



2020 West El Camino Avenue, Suite 800
Sacramento, CA 95833
hcai.ca.gov



**NOTIFICATION OF PROPOSED
EMERGENCY REGULATORY ACTION WORKSHOP
PROMOTION OF COMPETITIVE HEALTH CARE MARKETS;
HEALTH CARE AFFORDABILITY
TOTAL HEALTH CARE EXPENDITURES DATA COLLECTION**

To All Interested Parties:

NOTICE IS HEREBY GIVEN that the Department of Health Care Access and Information (HCAI or Department), Office of Health Care Affordability (OHCA or Office) is proposing to take the actions described in the Informative Digest / Policy Statement Overview below, after considering comments, objections, and recommendations regarding the proposed action.

PUBLIC WORKSHOP

The Office has scheduled a public workshop on this proposed action to receive comments, both oral and written. The workshop will be both virtual and physical; short breaks may be taken, as appropriate.

November 14, 2023, starting at 1 p.m.

Physical Location:

2020 West El Camino Avenue, Suite 900 (Sierra Conference Room), Sacramento CA

Free parking is available around the building. Please do not park in reserved spaces.

Individuals with disabilities may request an accommodation or modification to observe or participate in the meeting from the Contact listed below. Providing your request at least five (5) business days before the meeting will help ensure availability of the requested accommodation.

Phone (Audio Only):

- Dial +1 (916) 535-0978 (United States – Sacramento, California)
- Enter Phone Conference ID: 829 848 69#

Online via Microsoft TEAMS:

Join on your computer or mobile app - Click [here](#) to join the meeting Or copy and paste the following link into your browser:

[Click here to join the meeting](#)

- Meeting ID: 234 965 048 170
- Passcode: JndcnC

For best results, please use Google Chrome or Microsoft Edge browsers to join meeting. Should technical difficulties arise during the workshop, verbal comments from those at the physical location will still be accepted.

Members of the public are NOT required to identify themselves or provide other information to attend or participate in this meeting. If Microsoft Teams requires a name, you may enter “Anonymous.” You may also input fictitious information for other requested information if required to attend the meeting (e.g., anonymous@anonymous.com).

WRITTEN COMMENT PERIOD

Written comments relevant to the proposed regulatory action may be submitted, either brought to the above-mentioned workshop or sent by mail or e-mail to the address listed under Contact in this Notice, to be received by the Office by 5:00 p.m. on December 1, 2023.

INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW

The California Health Care Quality and Affordability Act (hereinafter, the “Act”) was enacted by Senate Bill (SB) 184 (Chapter 47, Statutes of 2022), and became effective as an urgency statute June 30, 2022. It added Chapter 2.6 (commencing with Section 127500) to Part 2 of Division 107 of the Health and Safety Code.

Pursuant to Health and Safety Code section 127501(c)(1) through (c)(4), the Office of Health Care Affordability within the Department of Health Care Access and Information shall:

- (1) Increase cost transparency through public reporting of per capita total health care spending and factors contributing to health care cost growth.
- (2) Support the board, through data collection and analysis and recommendations, to establish a statewide health care cost target for per capita total health care spending.

- (3) Support the board, through data collection and analysis and recommendations, to establish specific health care cost targets by health care sector, including fully integrated delivery systems, geographic regions, and individual health care entities, as appropriate.
- (4) Collect and analyze data from existing and emerging public and private data sources that allow the office to track spending, set cost targets, approve performance improvement plans, monitor impacts on health care workforce stability, and carry out all other functions of the office.

Health and Safety Code section 127501.2 and subdivision (b) of 127501.4 require the Office to adopt emergency regulations establishing requirements for payers and fully integrated delivery systems to submit data and other information necessary to measure total health care expenditures and per capita total health care expenditures.

As required by the Act, the data and other information submitted to the Office will be used to prepare a report on baseline health care spending on or before June 1, 2025. (Cal. Health & Saf. Code, § 127501.6, subd. (a).) For purposes of the baseline health care spending report, payers and fully integrated delivery systems shall submit data on total health care expenditures for the 2022 and 2023 calendar years on or before September 1, 2024. (Cal. Health & Saf. Code, § 127501.4, subd. (d)(1).)

Following publication of the baseline health care spending report, the Office shall prepare and publish an annual report concerning health care spending trends and underlying factors, along with policy recommendations to control costs and improve quality performance and equity of the health care system while maintaining access to care and high-quality jobs and workforce stability. (Cal. Health & Saf. Code, § 127501.6, subd. (b)(1).) The first annual report will be published on or before June 1, 2027, based on the Office’s analysis of data on total health care expenditures for the 2024 and 2025 calendar years. (*Id.*) Regulations are needed to implement this statutory mandate.

This proposed emergency rulemaking sets forth the second Article for HCAI’s implementation of SB 184 within the proposed Chapter 11.5 of Title 22 of the California Code of Regulations (CCR).¹ Article 2, entitled “Health Care Spending Targets,” contains definitions necessary for this regulatory package and details the Office’s initial data submission requirements for payers and fully integrated delivery systems: Who must submit, the registration process, the submission schedule, and the data acceptance and correction process.

¹ A new Chapter 11.5 within Title 22 of the California Code of Regulations is part of pending proposed emergency rulemaking related to OHCA’s Cost and Market Impact Review (CMIR) process. More information on OHCA’s pending CMIR rulemaking may be obtained at <https://hcai.ca.gov/about/laws-regulations/#proposed-regulations>.

The proposed emergency rulemaking also incorporates two documents by reference: (1) the proposed Office of Health Care Affordability: Total Health Care Expenditures Data Submission Guide, dated _____, 2023 (“the Guide”); and (2) the proposed Office of Health Care Affordability: Attribution Addendum, dated _____, 2023 (“the OHCA Attribution Addendum”). The Guide provides technical specifications, file layouts, reporting schedules, and other instructions to ensure the submission of accurate total health care expenditure data in a standardized format. The OHCA Attribution Addendum provides naming conventions and other identifying information for purposes of attribution of total medical expenditures.

Any interested person may present relevant statements, orally or in writing, at the above-mentioned workshop or may submit written comment as detailed above.

CONTACT

Megan Brubaker
2020 West El Camino Avenue, Suite 1200
OHCA@hcai.ca.gov

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations may be obtained at <https://hcai.ca.gov/ohca>, at the workshop, or upon request from the Office at the address above.