

Title 22, California Code of Regulations
Division 7. Health Planning and Facility Construction
Chapter 11.5. Promotion of Competitive Health Care Markets;
Health Care Affordability
(All Text is New)

Article 2. Health Care Spending Targets.

§ 97445 Definitions.

As used in this Article, the following definitions apply:

- (a) “Affiliation” refers to a situation in which an entity (“affiliate”) controls, is controlled by, or is under common control with another entity.
- (b) “Control” (including the terms “controlling,” “controlled by,” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting shares, debt, by contract, or otherwise.
- (c) “Department” shall mean the Department of Health Care Access and Information.
- (d) “Directly contracted plan” means a payer or fully integrated delivery system that is directly contracted with a group purchaser, individual subscriber, or a public agency, to arrange for the provision of health care services to members.
- (e) “Director” shall mean the director of the Department of Health Care Access and Information.
- (f) “Fully integrated delivery system” shall have the meaning set forth in section 127500.2(h) of the Health and Safety Code (“the Code”).
- (g) “Health insurer” means a health insurer licensed to provide health insurance or specialized behavioral health-only policies, as defined in Section 106 of the Insurance Code.
- (h) “Health plan” means a health care service plan or a specialized mental health care service plan as defined in the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code). “Health plan” does not include a health care service plan that holds only a restricted or limited license under 28 CCR § 1300.49(a).
- (i) “Office” shall mean the Office of Health Care Affordability established by section 127501 of the Code.
- (j) “Payer” shall have the meaning set forth in section 127500.2(o) of the Code.
- (k) “Plan-to-plan contract” means a contractual arrangement between a payer or fully integrated delivery system and another payer or fully integrated delivery system, in which the subcontracted plan makes network providers available to the directly contracted plan’s members, and the subcontracted plan may be responsible for other directly contracted plan functions. Plan-to-plan contracts do not include contractual arrangements between a payer or fully integrated delivery system and a physician organization.
- (l) “Physician organization” shall have the meaning set forth in section 127500.2(p) of the Code.

- (m) “Registered submitter” means a payer or fully integrated delivery system or approved voluntary submitter that has registered to submit data to the System.
- (n) “Reporting year” means the service year for which data files are being reported.
- (o) “Required submitter” means a payer or fully integrated delivery system that meets any of the criteria in section 97449(a).
- (p) “Subcontracted Plan” means a payer or fully integrated delivery system that has a plan-to-plan contract allowing a directly contracted plan’s members access to the subcontracted plan’s network providers.
- (q) “System” or “THCE System” means the Total Health Care Expenditures Data System.
- (r) “THCE Data Portal” or “Data Portal” means the secure data submission mechanism through which health care entities register to submit data and data files are submitted to the System. The Data Portal is available via the Department’s website, hcai.ca.gov.
- (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), dated February 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 2024, and hereby incorporated by reference. The OHCA Attribution Addendum is available on, and may be downloaded from, the Department’s website.
- (u) “Voluntary submitter” means a payer or fully integrated delivery system that is not subject to the requirements of this Article that chooses to voluntarily submit data to the Office and has been approved by the Office to register to submit data to the System.

Note:

Authority cited: Sections 127501, 127501.2 and 127501.4, Health and Safety Code.

Reference: Sections 127500.2 and 127501.4, Health and Safety Code.

§ 97449 Total Health Care Expenditures Data Submission.

In order for the Office to measure total health care expenditures and per capita total health care expenditures, the reporting requirements for payers and fully integrated delivery systems to submit data and other information are as follows:

- (a) Who must submit. A payer or fully integrated delivery system shall be subject to the requirements of this Article if any of the following criteria in subsections (a)(1) through (3) are met:
 - (1) The payer or fully integrated delivery system is a Medi-Cal managed care plan contracted with the State Department of Health Care Services to provide full scope benefits to 40,000 or more Medi-Cal beneficiaries pursuant to Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200) of Part 3 of Division 9 of the Welfare and Institutions Code. The number of Medi-Cal beneficiaries shall be

- calculated as of December 31 of each calendar year prior to the submission year. This subsection (a)(1) is effective beginning with the first annual data file submission as described in subsections (e)(2) and (h)(2).
- (2) The payer or fully integrated delivery system enrolls or insures 40,000 or more covered lives in Medicare Advantage products under Medicare Part C. The number of covered lives in Medicare Advantage products shall be calculated by adding together all the covered lives in the entity's Medicare Advantage products in California as of December 31 of each calendar year prior to the submission year.
 - (3) The payer or fully integrated delivery system enrolls or insures 40,000 or more covered lives in commercial products. The number of covered lives in commercial products shall be calculated by adding together all the covered lives in the entity's commercial health insurance products and commercial health plan products in California as of December 31 of each calendar year prior to the submission year. For purposes of this paragraph, "commercial" refers to products that are not Medi-Cal or Medicare Advantage products.
- (b) A payer or fully integrated delivery system that meets any of the criteria in subsection (a) ("required submitter") shall submit data for all required market categories as outlined in the Guide incorporated in section 97445(s), to the extent consistent with federal law.
- (c) Voluntary Data Submission. To request to become a voluntary submitter, a payer or fully integrated delivery system or their authorized agent shall submit to the Office a written request to participate. Each request shall provide the voluntary submitter's contact information, number of covered lives, and types of coverage offered. The Office shall notify requestors if they are approved to register to submit data.
- (d) Coordination of Data Submission.
- (1) Required submitters are responsible for reporting data for all plan members. If a required submitter is the Directly Contracted Plan in a Plan-to-Plan contract, the Directly Contracted Plan shall obtain any necessary data from the Subcontracted Plan and submit the data to the System.
 - (2) Affiliated required submitters are responsible for coordinating data submission amongst their affiliates to ensure compliance with this Article.
- (e) Registration Deadline.
- (1) Initial data file submission. All required submitters and approved voluntary submitters shall register in the Data Portal to submit data through the System for the 2022 and 2023 reporting years by April 30, 2024.
 - (2) Annual data file submission. After September 1, 2024, all required submitters and approved voluntary submitters shall register in the Data Portal to submit data through the System annually by May 31st.
- (f) Registration Process. All required submitters and approved voluntary submitters must register in the Data Portal and provide all required registration information as specified in the Guide.

- (g) Registration Information Update. Each registered submitter must update registration information in the Data Portal within 15 calendar days of any change in the required registration information as specified in the Guide.
- (h) Data File Submission Deadline.
- (1) Initial data file submission. Registered submitters shall submit data files as specified in the Guide through the System for the 2022 and 2023 reporting years by September 1, 2024.
 - (2) Annual data file submission. After September 1, 2024, registered submitters shall submit data files through the System annually by September 1 of the year following each reporting year as specified in the Guide.
- (i) Data File Technical Requirements. Data files shall comply with file format, technical specifications, and other standards specified in the Guide.
- (j) Test File Submission. Registered submitters may use the Data Portal to submit test files to confirm and test their ability to create data files meeting the file intake specifications detailed in the Guide. Test files will be identified as specified in the Guide. Test files will not be considered to have been submitted to the Office for reporting purposes.
- (k) Data Acceptance and Correction.
- (1) Data files that are submitted to the System but do not meet the file intake specifications detailed in the Guide will be rejected. Registered submitters will be notified within 5 business days of submission whether a data file has been accepted or rejected. Reasons for rejection include:
 - (A) Invalid file format, file layout, or data types.
 - (B) Incomplete or illogical data.
 - (C) Other technical deficiencies related to file submission, storage, or processing.
 - (2) If the Office determines that a previously accepted file contains initially unidentified errors, the submitter shall be notified through the Data Portal. The submitter shall respond through the Data Portal within 3 business days of notification by the Office. The Office may make multiple requests for corrections or resubmissions.
- (l) Requesting a Variance. A submitter that is unable to submit data files meeting the file intake specifications detailed in the Guide may request a temporary variance to those requirements.
- (1) Variance requests shall be submitted through the Data Portal, and shall clearly identify the issue, the plan for correction, and the anticipated date of correction.
 - (2) The Office shall respond to variance requests within 5 business days of the date the request was submitted.

Note:

Authority cited: Sections 127501, 127501.2 and 127501.4, Health and Safety Code.
Reference: Sections 127500.2, 127500.5 and 127501.4, Health and Safety Code.