR BUSINESS

As stated above, to understand what cost impacts there may be to HPD data submitters, HCAI administered a survey to all current HPD submitters on May 7, 2025. The survey assessed the one-time and ongoing costs for complying with these regulations, whether jobs would be created or eliminated, and the types of jobs needed to comply with the regulation requirements. A total of three organizations representing one dental plan and 10 registered health plan submitters responded to the survey.

The total covered lives served by data submitters (health/dental plans and insurers) range from approximately 12,000 to 8 million and these data submitters total revenue range from hundreds of thousands of dollars to billions of dollars.

The two health plan submitters who responded to the survey are two of the HPD Program's largest health plan submitters. One of these submitters indicated that the estimated one-time cost for complying with the regulations would be between \$25,001 and \$75,000 and estimated ongoing annual costs would be between \$37,501 and \$50,000. The other submitter indicated that the estimated one-time cost for complying with the regulations would be between \$55,556 and \$111,111 and estimated ongoing annual costs would be between \$11,111 and \$72,222. The one dental plan that responded indicated an estimated one-time cost of complying with the regulations would be \$25,000 or less and estimated ongoing annual costs would be \$12,500 or less.

Based on the results of the survey, HCAI estimates the total one-time cost for all 40 mandatory submitters implementing the requirements of these regulations to be approximately \$1,060,612 or, on average, \$26,515.29 per submitter. HCAI also estimates the total ongoing annual costs for all submitters implementing the requirements of these regulations to be approximately \$666,680 or on average, \$16,666.80 per submitter. The total statewide cost to comply with this regulatory action for initial start-up costs and the first year of annual costs will be approximately \$1,727,280 or on average, \$43,182.09 per submitter.

X. STATEMENT OF THE RESULTS OF THE ECONOMIC IMPACT ANALYSIS (EIA)

As discussed above, the Department surveyed entities currently submitting data to the HPD on May 7, 2025. The survey respondents stated that no job would be eliminated and just one respondent stated one to three jobs may be needed. The UC Berkeley

Labor Center reported that approximately 2.65 million Californians were employed in a range of health care sectors in 2023.² HCAI believes the creation of approximately one to three jobs will likely not have a significant impact on the state when comparing this number to the approximately 2.65 Californians employed in the health care sector. From this, the Department concludes that this regulatory action will:

- a. Likely not create jobs within the state;
- b. Likely not eliminate jobs within the state;
- c. Not create new businesses within the state;
- d. Not eliminate existing businesses within the state;
- e. Not affect the expansion of businesses currently doing business in the state; and
- f. Not have any anticipated benefits to worker safety or the state's environment.
- g. This regulatory action would benefit the health and welfare of California residents.

This regulatory action is to update and clarify existing HPD regulations regarding data collection. HCAI believes this will make data collection easier and more efficient for itself and the submitters while collecting better data.

XI. BUSINESS REPORT

The proposed regulations have new registration requirements for HPD mandatory data submitters who wish to submit data through Secure File Transfer Protocol (see new Data Submission Guide Version 4.0). Also, the proposed regulations require mandatory submitters who do not have historical data to submit to submit a report about the missing data (see proposed Section 97351). To the extent these are considered "reports," the Department finds that these are necessary for the health, safety, and welfare of the public that such apply to businesses.

XII. EFFECT ON SMALL BUSINESS

The Department has determined that the proposed regulations do not affect small businesses. Government Code section 11342.610 defines "small business" for this purpose and excludes insurance companies, nonprofit institutions, or service businesses with "annual gross receipts exceed[ing]" two million dollars.

The health/dental plans and insurers who are mandated to report data to the HPD Program are not part of the small business community and include insurance companies and nonprofit organizations. Furthermore, HCAI believes the smallest mandatory submitters for the HPD Program have total annual revenues well over \$2

² "California Health Care Employment by District and County 2023," UC Berkeley Labor Center, <https://laborcenter.berkeley.edu/california-health-care-employment-by-district-and-county-2023/>. Accessed July 1, 2025.

million. A substantial number of mandatory submitters to HPD have more than \$100 million dollars in annual revenues.³

XIII. REASONABLE ALTERNATIVE INFORMATION

In accordance with Government Code Section 11346.5, subsection (a)(13), the Department must determine that no reasonable alternative considered by the Department or that has otherwise been identified and brought to the attention of the Department would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Department invites interested persons to present statements or arguments with respect to alternatives to the proposed rulemaking action during the written comment period.

XIV. AVAILABILITY OF EXPRESS TERMS, INITIAL STATEMENT OF REASONS, AND INFORMATION UPON WHICH PROPOSED RULEMAKING IS BASED

The Department will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the address given for the contact persons.

As of the date this notice is published, the rulemaking file consists of this notice, the text of the proposed regulations, all documents incorporated by reference as identified in this notice, the initial statement of reasons, an economic impact analysis, and all information upon which this proposed rulemaking is based.

Copies may be obtained by contacting the listed contact persons using the contact information above and parts of the rulemaking file are available at <https://hcai.ca.gov/about/laws-regulations/>.

XV. AVAILABILITY OF SUBSTANTIAL CHANGES TO ORIGINAL PROPOSAL

After considering all timely and relevant comments received, the Department may adopt the proposed regulations substantially as described in this notice. If the Department makes modifications which are sufficiently related to the originally proposed text, it will make the modified text, with the changes clearly indicated, available to the public for at least 15 days before the Department adopts the regulations as revised.

Please send requests for copies of the modified text to the listed contact person. The modified text will also be available on the website at <https://hcai.ca.gov/about/laws->

³ Based on a review of information on the California Department of Managed Health Care's health plan dashboard, at <https://wpsso.dmhc.ca.gov/Dashboard/Marketplace.aspx>. Accessed July 1, 2025.

[regulations/](#). The Department will accept written comments on the modified regulations for 15 days after the date on which they are made available.

XVI. AVAILABILITY OF FINAL STATEMENT OF REASONS

The Final Statement of Reasons, including all of the comments and responses, will be available, after its completion, through the Department's website at <https://hcai.ca.gov/about/laws-regulations/>. The Final Statement of Reasons will also be available from the above contact person(s).

XVII. AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of this notice, the initial statement of reasons, the text of the proposed regulations, and other documents can be accessed through the Department's website at <https://hcai.ca.gov/about/laws-regulations/>.