

## CONCISE EXPLANATORY STATEMENT

**SUBJECT:** Concise Explanatory Statement as required by RCW 34.05.325  
**WAC:** Chapter 82-75 WAC, All-Payer Health Care Claims Database, Format Requirements for the Calculation and Display of Aggregate Cost Data

Pursuant to RCW 34.05.325(6)(a):

(6)(a) Before it files an adopted rule with the code reviser, an agency shall prepare a concise explanatory statement of the rule:

- (i) Identifying the agency's reasons for adopting the rule;
- (ii) Describing differences between the text of the proposed rule as published in the register and the text of the rule as adopted, other than editing changes, stating the reasons for differences; and
- (iii) Summarizing all comments received regarding the proposed rule, and responding to the comments by category or subject matter, indicating how the final rule reflects agency consideration of the comments, or why it fails to do so.

In accordance with this requirement, the Office of Financial Management (OFM) prepared this concise explanatory statement for the rules related to the format for the calculation and display of aggregate cost data obtained from the Washington all-payer health care claims database (WA-APCD). The rules are intended to establish the format requirements for the calculation and display of aggregate cost data received from the WA-APCD to ensure compliance with the requirements to maintain privacy. It is necessary to ensure that the privacy of proprietary financial information is maintained and that the standards are understood and met to safeguard that data.

### **Reasons for adopting the rule.**

Chapter 43.371 RCW directs the Office of Financial Management (OFM) to establish a statewide all-payer health care claims database to support transparent public reporting of health care information. To accomplish this requirement, OFM is further directed to select a lead organization to coordinate and manage the database. RCW 43.371.050(6) provides that OFM shall approve by rule a format for the calculation and display of aggregate cost data consistent with chapter 43.371 RCW that will prevent the disclosure or determination of proprietary financial information.

### **Differences between the text of the proposed rule as published and the text of the rule as adopted.**

Based on the comments received, a number of changes were made to the text of the proposed rules that were published. The adopted rules reflect these changes, which are more in the way of clarification or ensuring consistency of terms used, rather than substantive changes. Since the adopted rules are not substantially different from the proposed rules, further comment is not needed.

The changes are as follows:

- WAC 82-75-510(1). The term “proprietary financial data” was changed to “proprietary financial information” to ensure consistency with chapter 43.371 RCW and the definition previously established in chapter 82-75 WAC. Use of the original term caused confusion as to its relationship with the term used in law and rule.
- WAC 82-75-510(3) was changed to add “to any third party” at the end of the sentence. This change was requested to clarify that the intent is to ensure that an approved use of the proprietary financial information shall include safeguards to prevent disclosure to a third party.
- WAC 82-75-510(5). The term “proprietary financial data” was changed to “proprietary financial information” to ensure consistency with chapter 43.371 RCW and the definition previously established in chapter 82-75 WAC. Use of the original term caused confusion as to its relationship with the term used in law and rule.

### **Summary of comments, OFM response and reflection in the final rule.**

OFM worked with stakeholders, including members of effected state agencies and the private sector, as well as the selected Lead Organization and Data Vendor. In addition, OFM staff did extensive research on both federal and state laws, and information from other states. Also, OFM received substantial input from stakeholders prior to drafting these rules, as well as comments on versions of the rules as they were being developed. Many comments requested and received were incorporated into the final version of the rules that were the subject of this hearing.

Once published, OFM received written comments from Regence Blue Shield/Cambia Health Solutions; the WA-APCD Program Director designated by the Lead Organization; the Washington State Medical Association; and Premera Blue Cross. Finally, OFM held a hearing on October 10, 2017. No other persons attended the hearing to provide additional verbal comment on the published rules. The attached exhibit is a summary of all the comments received and OFM's response.