

CALIFORNIA DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION

Title 22, California Code of Regulations (CCR), Section 97445

Section 100 CHANGES WITHOUT REGULATORY EFFECT

Pursuant to Title 1, Division 1, Chapter 1, Article 2, Section 100(a), of the CCR, the Department of Health Care Access and Information, Office of Health Care Affordability (OHCA) submits this written statement explaining why the proposed amendments to section 97445 of Article 2, Chapter 11.5, Division 7, of Title 22, CCR, and documents incorporated by reference thereto, do not materially alter any requirement, right, responsibility, condition, prescription, or other regulatory element of any CCR provision.

Background

Health and Safety Code section 127501(c)(1) requires OHCA to increase cost transparency through public reporting of per capita total health care expenditures (THCE) and factors contributing to cost growth.¹ As part of its statutory charge, OHCA must prepare a report on baseline health care spending (hereinafter, “baseline report”) on or before June 1, 2025.² The baseline report must include aggregated data on statewide and per capita THCE, and as appropriate, disaggregated data by specified categories.³ OHCA’s baseline report will be based on existing public and private data sources as well as THCE data for the 2022 and 2023 calendar years.⁴ Following publication of the baseline report, OHCA must publish its first annual report analyzing THCE data for the 2024 and 2025 calendar years by June 1, 2027.⁵

To meet these reporting mandates, OHCA promulgated emergency regulations, effective March 4, 2024, implementing THCE data collection (hereinafter, the “THCE data collection regulations”).⁶ The THCE data collection regulations require specified payers and fully integrated delivery systems (collectively hereinafter, “required submitters”) to annually register and submit health care spending data to OHCA.⁷ THCE data for the 2022 and 2023 calendar years is due to OHCA by the statutory deadline of September 1, 2024.⁸

¹ Health & Saf. Code, § 127501(c)(1)

² Health & Saf. Code, § 127501.6, subd. (a)

³ Health & Saf. Code § 127501.6, subd. (b)(2)(A)

⁴ Health & Saf. Code, § 127501.4, subd. (d)(1)

⁵ Health & Saf. Code §§ 127501.4, subd. (d)(2) and 127501.6, subd. (b)(1)

⁶ 22 CCR 97445, *et seq.*

⁷ 22 CCR 97449(e) through (h)

⁸ See Health & Saf. Code § 127501.4, subd. (d)(1)

The THCE data collection regulations incorporate two documents by reference: the *Office of Health Care Affordability: Total Health Care Expenditures Data Submission Guide (Version 1.0)*, dated February 2024 (the “Guide”); and the *OHCA Attribution Addendum*, dated February 2024 (“Attribution Addendum”). Required submitters will use the Guide and Attribution Addendum to extract and aggregate THCE data in a standardized format before submission to OHCA. OHCA’s proposed changes without regulatory effect, outlined below, would revise both documents.

Proposed Changes

Subject to the approval of the Office of Administrative Law, OHCA would add to, revise, or delete text in the CCR as follows:

Section 97445 – Definitions.

- (s) “THCE Data Submission Guide” or the “Guide” means the Office of Health Care Affordability: Total Health Care Expenditures Data Submission Guide (Version ~~1.0~~1.1), dated ~~February~~June 2024, and hereby incorporated by reference. The Guide is available on, and may be downloaded from, the Department’s website.
- (t) “OHCA Attribution Addendum” means the Office of Health Care Affordability: Attribution Addendum, dated ~~February~~June 2024, and hereby incorporated by reference. The OHCA Attribution Addendum is available on, and may be downloaded from, the Department’s website.

These are changes without regulatory effect because the revisions update the version number and date of the Guide and Attribution Addendum. As explained, *supra*, required submitters will use these documents to extract and aggregate THCE data in a standardized format. The revisions ensure required submitters use the most recent versions of these documents when submitting data to OHCA.

Documents Incorporated by Reference

Total Health Care Expenditures Data Submission Guide (Version 1.1)

Proposed section 97445(s) incorporates by reference the Office of Health Care Affordability: Total Health Care Expenditures Data Submission Guide (Version 1.1), dated June 2024. This version of the Guide contains the following revisions without regulatory effect:

- Revises version number and version date on document title page and in

- document headers
- Adds “Version History” table to page 3 and revises the document’s Table of Contents accordingly
 - Adds non-spatial Los Angeles-area ZIP codes and makes structural changes to “Appendix C: Regions”
 - Adds unspecified region “RR99” to “Appendix C: Regions”

The revised version number and date are changes without regulatory effect because they ensure the document is accurately identified and distinguished from the prior version.

The addition of the “Version History” table is a change without regulatory effect because it allows users of the Guide to easily identify differences between the revised version of the Guide and the prior version. OHCA proposes adding this table to make the Guide as user-friendly as possible.

The addition of non-spatial Los Angeles-area ZIP codes, unspecified region “RR99,” and structural revisions to “Appendix C: Regions” are changes without regulatory effect because they correct cross-references. The prior version of the Guide unintentionally omitted non-spatial Los Angeles-area ZIP codes. Non-spatial ZIP codes are typically associated with a pinpointed location on a map (*i.e.* an airport, prison, or postal box location) as opposed to a geographic region. Additionally, the proposed structural changes move seven ZIP codes to the correct Los Angeles County Service Planning Area (SPA). The prior version of the Guide also omitted an “other” category for scenarios where a member residence ZIP code is unknown. The proposed addition of unspecified region “RR99” corrects this omission.

Because the purpose of Appendix C is to provide a resource for submitters that cross-references Covered California Rating Regions and SPAs to ZIP codes, these proposed revisions do not change any regulatory requirements. Instead, the proposed changes correct errors and omissions that could cause potential confusion for submitters when validating data.

The revised version of the Guide will be available to payers and fully integrated delivery systems, other interested stakeholders, and the general public on HCAI’s website, located at: <https://hcai.ca.gov/>.

OHCA Attribution Addendum

Proposed section 97445(t) incorporates by reference the Office of Health Care Affordability: Attribution Addendum, dated June 2024. This version of the Attribution Addendum contains the following revisions without regulatory effect:

- Revises version date on document headers
- Deletes punctuation from one physician organization name
- Adds 184 physician organization names

The revised date is a change without regulatory effect because the revision ensures the document is accurately identified and distinguished from the prior version.

The deletion of punctuation from one physician name is necessary because the THCE data portal has an 80-character limit for the organization name field. This proposed change does not materially alter the physician organization name and ensures THCE data files using the physician organization name will pass through the data validation process.

The addition of 184 physician organization names is a change without regulatory effect because it does not change any regulatory requirements for submitters. As anticipated by OHCA, and explained in the Finding of Emergency for the THCE data collection regulations, OHCA must periodically revise the Attribution Addendum based on contracting physician organization names received from submitters during the THCE data portal registration process. OHCA received the new physician organization names during the inaugural registration cycle that concluded in mid-May.

The purpose of the Attribution Addendum is to provide a resource for submitters that cross-references physician organization names to other data points to assist in physician organization identification. The proposed additions to the Addendum ensure the list of physician organizations available to submitters is as complete as possible prior to the first THCE data submission deadline.

The revised version of the Attribution Addendum will be readily available to payers and fully integrated delivery systems, other interested stakeholders, and the general public on HCAI's website, located at: <https://hcai.ca.gov/>.