

Healthcare Payments Review Committee Approved Recommendations

By Legislative Report Chapter, February 2020

Assembly Bill (AB) 1810¹ added Chapter 8.5, Health Care Cost Transparency Database, to the Health and Safety Code (HSC) Division 107, Part 2. The Office of Statewide Health Planning and Development (OSHPD) refers to this effort as the Healthcare Payments Data (HPD) Program, including the necessary planning, processes, resources, and system (“HPD System”) to meet the intended goals of the legislation. The HSC Section 127672 requires that OSHPD:

- Convene a Review Committee composed of healthcare stakeholders and experts to advise OSHPD on the establishment, implementation, sustainability, and ongoing administration of the system.
- Submit a report to the Legislature by July 1, 2020, based on recommendations of the Review Committee and All Payer Claims Database (APCD) subject matter experts.
- Substantially complete the HPD System, by July 1, 2023, subject to budget appropriation and the availability of necessary data.

The recommendations of the Review Committee, approved during monthly meetings between March 2019 and January 2020, are listed below by legislative report chapter along with a brief summary of topics covered in each chapter. The subject heading for each recommendation is provided, along with the recommendation number that maps to the full list of approved recommendations in chronological order by date of approval (see related document, “Redlined Version”). For two of the recommendations (Chapter 5, #1 and Chapter 9, #1), a proposed change to the subject heading is reflected for reference. The wording of all recommendations will be finalized at the February Review Committee meeting, and this document will then be updated with the full text of the recommendations.

Chapter 1: All-Payer Claims Databases and Use Cases

This chapter includes background on APCDs, including progress in other states. It covers OSHPD’s history and track record with data collection and use. Use case categories are defined, and examples of use cases provided for each category. The value of the HPD System in filling data gaps and supporting policy goals is addressed. A tiered approach to data and reporting is proposed, with an initial focus on medical and pharmacy claims and encounters, member enrollment and provider information and subsequent expansion to include dental data and non-claims payments.

¹ AB1810. 2018. *Assembly Bill No. 1810, Committee on Budget. Health.* June 27.

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB1810#s23

Chapter 2: Data Categories and Formats

This chapter defines the categories of data the HPD System will collect, highlights the essential components in those datasets, and identifies the typical formats used to transmit the data. In addition, given the prevalence of managed care in California and the significant payments made outside of fee for service arrangements, this chapter addresses the collection of non-claim payment information.

1. Three Sources of Data (Recommendation #1)
2. Collect Medi-Cal Data (Recommendation #2)
3. Incorporate Medicare Data (Recommendation #3)
4. APCD-CDL™ (Recommendation #4)
5. Three Years of Historical Data (Recommendation #5)
6. Non-Claims Based Payments (Recommendation #6)

Chapter 3: Linkages

This chapter focuses on the topic of linkage, both 1) internally within the HPD System to support analyses of the same person, provider, and payer across data submitters; and 2) to data external to the HPD System in order to support additional use cases.

1. Ensure broad authority for OSHPD to securely collect available personally identifiable Information (Recommendation #7)
2. The HPD Program should use robust methodologies to match patients, providers, and payers across datasets (Recommendation #8)

Chapter 4: Data Submitters

This chapter provides an overview of health and dental insurance in California and describes the various categories of potential data suppliers and considerations specific to each, including the legal authority required to collect protected health information. Topics include definition of mandatory submitters, standards for mandatory submission (e.g. required vs. excluded lines of business and threshold for exemption due to plan size), and encouraging voluntary submission for private self-insured entities. Information is provided on how other state APCDs approach data submitters and submission standards.

1. Authority to Submit and Collect Personal Information (Recommendation #21)
2. Mandatory Data Submitters (Recommendation #9)
3. Required Lines of Business (Recommendation #10)
4. Coordination of Submission (Recommendation #11)
5. Excluded Lines of Business (Recommendation #12)

6. Plan Size (Recommendation #13)
7. Frequency (Recommendation #14)
8. Population (Recommendation #15)
9. Voluntary Submitters (Recommendation #16)

Chapter 5: Funding and Sustainability

This chapter focuses on costs and revenue sources to support ongoing operations of the HPD Program, including necessary state, vendor, and IT costs. An overview of costs and revenue sources for other state APCDs is provided. Several sources of revenue are explored and assessed, including state funding, Medicaid match from CMS, and data user fees.

1. Special Fund for the HPD Program (Recommendation #33)
2. Pursue CMS Medicaid Matching Funds (Recommendation #34)
3. Charge Data User Fees to Support the HPD Program (Recommendation #35)
4. Explore Other Revenue Sources (Recommendation #36)

Chapter 6: Privacy and Security

This chapter discusses the privacy and security protections the HPD Program will need to implement in order to safeguard the privacy and confidentiality of sensitive health information. It reviews how other state APCDs protect personal information and discusses how OSHPD can leverage existing standards in federal and state laws to build the appropriate framework of protections.

1. Privacy Principles (Recommendation #20)
2. Access to Non- Public Data (Recommendation #22)
3. Information Security Program (Recommendation #23)

Chapter 7: Technology Alternatives

This chapter focuses on the technical alternatives to implementing the HPD System. Informing the chapter are considerations of the Health Information Technology (HIT) landscape in California and other states that have implemented APCDs. Four HPD System implementation alternatives are considered: (1) build a brand-new system, (2) integrate the HPD System into other HIT systems as part of a large network, (3) leverage an existing California multi-payer claims database, and (4) leverage HIT system assets as part of a modular implementation.

1. Leverage Resources and Expertise (Recommendation #24)
2. Modular Approach (Recommendation #25)
3. Data Collection Vendor (Recommendation #26)

Chapter 8: Data Quality

This chapter focuses on policies and processes commonly used to establish and maintain the credibility and completeness of APCD data to support intended uses. In addition, this chapter highlights ongoing data quality evaluation and improvement efforts at OSHPD, in California more generally, and elsewhere that may be applicable to the HPD Program.

1. Transparent Data Quality Processes (Recommendation #17)
2. Data Quality at Each Part of the Life Cycle (Recommendation #18)
3. Stakeholder Access to Data Quality (Recommendation #19)

Chapter 9: Governance

This chapter covers identification of a governance structure for the HPD Program. Topics include stakeholder engagement in the HPD Program through an advisory committee; governance issues related to data submission, including enforcement; governance issues related to data use, access, and release, including pathways and terms for accessing data; stakeholder engagement through a data policy committee; and public reporting.

1. Entity to Operate the Healthcare Payments Data (HPD) Program (Recommendation #27)
2. Healthcare Data Policy Advisory Committee (Recommendation #28)
3. Committees to Support Effective Governance (Recommendation #29)
4. Leverage Regulatory Structures for Enforcement (Recommendation #30)
5. Comprehensive Program for Data Use, Access, and Release (Recommendation #31)
6. Data Release Committee (Recommendation #32)