

Healthcare Payments Data Program Review Committee

January 16, 2020

Office of Statewide Health Planning and Development

2020 W. El Camino Avenue, Sacramento, CA, 95833

Conference Room 1237

Welcome & Meeting Minutes

Ken Stuart,
Review Committee Chair

Deputy Director's Report

Michael Valle,

Acting Deputy Director and Chief Information Officer,

OSHPD

Follow-up from December 19 Meeting

Jill Yegian, Consultant, OSHPD

Governance Topics

- Given the importance of data use, access, and release for HPD, how should a data release committee be structured?
- What aspects of the committee's deliberations should be public?
- How do/should conflict of interest provisions pertain to committee members?
- What changes or additions are needed to existing RC recommendations?

Our “ask:”

- Provide guidance on content
- Address details in regulation, policy development and implementation

Data Release Committee - Membership

According to UCSF experts, a data release committee should:

- Have multi-stakeholder representation
- Include members with direct experience working with health care data
- Include members knowledgeable about privacy and security requirements
- Include non-submitting entities as well as data submitters, and at least half the membership should be non-submitters
- Include experts in health care markets, trade secret and privacy protocols, and consumer behavior and interests

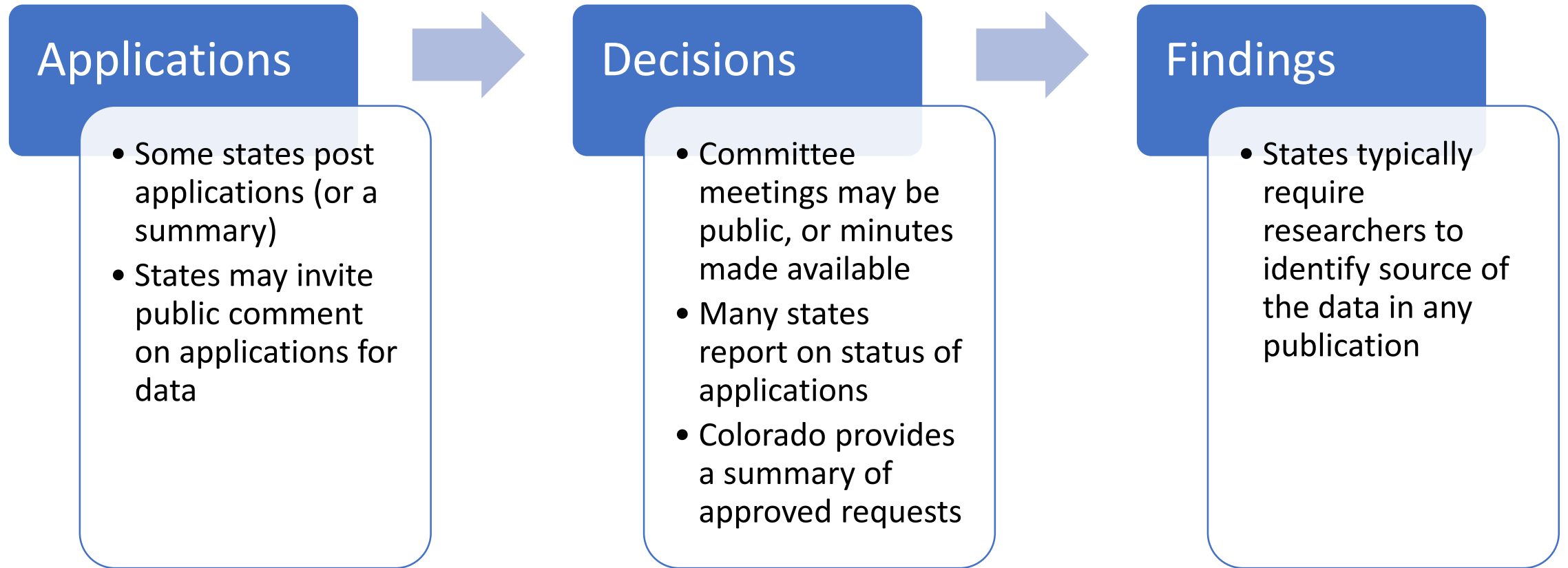
Source: KL Gudiksen, SM Chang, and JS King, The Secret of Health Care Prices: Why Transparency is in the Public Interest. California Health Care Foundation, July 2019.

Best Practice: Data Release Committee

Virtually all state APCDs have a Data Release Committee. They typically:

- Are multi-stakeholder, with representation specified in regulation and members appointed by the director of the oversight agency
- Are advisory and operate independently of other APCD governance
- Advise on specific data release policies and procedures to ensure that allowable data uses are consistent with legislative intent and adhere to data privacy and security requirements.
- Contribute to development of the data request application and data use agreement
- Meet to review request applications that include personal health information, payment data, and other potentially sensitive information
- Make recommendations to the Administrator regarding the approval/denial of applications
- Advise on public data products and reports

What Do Other States Make Public?




Open Meeting Act Provisions

Provisions of the law include:

- 10 day advance notice of meetings with a posted agenda
- All meetings must be held in public
- Public comment opportunity available at all meetings
- No discussion related to committee business can be conducted with more than two committee members outside the public meetings
- Meeting materials must be made public

Closed session can be held, provided that:

- The agenda announces the timing and purpose of the “closed” portion of the meeting
- Enabling statute defines purposes for a “closed session” (allowable exceptions to open session are identified in the Open Meeting Act)
- Disposition of closed sessions are shared with public



Any committee created in statute, or subgroup of such a committee, is subject to California’s Open Meeting Act (“Bagley-Keene”)

Conflict of Interest Provisions

- Under California law, a conflict of interest arises when public officials as defined make or participate in making government decisions in which they have a financial interest.
- Data Release Committee members would not necessarily be considered public officials who would have to disclose their financial interests; OSHPD must analyze the responsibilities of the committee.
- OSHPD should develop policy guidelines regarding potential non-economic conflicts.

Recommendations

Previously Approved Recommendations

Healthcare Data Policy Advisory Committee

The Review Committee recommends that OSHPD should be authorized to convene a Healthcare Data Policy Advisory Committee of experts and stakeholders to provide guidance on the Healthcare Payments Data Program. Over time, OSHPD may expand the scope of the Advisory Committee to obtain guidance on other data assets in the OSHPD portfolio.

Committees to Support Effective Governance

The Review Committee recommends that OSHPD should create other committees or workgroups to support effective governance as needed, at the discretion of the Director, either as standing bodies or as time-limited ad hoc workgroups.

Access to Non-Public Data

The Review Committee recommends that only aggregate de-identified information will be publicly accessible. OSHPD should develop a program governing access to non-public HPD data, including a data request process overseen by a data access committee.

Recommendation:

1. Data Release Committee

1. The Review Committee recommends that OSHPD should be authorized to establish a Data Release Committee to advise OSHPD on requests for access to non-public data. The Data Release Committee members should be appointed by the OSHPD Director and include a diverse range of stakeholder representatives. OSHPD will maintain information about requests and disposition of requests.

State Government Finance

Fran Mueller, Chief Deputy Director, OSHPD

Sustainability

Jill Yegian, Consultant, OSHPD

Linda Green, Vice President- Programs, Freedman HealthCare

Jonathan Mathieu, Senior Health Care Data/Policy Consultant, Freedman HealthCare

Sustainability Topics

- How do other states fund their APCDs?
- What are the funding options for HPD?
- What measures are needed to ensure revenue generated is used for HPD?

Our “ask:”

- Provide guidance on content
- Address details in regulation, policy development and implementation

What is the value proposition for the HPD Program?

Provides a window to California's \$300 billion healthcare spend

- Explore variation in price and out-of-pocket cost by condition, service, or procedures.
- Compare payers (e.g. commercial, Medicare, Medi-Cal)
- Identify cost drivers, e.g. prescription drug costs, by setting of care

Allows users to identify and act on opportunities to improve California's healthcare system

- Assess the outcomes of health initiatives, comparing participants' results to control groups
- Learn from the success of high-performing regions, plans, models of care
- Streamline access to cross-payer health care data across CHHS and other California agencies

Supports healthcare research, including research that directly benefits state government

- Create one of the largest research databases of its kind, supporting a wide range of projects that align with the HPD's purpose
- Facilitate linkages with other datasets (economic, environmental, social, clinical)
- Example: more robust data for the [California Health Benefits Review Program \(CHBRP\)](#)

Annual Operating Cost for HPD Estimated at \$15 M

- Estimate based on market research, vendor RFI, and assessment of current OSHPD resources
- Cost is distributed roughly as follows:
 - 50% HPD platform vendor
 - 25% Other consulting, vendor, and IT costs
 - 25% State staff, administrative, and interagency costs

Estimate includes:

- IT procurements: hardware, software, services, and licenses
- Vendor consulting and professional services
- Interagency consulting and professional services
- State staff salaries, benefits, operating expenses, and equipment
- Departmental administrative services

Key Role of Restricted Revenue Fund

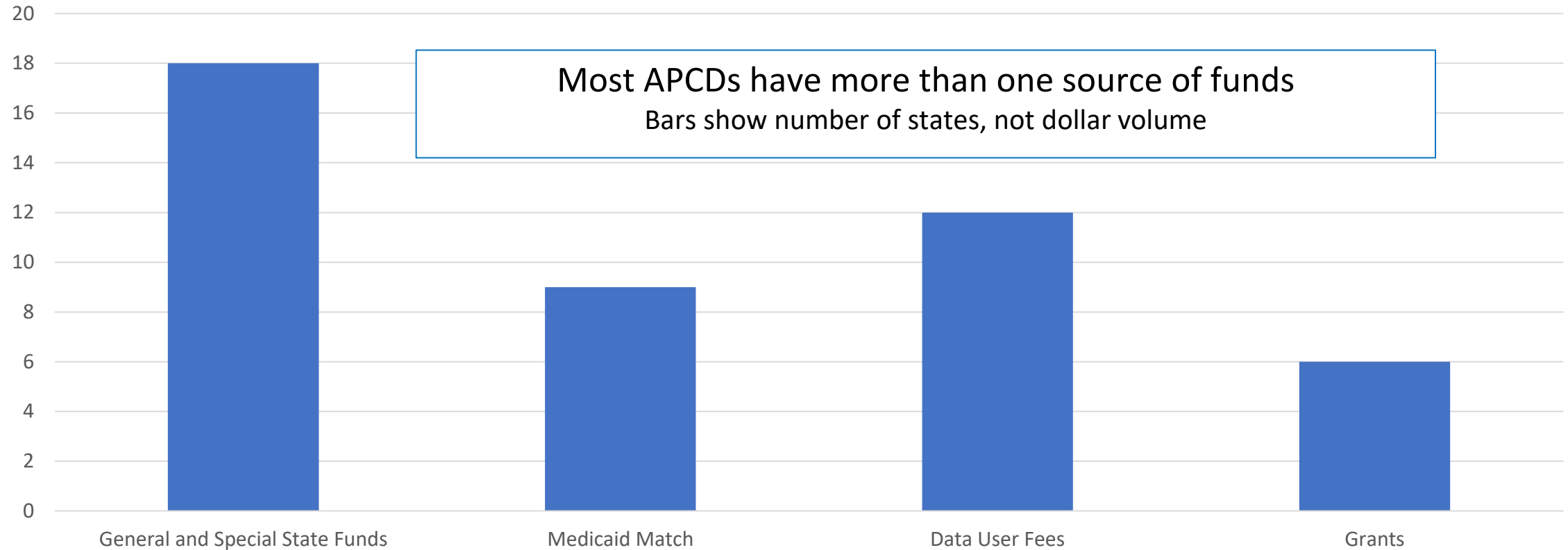
- User fees collected from entities outside state government need to be made available for operations
- Restricted funds are authorized to accept revenue and restrict its use for the specified purpose
 - Without such a fund, revenue could be directed away from the APCD and to other state needs
- Funds should be allowed to carry from year to year to allow for use when needed

APCD Funding Sources

Historical State APCD Funding Sources

- State Funds
- Medicaid Match
- Data Use Fees
- Grant Funding

Funding Sources for 19 Operating APCDs



Funding Options: Medicaid Match

Medicaid Match from CMS

- States may request federal Medicaid matching funds for APCD development and operating costs
- CMS has encouraged states to pursue Federal Financial Participation (FFP) for this purpose
 - APCDs support Medicaid agency understanding of variation in cost, efficiency, utilization, quality, etc. by geography and across payers
- Requests for FFP must come from the state Medicaid agency (via the Advance Planning Document process)
 - No other federal funding sources may be used to cover the state share of APCD costs attributable to Medicaid

Medicaid Match from CMS

- Two Opportunities/Funding Streams:
 - **Administrative Match** – FFP to offset expenditures for general Medicaid program administration related to an APCD
 - **Enhanced Match** – FFP for design, development, and implementation (DDI) of an APCD and ongoing maintenance and operations (M&O) activities
- Nine states (CO, DE, FL, NH, NY, OR, RI, UT, VA) have been successful in obtaining FFP to support at least some APCD costs
 - We know of no state that has applied for and been denied funding
 - The level of FFP support varies by state

Medicaid Match from CMS

- DHCS sent Advance Planning Document to CMS in December 2019 describing Medi-Cal uses, including:
 - Enhanced ability to meet CMS monitoring/reporting requirements including core set measures, provider participation, and availability of services
 - Multi-payer views of healthcare cost, utilization, and quality over time
 - Contributes to development of provider/system performance benchmarks
 - Integrated data for dual eligible members helps identify specific opportunities to improve care coordination and reduce costs
 - Assess the impacts of “churn” on cost, quality, and continuity of care
 - Supports design, implementation, and evaluation of state healthcare reform initiatives.

BREAK

Funding Options: Data User Fees

State APCD Data User Fees

- States may charge for the creation of a specific data set or report, or offer a subscription or license for multiple users or uses
- Several states vary pricing based on the entity making the request
- Some states have a financial aid or scholarship program to offset fees
- User fees are not realized during the first 1-3 years of operation

Colorado Data Access Fees:

- **Standard Reports:** Start at \$500
- **Custom Reports:** Start at \$1,500
- **Data Sets:** Start at \$10,000

Factors that impact data access fees:

- Indirect costs (including legal)
- Labor costs/time required
- Number of unique/specific data elements
- Output type (Tableau, Excel, etc.)
- Additional professional or consultation services required

Comparison of Pricing and Revenue for Data Products in State APCDs

	AR	CO	CT	ME	MD	MA	OR	RI	UT	WA
Price per File – Low	\$2,800	\$10,000	\$3,000	\$3,500	\$4,000	\$7,500	\$500		\$20,000	\$7,500
Price per File – High	\$3,800	Varies	\$12,000	\$10,000	\$8,000	\$37,500	\$1,000			Varies
License Fee – Low	\$200,000	\$30,000						\$25,000		\$40,000
License Fee – High	\$300,000	\$50,000						\$87,500	\$150,000	\$107,500
Price Varies by Applicant	x	x	x	x	x	x			x	x
Start of Data Release	Not available	2013	2017	Not available	2014	2013	Not available	2016	2013	2018
# of “Paying” Applicants Last Year	Not available	69	7	20	3	9	Not available	12	Not available	11

Other Examples of User Fees

- Health Care Cost Institute (HCCI)
 - Non-profit, voluntary multi-payer database with claims data on 40 million individuals per year
 - \$35,000/user, for one year of access to 5 years of data
- [CMS](#) Medicare and Medicaid Data
 - Files: \$2,000 - \$20,000 per file, depending on size and type of file
 - Virtual Research Data Center (VRDC)
 - Regular researcher: \$25,000/user/year, plus \$15,000 project fee
 - Innovator research: \$35,000/user/year, plus \$25,000 project fee

User Fees for HPD

Data Products

- Access to a data enclave
- Customized data products, e.g. reports
- Research data sets
- Data to support health care operations, e.g. performance benchmarking

Longer-term Opportunities

- Data products for other CHHS departments, potentially offsetting some operating costs
- Fulfilling operational and analytic use cases presented by Covered California
- Meeting data needs of the California Health Benefits Review Committee
- Many organizations have shared ideas about use cases and analyses of interest using HPD data

Restricted revenue fund

Other states establish
spending authority for
user fees to ensure that
revenues support APCD
operations

Funding Options: Grants

Grant Funding for State APCDs

- Federal grants have come from CMMI initiatives (e.g. State Innovation Model) and from agencies such as CMS' CCIIO
- Private foundations have also contributed to state APCDs, e.g.:
 - Support for Colorado's CIVHC for both the development/build stage and for the initial funding to obtain federal Medicaid match
 - In March 2019, Virginia received a \$2.2 million grant from Arnold Ventures to create a statewide pilot to reduce the provision of low-value care in Virginia
- However, grant funding:
 - has not been a major source of funding for state APCDs
 - is not a sustainable source of operational funding

Summary – Promising Revenue Sources

- Data user fees
 - Short-term potential
 - Long-term potential
- Medicaid match from CMS
 - Collaboration with DHCS
- Other ideas?

Recommendations

Recommendation:

1. Restricted Revenue Fund for the HPD Program

1. The Review Committee recommends a restricted revenue fund or account be created for the HPD Program, and revenue to support the HPD Program should be directed to that fund. Any funds not used during a given year will be available in future years, upon appropriation by the Legislature.

Recommendation:

**2. Pursue CMS
Medicaid
Matching Funds**

2. The Review Committee recommends pursuing maximum possible CMS Medicaid matching funds to support the HPD Program.

Recommendation:

3. Charge Data User Fees to Support the HPD Program

3. The Review Committee recommends developing a fee schedule and charging data user fees for data products to support the HPD Program.

Recommendation:
4. Explore Other Revenue Sources

4. The Review Committee recommends that for the remainder of HPD Program operational expenditures, other revenue sources should be considered in collaboration with stakeholders.

Public Comment

Upcoming Review Committee
Meeting :
February 20, 2020

Review Committee Meeting Topics

October

November

December

January

February

Technology Alternatives

- Technology options to receive, store, and structure data
- Technology options to incorporate other data sets for research
- Technology options to analyze data and publish reports

Overflow Month

- Opportunity to catch up on topics not captured in past months

Governance: Administrative Plan for Operating the Database

- Considerations for effectively governing a data management system
- Opportunities to leverage existing data governance structures

Sustainability

- Discussion on associated costs of the database
- Role of fees for data usage or data submission
- Recommended business plan elements to fund the operations of the database

Close Out

- Review of final Review Committee recommendations
- Next Steps