DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION (HCAI)

INITIAL STATEMENT OF REASONS

CALIFORNIA CODE OF REGULATIONS

PROPOSED ADOPTION OF TITLE 22, DIVISION 7, CHAPTER 11: HEALTH CARE PAYMENTS DATA PROGRAM (HPD)

I. BACKGROUND INFORMATION

Pursuant to Health and Safety Code (HSC) sections 127671 to 127674.1, HCAI established the HPD to collect health care data from health plans, insurers, government agencies, and others. The HPD is what is known as an "all-payer claims database" or "APCD," something which 19 states have created in some form. For more background about the HPD, please see *the Health Care Payments Data Program: Report to the Legislature*[1], dated March 9, 2020 (hereinafter "HPD Legislative Report"). This Report was created to advise the State of California on how to implement the HPD.

HPD statute states that HCAI is to "substantially complete" the development of the HPD System no later than July 1, 2023. Existing law also required HCAI to adopt emergency regulations by December 31, 2021, to start HPD data collection and required regulations about who must submit data, what data must be submitted, the format and content of data submissions, timelines and frequency of data submissions, and methods of data collection. Emergency regulations for HPD data collection were adopted on December 20, 2021, and data collection began in 2022. This rulemaking is to permanently adopt HPD regulations, update and clarify specific regulation sections, and update documents incorporated by reference.

II. THE PROBLEM TO BE ADDRESSED

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. For this reason, 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.[2]

Specifically, to address this problem, as required by statute, the HPD is to collect health care data from the entities that make payments for health care, i.e., commercial health plans and health insurers, and government health plans. The December 2021 emergency regulations were promulgated to initiate HPD's first stage and identified

[1] Health Care Payments Data Program: Report to the Legislature, https://hcai.ca.gov/wp-content/uploads/2020/12/HPD-Legislative-Report-20200306.pdf (accessed July 6, 2023).
[2] Health & Safety Code sections 127671(b) and (c), and 127673.5(a).

mandatory data submitters, specified data to be collected, created a process for data submission, and set a timeline for data collection. Data collection for the HPD program is now occurring for health plans, health insurers, and government plans. This certification of compliance is to permanently adopt HPD data collection regulations, update and clarify specific regulation sections, and update documents incorporated by reference.

III. BENEFITS OF THIS REGULATORY ACTION

This regulatory action is to make permanent the December 2021 emergency regulations in order to continue data collection for the HPD without disruption to achieve the HPD's purposes. As stated in HSC section 127671, by collecting, aggregating, and processing this health care data, the HPD will provide greater transparency about California's health care system to the State and the public, which will inform health care policy decisions. By studying HPD data, California will learn more about its health care system and hopefully will lead to improvements in public health, reduction of health disparities, advancement of health coverage, reduction of health care costs, and better oversight of the health system and health care companies. It is also hoped that the public and government agencies will also use HPD data "to develop innovative approaches, services, and programs that may have the potential"[3] to improve health care for Californians.

IV. THE PURPOSE AND NECESSITY OF EACH REGULATION

The following states the purpose and necessity of each regulatory provision. Many of these provisions are based on the information and recommendations in the HPD Legislative Report.

1. California Code of Regulations (CCR), title 22, section 97300, "Definitions"

HCAI proposes this regulation for the purpose of providing definitions for several terms used in later proposed regulations. The definitions are needed to ensure that the regulations that follow meet the clarity requirement and to provide the specificity necessary for compliance with the regulations. HCAI introduces and defines these terms so they do not have to be repeatedly defined in regulation. Specific explanations for each definition are detailed below along with any updates or deletions being proposed as part of certifying HPD's emergency regulation:

a. Section 97300(a) "APCD-CDL™"

The December 2021 emergency regulations incorporated by reference the *Common Data Layout for All-Payer Claims Databases* or the "APCD-CDL™". In these regulations, HCAI proposes to incorporate by reference two different versions of the APCD-CDL™. Furthermore, subsection (a) is separated out into two paragraphs for

[3] Health & Safety section 127671(d).

clarity and ease of reading since HCAI is proposing to incorporate by reference two different versions of the APCD-CDL™. Since emergency regulations were promulgated in December 2021, a new version of the APCD-CDL™ was released and HCAI wishes to transition to the new version in these proposed regulations. For explanations of why the APCD-CDL™ is being used, why it is being incorporated by reference, why HCAI is transitioning to the newer version, why the transition date is February 16, 2024, and how to obtain a copy of the APCD-CDL™, please see the discussion below regarding section 97342, "Data File Contents."

Regarding this definition, because the APCD-CDL™ is referenced multiple times in these regulations, this definition is needed for clarity reasons. Having this definition allows HCAI to incorporate by reference the APCD-CDL™ in one place and to identify it using simple term instead of having to repeatedly describe it in multiple places.

HCAI also seeks to use one term for the different versions of the APCD-CDL™. This can be done because HCAI is seeking to completely transition to a new version of the APCD-CDL™ on February 17, 2024, so for any point in time, only one version of the APCD-CDL™ will apply to HPD data submitters. The reason for this transition on a particular date, instead of based on reporting month, is because the HPD System can only accept one data file specification format at a time. Because of these circumstances, HCAI believes it is simpler to use one definition of "APCD-CDL™" which will prevent confusion and repetition of language. Data submitters will only need to look at this definition to determine what APCD-CDL™ version to use.

b. Section 97300(b) "Data Portal"

The "data portal" is the secure data submission mechanism by which plans and delegated submitters register and submit data files to the system. HCAI introduces and defines this term so that it does not have to be repeatedly defined in regulation.

c. Section 97300(c) "Data Submission Guide"

The December 2021 emergency regulations incorporated by reference *The Health Care Payments Data Program: Data Submission Guide*, Version 1.0, dated November 23, 2021, through this definition. In this rulemaking, HCAI proposes to incorporate by reference two different versions of the Data Submission Guide (DSG), Version 1.0 and new Version 2.0, dated July 17, 2023, to match the transition to the new version of the APCD-CDL™. Furthermore, subsection (c) is separated out into two paragraphs for clarity and ease of reading since HCAI is proposing to incorporate by reference two different versions of the DSG. The DSGs have requirements and instructions for submitter registration and offers additional detail for data requirements from the APCD-CDL™ (for discussion of the content in both DSGs, see below).

HCAI proposes to incorporate the DSG by reference through this definition because the DSG is mentioned in multiple regulations. For this reason, this definition is to incorporate by reference the DSG in one place and to identify the DSG using a simpler term instead of having to repeatedly describe it in multiple areas.

Just like the “APCD-CDL™” definition, in this rulemaking, HCAI also seeks to use one term for the two different versions of the DSG. Each DSG version is about a specific version of the “APCD-CDL™”. HCAI proposes to do it this way for the same reasons stated for the definition of “APCD-CDL™”.

d. Section 97300(d) “Delegated Submitter”

The term “delegated submitter” means an entity who is responsible for submitting data to the system on behalf of a plan. HCAI introduces and defines this term so that it does not have to be repeatedly defined in regulation.

e. Section 97300(e) “Dental Data” and Section 97300(f) “Dental Plan”

“Dental data” means data from dental claims files for members who are exclusively enrolled for dental services, and data for providers who exclusively provide dental services. “Dental plan” means specialized health care service plan covering dental services only, a dental-only insurance plan, or a public self-insured plan covering dental services only. As implemented by the emergency regulations, HPD has a different timeline for dental data and dental plans. For this reason, these terms are used in several proposed regulations, and they are defined here for clarity and so HCAI does not have to repeatedly define these terms.

Regarding HPD’s different timeline for dental plans and dental data: generally, HCAI has discretion to adopt emergency regulations regarding the “timelines for data submission.” (HSC section 127673(e)(4)). Under this authority, HCAI is requiring later registration and data submission deadlines for dental plans and dental data compared to other entities and other required data (see sections 97349 to 97352 below). The reason for this is that the HPD System was not ready to collect dental data during the emergency regulation period and currently, will not be ready until late 2024. Compared to medical coverage, “[d]ental coverage is not normally integrated with medical coverage and features a distinct set of market players and characteristics.” (HPD Legislative Report, page 57). Because of these significant differences and the complexity in collecting core medical data alone, HCAI is implementing the HPD System in stages and anticipates the system will be ready for dental data at a later date. (See HPD Legislative Report, pages 21-22, Exhibit 11 [noting HCAI’s plan to include dental data in “Tier 2” of HPD implementation]). The later deadlines for dental plans and dental data reflect this. HCAI confirms the ability to collect dental plan and dental data based on timeframes outlined in the original emergency regulations as part of the certification of compliance process.

There is a separate definition for “dental data” because non-dental plans may also provide dental services along with other health care services. This is to prevent HPD submitters already submitting medical data from also including dental data as well when the HPD System is not ready.

f. Section 97300(g) “Department”

The definition for this term is taken directly from statute HSC section 127671(f). HCAI introduces and defines this term so that it does not have to be repeatedly defined in regulation.

g. Section 97300(h) “Designated Submitter Representative”

The definition for this term is taken directly from statute HSC section 127671(f). HCAI introduces and defines this term so that it does not have to be repeatedly defined in regulation.

h. Section 97300(i) “Director”

The definition for this term is taken directly from statute HSC section 127671(f). HCAI introduces and defines this term so that it does not have to be repeatedly defined in regulation.

i. Section 97300(j) “Health Insurer”

Under HPD statute, “an insurer licensed to provide health insurance, as defined in Section 106 of the Insurance Code” is a mandatory submitter of data to HPD (Health and Safety Code section 127673(c)(2)). The regulatory term “health insurer” is a simpler term for this type of entity and the definition of “health insurer” reiterates the statutory description for these entities.

Pursuant to HSC section 127673(e), HCAI is required, through regulation, to identify “required and exempted lines of business” for HPD data reporting. HCAI does this by including and excluding certain types of health insurance entities in its definition of “health insurer” (see HPD Legislative Report, pages 60-61, regarding meaning of “lines of business”).

HCAI includes the following types of specialized health insurance providers in its definition of “health insurer”: pharmacy, behavioral health (psychological), and dental services; and excludes insurers which only offer other types of specialized health insurance, supplemental insurance, discount-only, and student health insurance. This was done to be consistent with HCAI’s definition of “health plan” as discussed and explained below.

HCAI also excludes stop-loss insurance from the “health insurer” definition because stop-loss insurance is not health insurance as noted in the HPD Legislative Report, page 60, and this is stated to make clear that those insurers just offering stop-loss insurance are not subject to HPD.

j. Section 97300(k) “Health Plan”

The term “health plan” is a simpler form of the terms “health care service plan” and “specialized health care service plan” which are used, but not defined, in HPD statute. Per statute, these plans are “mandatory submitters” of data to HPD. (HSC section 127673(c)(1)).

This definition is needed because the statute does not define the statutory terms “health care service plan” and “specialized health care service plan.” This section makes clear that these terms are defined pursuant to the Knox-Keene Health Care Service Plan Act of 1975 because HSC section 127674.1 refers to “health care service plans” licensed by the Department of Managed Health Care (DMHC), the department that implements the Knox-Keene Health Care Service Plan Act.

Pursuant to HSC section 127673(e), HCAI is required to identify the “required and exempted lines of business” for HPD data reporting. HCAI does this by including plans that provide certain services and excluding plans that exclusively provide certain services in its definition of “health plan.” (See HPD Legislative Report, pages 60-61, regarding “lines of business”).

DMHC has the following categories of specialized health care service plans: chiropractic, dental, dental/vision, discount, pharmacy, psychological, and vision.[4] The HPD Legislative Report recommended not to collect data from plans that just offer chiropractic, discount, and vision services because such plans, unlike dental, pharmacy and psychological, are “only tangentially related to… or are substantially different from standard medical benefits such that [their data] are not comparable” to the majority of data HPD would collect. Collection of this data would be a “relatively high burden and relatively low value.” The HPD Legislative Report also noted the same problems for supplemental plans and student health plans and recommended to exclude these plans as well. (HPD Legislative Report, pages 61 and 71).

HCAI followed these recommendations and defined “health plan” to include specialized health care service plans offering pharmacy, psychological, or dental services and excluding plans that just offer chiropractic, discount, and vision services. HCAI also specifically excludes plans that just offer supplemental or student health plans in this definition. This is to prevent collection of less useful data and save costs to both HCAI and plans.

Furthermore, as discussed in the HPD Legislative Report, pages 59-60, DMHC gives restricted or limited licenses to health care providers who may share financial risk with the health plans with which they contract. These entities are not really health plans as they only subcontract with fully licensed health care service plans and do not directly sell to employers or consumers. The contracting fully licensed health plan receives data from these restricted/limited licensees. For these reasons, HCAI excludes these restricted/limited plans from the definition of “health plan” to make clear that they are not mandatory submitters.

[4] This information is from the Department of Managed Health Care website at https://wpso.dmhc.ca.gov/dashboard/SearchHealthPlan.aspx, last accessed on May 22, 2023.

k. Section 97300(l) “Member”

Several subsequent regulations use the term “member” (HSC sections 97310, 97318, and 97342). HCAI introduces and defines this term here, so it does not have to be repeatedly defined in regulations.

l. Section 97300(m) “Plan”

The purpose of defining the term “plan” is to have a simple term to identify all types of entities submitting data to HPD for subsequent regulations.

m. Section 97300(n) “Program”

The definition for this term is taken directly from statute HSC section 127671(f). HCAI introduces and defines this term so that it does not have to be repeatedly defined in regulation.

n. Section 97300(o) “Public Self-Insured Plan”

Under HPD statute the following types of entities are mandatory submitters of data to HPD:

> “A self-insured plan subject to [HSC section] 1349.2, or a state entity, city, county, or other political subdivision of the state, or a public joint labor management trust, that offers self-insured or multiemployer-insured plans that pay for or reimburse any part of the cost of health care services.” (HSC section 127673(c)(3)).

HSC section 1349.2 is in regard to health plans “operated” by a governmental entity or a public joint labor management trust.

This term, “public self-insured plan,” is a simpler term for these types of entities for use in subsequent regulations and the definition of “public self-insured plan” reiterates the statutory description for this type of entity.

o. Section 97300(p) “Qualified Health Plan”

HPD statute has special provisions for “qualified health plans offered by the California Health Benefit Exchange.” (HSC sections 127673(e)(1) and (g)(1)). This term, “qualified health plan,” is defined to have a clear and simple term for these entities for clarity purposes because there are multiple regulatory provisions for them.

p. Section 97300(q) “Registered Submitter”

Several subsequent regulations use the term “registered submitter.” HCAI introduces and defines this term here, so it does not have to be repeatedly defined in regulation. HCAI also clarifies that “delegated submitters” are also “registered submitters” here to avoid confusion.

q. Section 97300(r) “System”

The definition for the term “System” is taken directly from statute HSC section 127671(f). HCAI introduces and defines this term so that it does not have to be repeatedly defined in regulation.

r. Section 97300(s) “Voluntarily Participating Entity”

HPD statute authorizes the collection of data from “voluntary submitters.” (HSC section 127673(b)). HPD statute provides a nonexclusive list of entities that can be “voluntary submitters” and gives HCAI discretion to accept voluntary data. (HSC section 127673(d)).

The purpose of defining this term, “voluntarily participating entity,” is to have a term for those entities who have been approved by HCAI to voluntarily submit data to HPD for clarity purposes and identify what types of entities are eligible to voluntarily submit data because statute provides a nonexclusive list. This is to notify potential voluntary submitters of their eligibility and to prevent other types of entities from trying to submit to HPD.

For this term, HCAI incorporates the list of entities and language from HSC section 127673(d) and adds one more type of entity: “a health plan or health insurer exempt from the requirements of” HPD. HCAI adds this additional category because such an entity may be exempt from HPD because of threshold limits—that is, the number of members it has (see proposed section 97310 below). A reason for threshold limits is so HPD does not create undue hardships for small entities who are not capable of meeting HPD reporting requirements. However, if a small entity is capable of meeting HPD reporting requirements, this gives them the option to submit data to the HPD.

2. CCR, title 22, section 97305, “Voluntary Participation in the Program”

HCAI proposes this regulation to provide the process for which an entity may be approved to voluntarily submit data to HPD. This regulation specifies how to request approval, states what information must be provided to HCAI, and notes that HCAI will notify those approved to be voluntary submitters.

Regarding why this regulation is needed, the overall purpose of HPD is to create a centralized system to collect health care information to increase transparency and improve health care in California. (HSC section 127671). Approximately 4.6 million

Californians are under employer self-insured health plans covered by the federal Employee Retirement Income Security Act of 1974 (ERISA) – about 12% of Californians that have health care coverage. (HPD Legislative Report, page 49, Exhibit 18). Because of a United States Supreme Court decision, *Gobeille v. Liberty Mutual Ins. Co.*, 577 U.S. 312 (2016), the State of California cannot compel these self-insured ERISA entities to provide health care data to HPD. (See HPD Legislative Report, pages 66-67). However, as these ERISA entities data covers a substantial number of Californians, this data is important to analyze health care in California. For this reason, the HPD Legislative Report recommended that HCAI "develop an appropriate process to encourage voluntary data submission." (HPD Legislative Report, page 71, Recommendation 9(b)).

HPD statute reflects this recommendation and states that HCAI will, at its discretion, accept voluntarily submitted data from "self-insured employers," and other entities, which are under ERISA. HPD statute also states that "providers," "suppliers," and others can be voluntary data submitters. (HSC section 127673(d)).

This regulation is to effectuate the recommendation and legislative directive by giving notice to potential voluntary submitters of the process to become HPD voluntary data submitters and providing a simple and convenient process to encourage entities to become voluntary submitters. This regulation requires a written request to allow HCAI to keep track of requests and to evaluate requests better. For convenience, this regulation allows an authorized agent of an eligible entity to make a request because many eligible entities contract with third-party administrators, who administer their health care programs.

HCAI requires the following information on requests to become a voluntarily participating entity: (1) type of business entity, (2) number of covered lives, (3) the types of coverage offered, and (4) contact information. "Type of business entity" is needed so HCAI can determine whether the applicant is an entity that is eligible per statute and regulation. The "number of covered lives" and "the types of coverage offered" are needed for HCAI to determine whether the entity is a good source of data versus the cost of collecting and processing the data. If the available data is too limited or too dissimilar to HPD data, HCAI may determine the entity is not a good candidate to be a voluntarily participating entity. Lastly, contact information is needed to be able to communicate with the applicant if more information is needed to process the request and to inform the entity if it is approved to be a voluntarily participating entity.

3. CCR, title 22, section 97310, "Plan Size Thresholds"

For HPD, HCAI is required to adopt emergency regulations about:

> "Plan size thresholds for submitters, with consideration given to implementation costs for both the submitter and the department. Thresholds shall not apply to qualified health plans offered by the California Health Benefit Exchange or

submitters covering more than a total of 50,000 Californians through both Medicare Advantage plans and the private plans and insurance described in subdivision (b).” (HSC section 127673(e)(1)).

The above requires HCAI to set a minimum plan size threshold for entities to be mandatory submitters (i.e., “health plans,” “health insurers,” and “public self-funded plans” as defined in section 97300), and this proposed regulation is to effectuate this requirement. This proposed regulation also details when and how this threshold will be applied.

Subsection (a) of this proposed regulation exempts entities with “fewer than 40,000 California members” from the HPD (with “member” defined in section 97300). Per the considerations in HSC section 127673(e)(1), HCAI chose this threshold as the proper balance between completeness of data versus the costs to HCAI to collect and process smaller datasets and the costs to smaller entities to submit data.

HCAI determined, per the HPD Legislative Report, that a threshold of 40,000 members would include the majority of Californians with commercial health care coverage—98.25% of such Californians—and would include about 18 mandatory submitters. HCAI considered going to a threshold of 30,000 members but determined that some entities captured by this threshold were so small that they would have difficulty submitting data and would be harmed by such a requirement. Also, going from 40,000 to 30,000 would only have increased the amount of data by less than 1% of Californians, which HCAI determined was not worth the costs of data collection. (*See* HPD Legislative Report, pages 63-64 [health care coverage thresholds]).

Also, per the HPD Legislative Report, a threshold of 40,000 members would include the majority of Californians with commercial dental coverage—about 98.10% of such Californians—and would include about 32 mandatory submitters. A threshold of 30,000 members may not include any additional dental submitters per the HPD Legislative Report. As stated above, HCAI determined that going lower than 40,000 members was not worth the costs of collection based on the amount of data that would be collected. (*See* HPD Legislative Report, pages 65 and 176 [dental thresholds]).

This regulation notes that the plan size threshold does not apply to a “Qualified Health Plan” (as defined in section 97300) as mandated by HSC section 127673(e)(1).

Subsection (a)(1) of this proposed regulation states how the number of California members will be counted for each entity. The number is calculated by adding together all the California members in an entity’s “Medicare Advantage plans, private health plan products, and private health insurance products.” This standard is from HSC section 127673(e)(1), which mandates that thresholds do not apply to “submitters covering more than a total of 50,000 Californians through Medicare Advantage plans and the private plans and insurance described in subdivision (b)” of HSC section 127673. HCAI

uses this statutory standard as it is for the same purpose and clarified it in this proposed regulation by stating that the number of members had to be added from each of these three types of health care products mentioned in statute.

Subsection (a)(1) of this proposed regulation also defines “private” to avoid confusion with the proposed term, “public self-insured plans” or other references to public employers. The HPD Legislative Report, pages 30 and 37, discusses “commercial” health care coverages and states this term includes health care products obtained by private employers, public employers or purchasers, individuals/families, and Medicare Advantage. From this, it seems the term “private” in HSC section 127673(e)(1) means “commercial” health care products except Medicare Advantage. For this reason, “private” is defined to exclude only the general public health care programs, Medi-Cal and Medicare, and not public employers.

Subsection (b) specifies how the threshold limit will be applied to potential mandatory submitters, gives notice to affected entities, and establishes clear rules for health plans to follow.

Subsection (b)(1) of the proposed regulation states that for those already mandatorily submitting data to HPD, if they drop below the 40,000 threshold as of December 31, this regulation requires such entities to notify HCAI of this change because the entity would be in the best position to have this knowledge. Also, this regulation provides notice that such an entity may become a voluntary submitter as a way to encourage continued data submission to have more consistent and complete data.

For subsection (b)(2), HCAI decided to have the number of Californian members counted once a year on December 31—that is, an entity that has 40,000 or more members on December 31 has to report data for the next full calendar year. By having this calculated once a year at the end of the year, and requiring reporting for the entire calendar year, HCAI will be able to obtain consistent and comparable data from reporting entities to make data analysis better and better meet HPD’s purposes. Also having only one calculation per year will reduce administrative costs to HCAI and uncertainty for data submitters.

Subsection (b)(3) discusses the scenario when a potential mandatory submitter is newly created and that the threshold for such an entity will be determined on December 31 of the year the entity is created. For these entities, if they meet the 40,000 threshold, the regulation clearly states they are required to report data the next calendar year on January 1. This again is to have consistency in data reporting requirements and the collected data.

4. CCR, title 22, section 97314, “Qualified Health Plans”

HSC section 127673(g)(1) requires a "qualified health plan" to submit data directly to HPD or through the California Health Benefit Exchange, "as determined by the exchange." This regulation notes that if the Exchange has exempted a qualified health plan from directly reporting to HPD, that entity is not required to register or submit data to the HPD data portal. The purpose of this regulation is to clearly notify Exchange-exempted qualified health plans that they have no HPD obligations, including registration.

5. CCR, title 22, section 97318, "Coordination of Data Submissions"

For HPD, HCAI is required to adopt emergency regulations about:

> "Coordination of submission in cases where submitters contract with other entities to administer health care benefits." (HSC section 127673(e)(3)).

The proposed regulation is to meet this mandate on how data submissions will be coordinated between mandatory/voluntary data submitters and their contractors. This regulation makes data submitters responsible for submitting health care data that their contractors have regarding the data submitters' members. This regulation also provides a non-exclusive list of examples of contractors that are covered by this requirement.

This regulation is necessary because many data submitters contract with other entities to administer, either in whole or in part, their health benefit programs (discussed in the HPD Legislative Report, pages 58-60). As HPD requires this data to effectively carry out its overall purpose of transparency and improving health care in California, this regulation puts the responsibility on the contracting data submitters because they are in the best position to know their contractors and to make sure that contractor data is submitted to HPD.

The proposed regulation also provides options for the mandatory submitter to meet this responsibility—either (1) the mandatory submitter directly obtains and submits the data to the System from its contractors, or (2) the mandatory submitter ensures that the contractors directly submit data to the System. The purpose of this proposed regulation is to give flexibility to mandatory submitters to meet this requirement.

If option (2) is chosen, the regulation requires the mandatory submitter to identify each contractor through the registration process, and for such contractors, referenced as "delegated submitters," to register themselves with the Program and also identify the mandatory submitters for which the contractors will submit data. These requirements are necessary so there is a clear record identifying contractors and their contracting data submitters as this information is needed to have complete and accurate data.

6. Article 4, "Data Portal Registration", Sections 97330 to 97334

As part of this certification of compliance, HCAI seeks to modify Article 4 regarding submitter registration to be clearer about HPD submitter registration requirements. Although the Data Submission Guide discussed this, HCAI now seeks to put in

regulation text that there are two separate registration requirements. Also, HCAI seeks to amend the registration process for the reasons discussed below.

7. CCR, title 22, section 97330, "Plan Registration Requirement"

As part of this certification of compliance, HCAI proposes modifying this section's title, removing subsections (a)(1) to (a)(3), and modifying subsection (b).

The title is changed from "Registration Requirement" to "Plan Registration Requirement" to show that this registration requirement is only for the entity whose data is being submitted, instead of the entity that transmits the data to HCAI (see section 97331 for submitter registration).

Subsection (a) of this regulation establishes the requirement that a non-exempt health plan, health insurer, or public self-insured plan (i.e., the entities mandated to submit their data to HPD or "plans") must register with the Program. This proposed regulation is necessary to clarify that only non-exempt health plans, health insurers, or public self-insured plans must register with the Program, and that exempt plans are not obligated to register with the Program since they are not required to submit data. Plans are required to register with the Program instead of HCAI contacting potential mandatory submitters because plans are in the best position to determine whether they are subject to HPD and can easily provide information to HCAI.

In general, registration is needed because HPD needs a record of health plans and data submitters (submitters pursuant to section 97331) to keep track of data being submitted and who is transmitting that data to HPD. Furthermore, registration is needed for plans because, per HSC section 127673.3(a), HCAI is mandated to create a "master payer index," which is a record "that keeps track of a [payer's] various identifiers." (HPD Legislative Report, page 40.). Plans will, for the most part, be "payers" and information received through registration will be used to create this master payer index in HPD. The index will "enable the matching" of various records to a single payer/submitter which allows HPD to have accurate and useful data for analysis.

Subsection (a) of this regulation goes on to add clarity and provide guidance for plans on when and how often they are required to register with the Program. In other words, HCAI is requiring mandatory submitters to re-register every calendar year. HCAI is requiring this because the system does not allow for submitters to review and confirm previous registration information as required in the 2021 emergency regulations. Re-registration also ensures that HCAI has the most up-to-date information for plans instead of relying on plans to initiate updates. Because plans are required to submit their data to HPD by the first business day in March (per section 97340), HCAI is requiring that plans register under this section by the last day of January so that HCAI has this information in time for that first submission of the year. Furthermore, because HCAI is proposing to update section (a) to require plans to register annually with the Program every January, subsection (a)(3) is being repealed to eliminate inconsistencies in the regulation. Revisions made to section (a) therefore make subsection (a)(3) unnecessary.

Subsection (a)(1) required plans, except dental plans (as defined in section 97300), to register by May 27, 2022. This subsection is being deleted because non-dental plans successfully met this deadline during the emergency regulation period and therefore this subsection is no longer needed.

Subsection (a)(2) requires dental plans who are mandatory submitters to register by March 29, 2024. This subsection is being deleted because HCAI proposes moving this section to new section 97349 as part of Article 5.5 Special Rules for Program Opening and Historical Data Submission. As discussed below, HCAI believes this subject matter fits more naturally under Article 5.5 which is about the start of HPD data collection. By moving this section to Article 5.5, HCAI will not have to modify this section once HPD data collection becomes more established.

Subsection (b) is about registration of approved voluntarily participating entities. This subsection is being modified to align with subsection (a) regarding ongoing plan registration and the deadline for such registrations. This subsection also allows an approved voluntary data submitter to register through an authorized agent, such as a third-party administrator. As discussed above for section 97305, voluntary data is important to analyze health care in California, and thus, this is to encourage entities to become voluntary submitters by making the process more convenient.

Subsection (b)(1) reminds potential voluntary entities that they must go through the voluntary submitter application process (per section 97305) and be approved by HCAI before registering. This is to avoid confusion and to prevent entities from registering before going through the request process.

8. CCR, title 22, section 97331, "Submitter Registration Requirement

HCAI proposes adding this new section, "Submitter Registration Requirement," as part of the certification of compliance about registration of entities actually transmitting data to the HPD for plans. As noted above, this was already in the Data Submission Guide, but HCAI now seeks to adopt this in regulation text to clarify that there are two separate registration processes for HPD.

Plans and their delegated submitters will transmit or submit data to the HPD through the HPD data portal (see below regarding section 97340 regarding the reasons for submission through the data portal). As with plan registration, tracking these submitters through registration is necessary in order for HCAI to have a record of the submitters in case one fails to properly submit data and to determine whether a plan is in compliance with its data submission obligations. By having this registration, HCAI will be able to properly map relationships between plans and their submitters and be able to track HPD data across various entities.

Subsection (a) establishes the requirement that a plan who will transmit data for itself must also register again as a submitter.

Subsection (b) establishes the requirement that a plan's delegated submitters, if any, must register themselves, separately from the plan for whom they are submitting data.

Both subsections (a) and (b) require that the plan register beforehand under section 97330 before submitter registration. Based on the Department's experience with the initial implementation of the Program, HCAI requires plans registering beforehand as submitters were registering before plans, making it confusing and more difficult for HCAI to properly map the plan-submitter relationships.

Subsection (c) establishes that plans and delegated submitters are to complete submitter registration on an annual basis by the last calendar day of February. HCAI requires yearly submitter registration because as with plan registration, the system does not allow for submitters to review and confirm previous registration information. Annual re-registration also ensures that HCAI has the most current up to date information for submitters instead of relying on submitters to initiate changes. Entities are given to the last day of February for this registration because it is one month after the deadline for plan registration as described in section 97330. This allows for HCAI to verify plan registration and to compile a list of plan codes which is used as part of submitter registration and is used for tracking data flow. This date also allows sufficient time for plans to complete registration first followed by submitter registration.

9. CCR, title 22, section 97332, "Registration Process"

As part of this certification of compliance, HCAI proposes modifying this section by adding new language to reflect the updates described above and to note the two registration processes. This section has also been modified with the addition of subsections to make it easier to read and to add new language under subsection (a)(2).

Subsection (a)(1) requires plans and data submitters to register through the HPD data portal. This is required because electronic registration is the most efficient and convenient method for HCAI to receive registration information and for plans and submitters to provide this information.

As proposed in this certification of compliance, subsection (a)(2) newly requires plans and data submitters to follow the instructions in the Data Submission Guide (DSG), which is defined in these regulations and was developed by HCAI. The DSG includes more detailed instructions on the registration process. Originally, this regulation only required that an entity provide the information required by the DSG, but the DSG also includes various instructions on registration that need to be followed. This change is to clarify this.

For subsection (a)(3) plans and submitters are to provide all required information as specified in the DSG. This is a continuation of previous practices as part of the emergency regulations. As discussed later, the information in the DSG makes it easier for data submitters to look up information in an accessible text format so data submitters will review and understand these requirements.

The DSG's instructions and required information is discussed later in this document.

10. CCR, title 22, section 97334, "Registration Information Update"

This regulation is being updated from the 2021 emergency regulations to clarify registration information updates required from plans or other entities and eliminates subsection (b) from the rulemaking. With the elimination of subsection (b), this regulation is renumbered to eliminate all section sequencing.

The 2021 emergency regulation version of subsection (a) was only about those entities "registered to submit data." HCAI wishes to change this to reflect the two HPD registration processes and notes that any entity which registered under HPD registration regulations must update their registration information within 15 calendar days of any change in the required contact information. The purpose of this is to make sure that HCAI has the most up-to-date contact information for registered HPD entities, so HCAI knows who to contact if there is an urgent problem or concern about data submission and gives registered entities a reasonable amount of time to report the change. Without this information being updated timely, it may take a long time for HCAI to locate the right person to communicate with about urgent problems or concerns.

Subsection (b) is being deleted because it was a section requiring registered entities to "review and update or confirm all registration information annually." With the new requirements in sections 97330 and 97331 requiring yearly registrations, this subsection is no longer needed.

11. CCR, title 22, section 97340, "Monthly Data File Submission"

HCAI plans to change this section from the 2021 emergency regulation version.

For HPD, HCAI was required to adopt emergency regulations about "timelines for data submission, and the methods of data collection…" and "[f]requency of submission by… mandatory submitters of all core data…" (HSC sections 127673(e)(4) and (e)(5)). This regulation sets the frequency of data submissions and methods of data collection as required by statute.

Subsection (a) of this regulation requires submitters to submit monthly data files through the data portal. HCAI chose monthly submissions because since California is so large, any larger time period, such as quarterly submissions, would result in huge file sizes that could create challenges in sending and receiving the files. (HPD Legislative Report, page 66). Any smaller time period would be burdensome for submitters and HCAI to submit, process, and review submissions so frequently. Monthly submissions have a better balance in obtaining relevant data while accounting for potential technical issues and work that submitters and HCAI have to do.

Data submissions are required electronically through the data portal because that is the most secure and convenient method currently available for submitters and HCAI. Any form of hardcopy transmission is not practical with the amount of data and may be insecure as documents have to be delivered. The data portal will be controlled by HCAI and will be secure to prevent the loss of confidential health care information.

Subsection (b) of this regulation sets the deadline to file as "the first business day of the second month after the report month." For instance, for data from August 2023, a submitter would be required to submit this data by October 2, 2023. This gives a submitter one month to put together its data for the previous month and submit it to HPD. HCAI believes this is a reasonable amount of time for submitters to be able to put together data files and submit. This requirement is also consistent with industry data submission practices. At this point in time, after months of data submissions, it does not appear that any data submitters have had problems or concerns with the amount of time they have to submit data. At this point in time, the majority of mandatory submitters are able to meet this requirement.

New to this rulemaking is the addition of subsection (c) and new language in subsection (b) that there is one exception to subsection (b)'s deadline which is in subsection (c). The new language in subsection (b) is for clarity and to alert submitters that subsection (c) must be checked. Subsection (c) adds a new time period for submission of January 2024 data files and states that submissions for that month must be submitted on or after February 17, 2024, and by March 1, 2024. In sum, the deadline to file is the same, but prohibits submitters from filing for a period of time right after the report month. HCAI proposes this to match the transition to the new version of the APCD-CDL™ on February 17, 2024 (the transition is discussed below regarding section 97342). HCAI added this exception to make sure that all submitters start filing their 2024 monthly files using the new version of the APCD-CDL™ so there is consistency for all January 2024 monthly files. As discussed above, the transition must occur on a particular date, instead of based on reporting month, because the HPD System can only accept one data file specification format at a time.

12. CCR, title 22, section 97342, "Data File Contents"

HPD statute requires submitters to submit the following data to HPD: (1) utilization data from medical payments or encounter data, (2) pricing information for health care items and services, including contracted fees and other cost information, (3) personally identifiable information about members, and (4) personal health information (HSC section 127673(b)). In addition to this, HCAI was required to adopt emergency regulations about the "content… for data submission" and that in developing these regulations, HCAI had to consider "national, regional, and other all-payer claims databases' standards." (HSC section 127673(e)(4)). HCAI adopted emergency regulations on December 20, 2021, and will maintain this regulation which specifies the content that data submitters must submit to HPD.

a. Adoption of the APCD-CDL™ in Subsection (a)

For data submission content, HCAI complied with statute and adopted in the emergency regulations, via this Section 97342(a), the only national standard available at the time for state health care databases: *The Common Data Layout for All-Payer Claims Databases* or the "APCD-CDL™", which has hundreds of data elements to collect from health care entities. (See HPD Legislative Report, pages 30-31). The APCD-CDL™ is a national standard developed by the University of New Hampshire and the National Association of Health Data Organizations (NAHDO) to harmonize health care data

collection across states and reduce the burden of data submission. The APCD-CDL™ was developed specifically for efforts like the HPD and was based on standards used by health care entities for financial transactions. HPD statute also indirectly references the APCD-CDL™ and requires that HCAI collect data consistent with it. (See HSC section 127673(b)(1) [utilization and encounter data submissions to be consistent with the standard "proposed by… the University of New Hampshire, and the National Association of Health Data Organizations"]).

HCAI wishes to adopt the APCD-CDL™ also because the HPD Legislative Report recommended it. The Report recommended the APCD-CDL™ because:

> "Discussions with the likely submitters to the HPD Program indicate a preference for the emerging APCD-CDL™ standard. Payers that operate in multiple states especially appreciate the prospect of a standard format that can be used to support multiple APCD systems. [The Department of Health Care Services] has also indicated a preference for providing data in this format." (HPD Legislative Report, page 31).

Not only does the APCD-CDL™ provide data elements that are required under HPD statute, but seemingly will also reduce the burden of data reporting for data submitters increasing efficiency and consistency in data reporting.

HCAI seeks to incorporate the APCD-CDL™ by reference into these regulations as it would be burdensome and impractical to state the hundreds of data elements in the APCD-CDL™ with their corresponding descriptions, codes, and sources in regulation text.

b. Transition to New Version of APCD-CDL™

As discussed above for Section 97300(a), HCAI incorporated by reference the APCD-CDL™ in the definitions for these regulations. The APCD-CDL™ is maintained on a biennial schedule. At the time of the December 2021 emergency regulations, Version 2.1 of the APCD-CDL™, released July 1, 2021, was the latest version available, so that version was incorporated by reference in those regulations. Since then, Version 3.0.1 was released on April 1, 2023.

HCAI proposes to transition from Version 2.1 to Version 3.0.1 because Version 3.0.1 clarifies and adds new data elements which capture demographic information important to the requirements of the HPD. These include clarification of biological sex, and inclusion of gender identity and sexual orientation. These demographic data elements, if collected by the submitter, are to be provided to HPD. Version 3.0.1 also updates various reference tables including those used for race and ethnicity. HCAI worked with the APCD Council, a collaborative of government, private, non-profit, and academic organizations focused on improving APCDs, and NAHDO to make these changes as they are important to meet the HPD's goals to address health care equity and health disparities. HCAI does not view the changes made to Version 3.0.1 as extensive.

These regulations, via Section 97300(a), provide a transition period to the new version and state that all data submissions or resubmissions must use Version 3.0.1 starting February 17, 2024. Because Version 3.0.1 does not change significantly from Version 2.1, HCAI believes this is sufficient time for submitters to adjust to the new version. HCAI informed current HPD data submitters about this proposed change and HCAI did not receive any concerns about this timeframe. Also, this date was chosen so that HPD data starting the calendar year of 2024 will be under Version 3.0.1 (as January 2024 data is due in early March 2024) so that it is easier to track when the change occurred. February 16 is the deadline to use Version 2.1 to give submitters the ability to submit and resubmit data for December 2023. As noted above when discussing Section 97300(a), the HPD System can only process data from one version of the APCD-CDL™.

c. Adoption of the Data Submission Guide (DSG) in Subsection (a)

The APCD-CDL™ requires HCAI to clarify and specify some of its data elements. To do this, HCAI prepared the DSG, which is also required by this proposed regulation. HCAI did this through incorporation by reference because it would be impractical and burdensome to list the hundreds of specifications HCAI made to the data elements of the APCD-CDL™. Regarding the DSG's specific requirements, see the later discussion of the DSG in this document.

d. Subsections (a)(1) to (a)(5)

Subsection (a) of this regulation notes that five types of files must be submitted as specified by the DSG and the APCD-CDL™: (1) member eligibility file, (2) medical claims file, (3) pharmacy claims file, (4) dental claims file, and (5) provider file. These five types of files are categories of data elements from the APCD-CDL™ and the descriptions of these files in this proposed regulation are a summary of the descriptions from the APCD-CDL™, pages 5 to 7. This regulation is needed to specify what parts of the APCD-CDL™ HCAI proposes to adopt into HPD. Additionally, these types of files are the types of information HPD is required to collect under HSC section 127673(b). The types of files have not changed in the new version of the APCD-CDL™.

Furthermore, HSC section 127673.3(a) mandates that HCAI create a "master person index" and "master index of providers and suppliers." Indexes like these are needed because, as statute indicates, this will "enable the matching" of various records about these persons/entities, which allows HPD to have accurate and useful data for analysis. The member eligibility file and provider files as specified in sections 97324(a)(1) and 97324(a)(5), respectively, provide information to create these indexes.

e. Subsection (b)

Subsection (b) of this regulation discusses what data is excluded from submission to HPD. This subsection excludes data for a submitter's members who are exclusively enrolled in Medi-Cal because HPD will separately obtain data about Medi-Cal recipients through the Department of Health Care Services (*see* HSC section 127673(g)(2) [requiring the Department of Health Care Services to submit Medi-Cal data to HPD])

and thus, this data would be duplicative and unnecessary.

This subsection (b) also excludes several types of coverage that a submitter may offer from the submitter's data submission: supplemental, student health, chiropractic, acupuncture, and vision. As discussed above, the definitions of "health plan" and "health insurer" exclude certain entities from HPD that exclusively provide types of coverages that are not relevant for the purpose of HPD or are of little value versus the cost of collection. This section does the same by excluding the same and similar types of coverages provided by HPD submitters in data submissions to HPD. For the reasons why these types of coverages are excluded, see the explanations above for the definitions of "health plans" and "health insurers" (respectively, in section 97300(j) and (k)).

13. CCR, title 22, section 97344, "Data File Technical Requirements"

For HPD, HCAI was required to adopt emergency regulations about the "file formats… for data submission" and that in developing these regulations, HCAI had to consider "national, regional, and other all-payer claims databases' standards." (HSC section 127673(e)(4)). HPD needed a consistent way or format for submitters to submit data so HPD could efficiently process the submissions and check files for completeness and errors.

This regulation sets the format for data submissions and requires submitters to conform their data files to the "file format, technical specifications, and other standards" specified in the DSG and the APCD-CDL™. The DSG and APCD-CDL™ are used for the same reasons stated above for section 97342.

14. CCR, title 22, section 97346, "Submission Completion"

This regulation states that a plan's data submission is incomplete until all of its delegated submitters submit their data on behalf of the plan. As previously discussed, section 97318 states that primary data submitters are responsible for their delegated submitters, and this proposed regulation specifies what this responsibility entails.

The purpose of this regulation is to make it clear to plans who have delegated submitters when it becomes an issue if delegated submitters fail to submit data. Clear requirements for this are needed because HCAI is required to notify the relevant licensing authorities if a plan fails to comply with HPD requirements, and those licensing authorities are to take appropriate action to bring the submitters into compliance per HSC section 127674.1.

15. CCR, title 22, section 97348, "Test File Submission"

As part of this certification of compliance, HCAI proposes modifying this section. The HPD data portal has a function that allows registered submitters to "submit" test data files to determine their ability to create and send data files per HPD requirements. The emergency regulations required submitters to perform this test function. HCAI proposes changing the testing requirement to be optional, from "shall" to "may". The reason for

testing is to provide submitters the ability to make sure the data file submission process goes smoothly when submitters begin to submit data files, and to make sure that a submitter resolves any problems well before any data submission deadlines.

HCAI believes this testing mandate is unnecessary because most, if not all, submitters will have performed testing pursuant to section 97350 below regarding the special submission of historical data files regarding the start of HPD data collection. HCAI's experience with plan testing during HPD's beginning stages and historical data submission is that once initial testing is completed, no further testing is necessary for submitters to meet data file requirements. For this reason, HCAI wishes to make this optional but to keep this regulation to inform future submitters of the availability of testing and to state requirements if testing is done.

This regulation goes to require that test files be identified as test files per the DSG so that it is clear to HCAI that the submitters are sending test files. This regulation also makes clear that test files sent within HPD's data portal are not officially submitted to HPD.

16. CCR, title 22, section 97349. Initial Registrations for Program Opening

HCAI proposes adding this new section as part of certification of compliance. The regulation for initial dental plan registration with HPD was originally established in the emergency regulations, Article 4, section 97330(a)(2). As discussed above, HCAI proposes moving this requirement to this new section under Article 5 which is about special rules for the start of the HPD. It makes more sense to include this requirement under Article 5 which is specifically about the start of HPD.

This new section instructs dental plans and their delegated submitters to complete their initial HPD registrations under section 97330, section 97331, and section 97332 by March 29, 2024. This same deadline was in the 2021 emergency regulations, section 97330(a)(2). This initial registration regulation is required only for program opening for dental plans. HCAI does not believe it will be ready for dental data collection until 2024 and accordingly, dental plans do not have to submit HPD data until October 31, 2024 (per section 97351(b)). HCAI believes the initial registration deadline of March 2024 gives dental plans sufficient notice and time to register in order to meet the requirements in the rest of this Article 5.

Regarding the different timelines for dental plans and dental data, see the discussion above for the definitions of "dental data" and "dental plan" (section 97300(e) and (f)).

17. CCR, title 22, section 97350, "Preparation for Historical Data Submission"

As discussed in the next section, HSC section 127673(h)(1) requires HCAI to seek data from data submitters for three years before the start of HPD and proposed section 97351 requires this historical data. Subsection (a) of this regulation requires data submitters to use the HPD data portal's test function to prepare for historical file

submission. This is to make sure that submissions of historical data files will go smoothly and by the deadline required.

Subsections (b) and (c) of this regulation treats dental plans differently from other mandatory submitters and provides a later deadline for testing registration deadline for dental plans. For the reasons why, see above regarding the definitions of "dental data" and "dental plan" (section 97300(e) and (f)).

Subsection (b) of this regulation requires non-dental plans to use the test function by July 29, 2022. HCAI wishes to retain this regulation for this rulemaking as not all plans have met this requirement yet.

Subsection (c) of this regulation requires dental plans to use the test function by July 31, 2024. Section 97349 (discussed above) requires HPD registration for dental plans by March 29, 2024. HCAI believes that four months from the registration deadline to the test deadline gives these data submitters more than enough time to perform the test function in preparation of actual data submission.

18. CCR, title 22, section 97351, "Historical Data Files"

HSC section 127673(h)(1) requires HCAI, for the "initial implementation" of HPD, to "seek data for the three years prior to the effective date of this chapter," which was June 29, 2020.[5] Thus, HPD statute states that HCAI must try to obtain data from June 29, 2017, through June 29, 2020, for HPD. HPD statute also requires HCAI to be able to "provide data for no less than three years" and authorizes HCAI to "seek data for longer time periods to support the intent" of HPD. (HSC section 127673(h)(2)).

The HPD Legislative Report, pages 24 and 37, also recommended that HCAI collect three years of historical data "at the onset" of HPD. Such historical data is needed for HPD because:

> "Starting at least three years of data will allow for calculation of the initial measures over multiple years and support some analysis of trends. Generation of the initial measures; careful examination of results by year, payer type, and individual submitter; and stakeholder and partner engagement with the results are essential steps prior to public release of the first HPD Program results." (HPD Legislative Report, page 20).

Having this historical data will allow HPD to release information sooner to achieve the HPD's purpose to increase transparency in health care and to inform health care policy decisions in California. The purpose of this regulation is to acquire this historical data for HPD.

Pursuant to statute, this regulation requires HPD data submitters to submit historical data to HPD for the time period from June 29, 2017, through December 2021. This

[5] The effective date is from the approval date of Assembly Bill No. 80 (2019-2020 Reg. Sess.). Per section 75 of the legislation, this bill was a budget bill that immediately took effect upon approval.

covers the statutorily mandated time period under HSC section 127673(h)(1). This also covers the time period from July 2020 through December 2021, which is between the end of the statutorily mandated time period for historical data and the start of HPD (which was December 20, 2021). HCAI is authorized to collect data for this additional period under HSC section 127673(h)(2) in order to be able to provide at least three years of data and to support the intent of HPD. Also, data from July 2020 to December 2021 must be collected because if it was not collected, there would be a hole in HPD's records that would impair later data analyses and would not be consistent with HPD's records.

For HPD, HCAI is required to adopt emergency regulations about "timelines for data submission." (HSC section 127673(e)(3)). This regulation also sets the timelines for historical data submission. Subsections (a) and (b) of this regulation sets different timelines for historical dental data submission compared to other historical data. For the reasons why, see above regarding the definitions of "dental data" and "dental plan" (proposed section 97300(e) and (f)).

Subsection (a) of this regulation requires non-dental historical data to be filed by October 28, 2022. HCAI was able to collect historical data from the majority of non-dental plans by this due date, but not all plans have submitted historical data yet pursuant to this section. For this reason, HCAI wishes to keep this regulation in place.

Subsection (b) of this regulation requires historical dental data to be filed by October 31, 2024. HCAI believes this is a sufficient amount of time for dental data submitters to be able to submit this data to HPD. This deadline would be seven months after the deadline for dental plans to register to HPD. Also, by this time, HCAI anticipates that HPD will be ready to accept this data.

19. CCR, title 22, section 97352, "Initiation of Monthly File Reporting"

For HPD, HCAI is required to adopt emergency regulations about "timelines for data submission" (HSC section 127673(e)(3)). This proposed regulation does this for regular HPD data reporting and states when the reporting will begin for mandatory submitters at the start of HPD. This proposed regulation also requires the submission of data for the period between the start of HPD (January 1, 2022) and the submitter's first monthly submission.

Subsections (a) and (b) of this regulation sets different timelines for the submission of dental data compared to other required data. For the reasons why, see above regarding the definitions of "dental data" and "dental plan" (proposed section 97300(e) and (f)).

Subsection (a) is for non-dental plans and states that monthly reporting of non-dental data for these entities will begin for the month of November 2022 (which, per proposed section 97340, was due on January 2, 2023). Subsection (a) also sets a deadline of February 1, 2023, for these entities to submit non-dental data for the rest of 2022 (January through October). A delayed time period from the start of HPD to monthly reporting is needed to give HPD's initial data submitters enough time to prepare for data

submission and to allow them time to report historical data as discussed above. After discussions with potential data submitters and stakeholders, HCAI believes this is sufficient time for initial data submitters to be able to start reporting monthly data and to report data for 2022.

Subsection (a)(1) also gives non-dental plans the option of providing monthly data before November 2022. This is to give these plans flexibility and the ability to submit data earlier in order to make it less burdensome for these entities to comply with HPD as the HPD System will be ready to accept this data earlier.

Regarding subsection (a), although these time periods have passed, HCAI wishes to retain these sections because not all plans have complied with this section yet.

Subsection (b) is for the submission of dental data. This subsection states that all plans must start monthly reporting of dental data for the month of November 2024 (which, per proposed section 97340, will be due on January 2, 2025). Subsection (b) also sets a deadline of February 1, 2025, for all plans to submit dental data for the time period from the start of HPD and their first dental data monthly submission. By the time of these deadlines, the HPD System will be able to accept dental data and these deadlines will give plans, especially dental plans who are required to register by March 29, 2024, sufficient time to prepare for and start submitting dental data.

20. CCR, title 22, section 97360, "Data Acceptance"

Subsection (a) of this regulation states that data files submitted to HPD that do not meet the file intake requirements of the DSG (as required by proposed section 97344) will not be accepted (*see* later section regarding the DSG for explanations of the DSG file intake specifications). The purpose of this is to notify data submitters of what occurs if they do not comply with the file intake specifications of the DSG and to ensure that submissions meet these specifications. As discussed earlier for proposed section 97344, HCAI needs submissions to meet these requirements in order to efficiently process and review files for problems. Problems with data submissions also need to be dealt with at intake to avoid "problems associated with processing incorrect data that require greater levels of time and effort to correct down the road." (HPD Legislative Report, page 112).

Subsection (b) of this proposed regulation states that HCAI will notify data submitters within three business days of whether a data file has been accepted and rejected. The purpose of this is to inform data submitters of problems quickly while giving HCAI enough time to review data files for problems. This also requires HCAI to notify data submitters that their files were accepted so data submitters know filing requirements were met. This is needed to set expectations for submitters and HCAI staff on the process of acceptance.

21. CCR, title 22, section 97362, "Data Review and Correction"

HSC section 127673.4 requires HCAI to "develop regulations on data quality and improvement processes" and for data quality processes to "be applied to each major

phase of the [HPD] system life cycle…" including "source data intake" and "data conversion and processing." This proposed regulation accomplishes this and states that HCAI will examine data files after acceptance for "initially unidentified errors." This is needed because errors may not have been identified due to the short turnaround time between submission and acceptance/rejection per section 97360. HCAI will more thoroughly review submissions shortly after acceptance because correction of data at later stages is very costly and time-consuming. (*See* HPD Legislative Report, page 113).

This regulation notes that if HCAI detects errors, the data file "shall be flagged, and the submitter requested to address such issues" by confirming the data or correcting and resubmitting data within 45 days of HCAI's error notification. The purpose of this is to establish a clear process for potential errors to be resolved with the submitter so errors do not remain in HPD that could affect later data analyses.

22. CCR, title 22, section 97370, "Requesting a Variance"

Subsection (a) of this regulation states that a submitter unable to submit data files meeting the DSG's file intake specifications may request and obtain a "temporary variance to those requirements." HCAI recognizes that, in some circumstances, a submitter may not reasonably be able to meet the DSG's file intake requirements. This regulation is necessary to give HCAI flexibility in dealing with such submitters and to allow changes from HPD requirements as needed for specific circumstances to give submitters time to adjust or correct issues. Since consistency of data is needed for later analysis, this proposed regulation only allows temporary variances and there is an expectation that all submitters will eventually meet DSG requirements.

Subsection (b) of this regulation states the process in which a submitter may request a variance and requires that the submitter "clearly identify the current issues, the plan for correction, and the anticipated date of correction". This gives submitters a convenient process to request a variance, and the requested information is needed for HCAI to analyze the situation and decide whether it should grant a variance. The specific requirements are general as circumstances necessitating a variance may be varied and specific to the submitter. HCAI needs this information to assess whether to approve the request or not.

Subsection (c) of this regulation states that HCAI will approve or disapprove variance requests within 30 days of the request submission. Each variance request will be reviewed on a case-by-case basis based on the specific circumstances of the request and requests may be denied based on that review. The purpose of this is to notify data submitters that variance requests will not be automatically approved. HCAI believes a 30-day response period is reasonable to assess a request.

23. Version 1 of the Data Submission Guide (DSG)

This discusses Version 1 of the DSG, which was promulgated by the 2021 emergency regulations. Per this rulemaking, HCAI plans to have Version 1 effective only through February 16, 2024, for the reasons stated above. Changes from Version 1 to Version 2

will be discussed in the next part.

Prior proposed sections, including sections 97332, 97342, 97344, 97348 and 97360, reference requirements in the document, *The Health Care Payments Data Program: Data Submission Guide*, Version 1, dated November 23, 2021, which was developed by HCAI. The reason why these requirements were incorporated in the DSG was to make it more convenient for data submitters to look up information and to have it in a more readable text format so data submitters will be more likely to read and understand these requirements. It was also impractical to have the hundreds of data elements discussed in the DSG to be in regulation text. This section will go through the various requirements of the DSG.

Part 1 of DSG, "Introduction": This part of the DSG describes the DSG in general and that it is for the HPD and maintained and updated by HCAI. This part also notes that the DSG offers additional detail to the APCD-CDL™ which is the core file format for HPD data submissions. This part is needed to give background to the DSG and to note that it is to be used with the APCD-CDL™ for clarity purposes and to prevent confusion.

Part 2 of DSG, "Registration": This part notes that there are two types of registration for HPD so entities are aware that they may need to register for two things.

Proposed regulation, section 97332, notes that a "plan" as defined and delegated submitters must register and "provide all required information as specified in the" DSG. Part 2 of the DSG provides these requirements.

Part 2.1 of DSG, "Plan Registration": This part goes through one type of registration necessary for HPD—this one is for the legal entity that is responsible for the data being submitted (i.e., the mandatory and approved voluntary submitters).

This part clarifies that "licensed entities" such as health plans or insurers, registration must be "at the license level." The purpose of this is to ensure that all mandatory submitters are in compliance and that appropriate linkage can be establish between data submitted and market segment.

As required by proposed section 97332, part 2.1 of the DSG then states the information needed for registration from mandatory and voluntary submitters. As discussed above for proposed section 97330 above, generally, this information is needed to keep track of those who are submitting data to HPD and to create a "master payer index" per HSC section 127673.3(a). The DSG requires the following information for this type of registration:

- "Legal entity name and address": The legal entity name is needed so HCAI knows the actual legal entity responsible for data submission to take legal or administrative action for noncompliance or other violations of HPD law. The address is needed in case HCAI needs to mail any notice or document to the entity and to verify the entity with records from the entity's respective licensing authorities.

- "Type of entity: mandatory or voluntary, and whether: plan/insurer, public self-insured, private self-insured": HCAI needs to know whether a submitter is mandatory or voluntary as mandatory submitters may be subject to administrative or licensing actions and thus, entities will be treated differently based on whether they are mandatory or not. HCAI also needs to know what type of entity the submitter is so that data submissions can be analyzed by type of entity to ensure all market segments of data are represented.

- "National Association of Insurance Commissioners (NAIC) Code": This is a national identifier that will help HCAI identify the entity in market segment analyses.

- "Product type(s)": These data elements will be used by HCAI to analyze data submission by market segment.

- "License Type and License Number": This information is necessary to identify any discrepancies between information received by HCAI and information that the relevant licensing authorities have about the entity, and to ensure that all mandatory submitters are in compliance.

- "Lines of Business": This information will be used by HCAI to analyze data submission by market segment.

- "A regulatory contact (first and last name, phone, email and address)": This is required for compliance issues identified by HCAI during the operation of the HPD program.

- "A business contact for submission issues (name, phone, email and address)": This is required in case ongoing communication is needed with general business-related questions that HCAI may have in the operation of the HPD program.

- "If the plan will be submitting its own data, list the types of data files that will be submitted": This information is needed for HPD to accurately identify and link the data being submitted and to keep track of whether an entity is submitting all required data. This will allow HCAI to determine who to contact if data is missing.

- "If the plan is delegating submission, the plan shall provide a list of submitters, and the following information for each submitter": This requires plans to identify all their delegated submitters and to identify what data each delegated submitter will file on behalf of the plan. This information is needed for HPD to accurately identify and link the data being submitted and the plan is in the best position to provide this information instead of HCAI trying to figure this out on its own. This information is also needed to make sure delegated submitters are submitting all data as required because this information lets HCAI efficiently check this.

- "Legal entity name": The legal name of the delegated submitter is needed in case HCAI needs to identify this submitter to the contracting data submitter or to take administrative action.

- "Contact information (name, title, phone, email and address)": This is the contact information for the delegated submitter.

- "The type of data files to be submitted": See above regarding "A list of delegated submitters, and the following information for each delegated submitter."

Finally, part 2.1 states that an entity that registers under this part will be notified and receive a "unique Payer Code." As noted in part 2.1, this is used "in data submission to identify data [the entity is] responsible for. Submitted files that contain an invalid Payer Code will not be accepted." The unique payer code is needed for the APCD-CDL™ and because:

> "Data from each line of business [of a submitter] might come from different places within the submitting [entity] due to mergers, legacy claims systems, and other reasons. Some submitters will submit one large feed for all lines of business; others will submit one data feed per line of business." (HPD Legislative Report, page 44).

Having a unique HPD payer code will assist HCAI in organizing data and linking it to the right entities if data comes in from various places. This is needed to efficiently create the HPD and analyses. It is noted that a submission with an incorrect payer code will not be accepted to ensure that the submitter inputs this correctly.

Part 2.2 of DSG, "Submitter Registration": This part goes through the registration of all data submitters to HPD. A submitter could be the plan who is responsible for the data or a delegated submitter. Different information from "Plan Registration" is required for the actual data submitters as discussed below.

As required by proposed section 97332, part 2.2 of the DSG then states the information needed for registration of submitters. The DSG requires the following information for this type of registration:

- "Legal entity name and address": The legal entity name is needed so HCAI knows the actual legal entity responsible for data submission to take legal or administrative action for noncompliance or other violations of HPD law. The address is needed in case HCAI needs to mail any notice or document to the entity.

- "At least two designated submitter representatives (first and last name, title, phone, email and address)": This requires submitters to identify at least two individuals working for the submitter who would be the technical point of contact should any issues arise with data submission. The purpose of this is so that HCAI knows who to contact if there are issues with a submitter's data

submission. Without this information, it may take HCAI a long time to find someone to communicate with about problems or concerns with submissions. Two contacts are required in case one contact is unavailable and there is an urgent situation.

- "A list of all plans who they will submit data on behalf of. For each plan entity, the following information is required": This requires submitters to identify the plans for which they are submitting data, if any, and what data file types they are submitting. This information is needed for HPD to accurately identify and link the data being submitted and the submitter is in the best position to provide this information instead of HCAI trying to figure this out on its own. This information is also needed to make sure submitters are submitting all data as required because this information lets HCAI efficiently check this.

    - "Payer Code and Name": The payer code is issued to an entity once they register per part 2.1 above. This code is needed to properly link data to the correct plan in the HPD to ensure accurate and complete data.

    - "A complete list of all data file types (Eligibility, Medial Claims, Pharmacy Claims, Dental Claims, and Provider) they will submit for each Payer Code": See above regarding "A list of all plans who they will submit data on behalf of. For each plan entity, the following information is required."

Part 2.2 states that upon approval of this registration, the delegated submitter will be notified and receive a "unique Submitter Code" to be used in data submission "to identify data [the submitters are] responsible for." The unique submitter code is needed because having a unique HPD submitter code will assist HCAI in organizing data and linking it to the right entities if data comes in from various places. A submitter code is needed as well as a payer code as a plan could also be a delegated submitter for other entities.

Lastly, part 2.2 notes that files with "an invalid Submitter Code or invalid Payer Code/Submitter Code combination will not be accepted." This is to make sure that the submitter inputs the correct submitter and payer code.

Part 3 of DSG, "Test File Submission": Proposed section 97348 notes that test files will be "identified as specified in" the DSG. Part 3 is about this.

Part 3 notes that test files are required to be submitted through the HPD data portal, which reiterates section 97348.

Part 3 also notes that test files will be identified with a "T" in an identified data element on the APCD-CDL™ (currently data element "CDLHD008", which is the data element for "test file flag"). This is to make sure that HCAI recognizes a submission as just a test file instead of a real (production) submission.

Part 4 of DSG, "File Intake Specifications": Proposed sections 97342 and 97344 require submission of data content and in formats as required by the APCD-CDL™ and the

DSG. Proposed section 97360 notes that files will not be accepted unless it meets the requirements of the DSG. Part 4 provides these requirements.

First, part 4 notes that the HPD assigned payer code and data submitter code are required data elements within submitted data files, which reiterates requirements in part 2 to ensure compliance with these important requirements.

The APCD-CDL™ requires a “header record” and also a “trailer record” for every data file submission. Part 4 incorporates this requirement.

The APCD-CDL™ has data definitions for each data element in its tables of data elements. Part 4 makes clear that these definitions in APCD-CDL™ must be followed.

Part 4 describes the tables that are in parts 4.1 to 4.7 of the DSG. It notes that the tables that follow in the DSG are data elements from the APCD-CDL™ and each data element included is designated “required” or “situational.” The DSG notes that “required” must be populated at all times while “situational” means must be submitted only in the specific circumstances described in the data element. There is a minimum set of data elements that must be received by the HPD to ensure that the data is viable for analytical purposes. HCAI worked with stakeholders and submitters to determine the minimum data necessary and HCAI designated data elements from the APCD-CDL™ accordingly.

Part 4 notes that for all other data elements in the APCD-CDL™ not mentioned in the DSG are required to “be populated with available data.” The purpose of this is to enable the maximum amount of data to be collected. While the minimum data necessary is explicitly specified, the rest of the data on the APCD-CDL™ are valuable for analysis and HCAI would like these data to be submitted if the submitter has the data available.

Part 4 then states, reiterating proposed section 97360, that submitted data files will be accepted or rejected and goes through the reasons for rejection. This is to clearly notify submitters of common problems or issues to look out for before submitting a data file, including improper file formats, and data types, inconsistent dates based on reporting period, and invalid entries for required/situational data elements.

Part 4 notes that a variance has to be requested and approved for a data file to have missing required/situational data elements, and that a data file will be rejected for missing values for any such element without an approved variance. This is to make clear that these elements are absolutely needed, and the variance process must be followed to get an exception to this.

Parts 4.1 to 4.6 of the DSG are the tables of data elements from the APCD-CDL™ that must be submitted and includes the data element number, name and whether the data element is “required” or “situational,” and any notes specific to a data element for clarification. These are needed to clarify the information that needs to be provided for each data element and to make sure the proper values are inputted for the data elements.

24. Version 2 of the DSG

This discusses Version 2 of the DSG, dated July 17, 2023, which HCAI proposes to incorporate by reference as part of this certification of compliance regulatory action. As stated above, HCAI plans to have Version 2 effective on or after February 17, 2024, for the reasons stated above. Below identifies the changes that are being made to Version 2.

Cover Page and footers of all pages: The date of the DSG was revised to July 17, 2023. The Version number was revised from Version 1.0 to Version 2.0.

Part 1 of DSG, "Introduction": HCAI added an explanation of when Version 2 of the DSG will take effect for HPD production file submissions. Submitters are instructed that Version 2 of the DSG is to be used for HPD production submissions or resubmissions on or after February 17, 2024, and accompanies the usage of APCD-CDL™ version 3.01. Submitters are also instructed that any submission or resubmission prior to February 17, 2024, are to follow DSG Version 1.0 dated November 23, 2022, and use APCD-CDL™ Version 2.1.

Part 2 of DSG, "Registration": HCAI added a description specific to dental plan registration. This is that a dental plan must complete initial registration for both plan and submitter registration by March 29, 2024, as stated in new proposed section 97349. This is added as an additional reminder to dental plans about their registration requirements.

Part 2.1 of DSG, "Plan Registration": HCAI added an explanation about the due date for annual plan registrations which corresponds with the update to section 97330, Plan Registration Requirement. The text added reads that plan registration will take place during the month of January each year by the last day of January.

Part 2.2 of DSG, "Submitter Registration": HCAI added an explanation about the due date for submitter registrations which corresponds with the addition of section 97331, Submitter Registration Requirement. The text added reads that submitter registration will take place during the month of February each year by the last day of February and after plan registration has been completed.

Part 4 of DSG, "Key Updates in this Version": HCAI added this section to document the updates and additions made to the DSG to reflect APCD-CDL™ Version 3.0.1 that submitters should take careful note of. These updates and additions include the following:

- Member Gender was updated to Member Sex – this was applied to the Eligibility, Medical Claims, Pharmacy Claims and Dental Claims files.
- All race and ethnicity fields will now use the six-character concept code (see APCD-CDL™ definitions for more information).
- Submitters shall send secondary race and ethnicity data as available.

- New additions to the eligibility file include: Member Gender Identity (CDLME081) and Member Sexual Orientation (CDLME082). Submitters are required to send this data if available.

Part 5 “File Intake Specifications”: This was previously labeled as Part 4 of the DSG Version 1.0. HCAI revised the citation of the APCD-CDL™ from Version 2.1 to Version 3.0.1. This revision is made because Version 2.0 of the DSG only applies to APCD-CDL™ version 3.0.1. HCAI clarifies for a second time in this part that all fields of the APCD-CDL™ data layouts must be sent if the data is available. In addition, HCAI explains that data elements designated as “Required” must be populated, unless a variance has been registered and accepted for the specific field.

Part 5.1 of the DSG, “File Header”: This was previously labeled as Part 4.1 of the DSG Version 1.0. HCAI removed “name” from APCD-CDL™ Data Element CDLHD004. “Name” was removed from this data element because it was also removed from APCD-CDL™ version 3.0.1.

HCAI also added APCD-CDL™ data element CDLHD010 “APCD-CDL™ Version Number”. This was added to the file header to APCD-CDL™ Version 3.0.1. This data element will be required because it will allow HCAI to determine which version of the APCD-CDL™ was submitted.

Part 5.2 of the DSG, “File Trailer”: This was previously labeled as Part 4.2 of the DSG Version 1.0.

Part 5.3 of the DSG, “Member Eligibility File”: This was previously labeled as Part 4.3 of the DSG Version 1.0. The following data APCD-CDL™ data element number and field names were revised within the Member Eligibility File because it was also revised in the APCD-CDL™ Version 3.0.1:

- Data Element CDLME005 field name was revised from “Start Year of Submission” to “Eligibility Year”.

- Data Element CDLME006 field name was revised from “Start of Month Submission” to “Eligibility Month”.

- Data Element CDLME018 field name was revised from “Member Gender” to “Member Sex”.

The following data element numbers and field names were added to the Member Eligibility File because they were added as new fields to the APCD-CDL™ 3.0.1:

- Data Element CDLME079, “Vision Coverage Indicator” was added and HCAI deems this field as required.

- Data Element CDLME080, “Financial Risk Type” was added and HCAI deems this field as required.

Part 5.4 of the DSG, “Medical Claims File”: This was previously labeled as Part 4.4 of the DSG Version 1.0. The following data element number and field name were revised in Medical Claims file because it was revised in the APCD-CDL™ 3.0.1:

- Data Element CDLMC018 field name was revised from “Member Gender” to “Member Sex”.

The following data element number and field name was added because it was added to the APCD-CDL™ 3.0.1:

- Data Element CDLMC164, “Member Record Number” was added and HCAI deems this field as required.

Part 5.5 of the DSG, “Pharmacy Claims File”: This was previously labeled as Part 4.5 of the DSG Version 1.0. The following data element number and field name was revised in the Pharmacy Claims File because it was revised in the APCD-CDL™ 3.0.1:

- Data Element CDLP018 field name was revised from “Member Gender” to “Member Sex”.

Part 5.6 of the DSG, “Dental Claims File”: This was previously labeled as Part 4.6 of the DSG Version 1.0. The following data element numbers and field name were revised in the Dental Claims file because it was revised in the APCD-CDL™ 3.0.1:

- Data Element CDLDC018 was revised from “Member Gender” to “Member Sex”.

- Data Element CDLDC027 was revised from “CDT Code” to “Procedure Code”.

V. TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS, OR DOCUMENTS RELIED UPON

HCAI relies on *The Health Care Payments Data Program: Report to the Legislature*, dated March 9, 2020 (referred to as “HPD Legislative Report” above), by the Office of Statewide Health Planning and Development (HCAI’s former name). HCAI was required to prepare this report for the California Legislature based on input of a committee and others about how HPD should be implemented. (*See* Assembly Bill No. 1810, section 23 (2017-2018); and HSC section 127672(d) (2019) [requiring HCAI to create the legislative report for HPD]).

VI. REASONABLE ALTERNATIVES

No other reasonable alternatives were presented to, or considered by, HCAI that would be either more effective in carrying out the purpose for which these regulatory actions are proposed or would be as effective and less burdensome. Alternatives to specific regulatory sections, when considered, are discussed above in Part IV of this Initial Statement of Reasons.

VII. ECONOMIC IMPACT ASSESSMENT/ANALYSIS

HCAI believes this regulation is a minor reporting requirement for health/dental plans, health/dental insurers, and other mandatory data submitters to the HPD as these entities already provide the same or similar data to other entities.

HCAI also released a survey to all currently registered plans (50) and submitters (38) to understand the estimated economic impact of the current emergency regulation. Survey results were obtained from six registered health plans who represent 16 registered submitters. Based on the response of the survey, HCAI deemed that there was an economic impact, but the plans and submitters were able to absorb the one-time and ongoing cost for data collection. Most respondents indicated that no new jobs were created due to the emergency regulation. The one respondent who indicated jobs were created estimated one to three jobs were created. No respondents indicated that jobs were eliminated by the emergency regulation.

Based on the above reasoning, HCAI concludes that this regulatory action will:

1. Likely not create jobs within the state;
2. Likely not eliminate jobs within the state;
3. Not create new businesses within the state;
4. Not eliminate existing businesses within the state;
5. Not affect the expansion of businesses currently doing business in the state; and
6. Not have any anticipated benefits to worker safety or the state's environment.

The benefits of this proposed regulatory action are further detailed in the benefits section of this document.

VIII. FACTS SUPPORTING FINDING NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

HCAI has determined that the permanent adoption of the HPD emergency regulations would not have a significant adverse economic impact on any business in California because statute mandates that businesses submit data for the HPD Program, not these proposed regulations. These regulations implement the reporting requirements for the HPD Program and HCAI has been successful in collecting data from mandatory and voluntary submitters from the adoption of the emergency regulation to present.

To understand what impacts there may be to data submitters, HCAI administered a

survey to all currently registered health plans and submitters. The survey assessed the one time and ongoing costs for complying with HPD emergency regulations, whether jobs were created or eliminated, and the types of jobs used to support HPD data collection. A total of six health plans and insurers responded to the survey representing 16 data submitters. The total covered lives served by these health plan and insurer respondents ranged from 89,000 to 8.2 million. Plans at the lower range of total covered lives membership (with annual revenues at least in the tens of millions of dollars[6]) indicated that the estimated one-time cost was $50,000 or less and ongoing annual costs were $25,000 or less. This is compared to plans at the higher range of total covered lives membership (with annual revenues in the billions of dollars[7]) who indicated the estimated one-time cost was $1 million and estimated annual ongoing costs were $650,000. Based on the results of the survey, HCAI estimates the total one-time cost for all submitters implementing the requirements of HPD data collection regulations is approximately $11,659,084, the total ongoing costs are approximately $5,052,290, and the total statewide costs to comply with this regulatory action for initial start-up costs and the first year of annual costs are $16,711,374. The results of the survey conclude that there was an economic impact to registered plans and submitters, however, the impact did not eliminate jobs. One respondent concluded that the requirements of HPD data collection created an estimated one to three jobs. This supports HCAI's position that this regulatory action does not have a significant adverse economic impact on businesses required to report for the HPD program.

[6] Information from the California Department of Managed Health Care, "Health Plan Financial Summary Report," available at https://wpso.dmhc.ca.gov/flash/ (last visited on June 20, 2023).
[7] See above footnote.