

CONCISE EXPLANATORY STATEMENT

SUBJECT: Concise Explanatory Statement as required by RCW 34.05.325

WAC: New Chapter 82-75 WAC, All Payer Health Care Claims Database

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 all payer health care claims database, chapter 82-75 WAC.

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 transparency by reporting certain health care information. Chapter 43.371 RCW, as amended by ESSB 5084, Sections 1, 3, 5 and 7, provides that the OFM director shall adopt rules necessary to implement this chapter and provides specific areas in which rules should be adopted. These new rules:

- Create the statutorily required definitions and additional definitions.
- Set the registration requirements, data submission schedule, historical data submission, data submission guide, standard and process for waivers and extensions, penalties for failure to comply with reporting requirements, and the process for administrative review and appeals.
- Begin to set the requirements necessary to implement the all payer health care claims database.

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

There are two differences in the text of the rules as adopted from the text of the proposed rules as published in the Washington State Register. Both changes are found in WAC 82-75-030 Additional definitions authorized by chapter 43.371 RCW. The changes derive from the written comments received

during the comment period. The comments suggested that the definition for “claims” and the definition of “member”, as written, did not accurately reflect the meaning of those terms. Accordingly, both definitions have been amended to reflect the intended meaning, as originally represented to stakeholders.

For the definition of “claim”, “third-party administrator and state labor and industries program” are added to the list of those from whom a demand can be made for payment of a benefit. The definition of “member”, was changed to include the general provision of a person covered by a health plan and adds “enrollee, policyholder, beneficiary of a group plan or individual covered by any other health plan” to the examples of who would be a “member” for purposes of chapter 43.371 RCW.

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

Initial draft rules were substantially changed in response to the many comments, both written and oral, received during the extensive stakeholder outreach period during the rule development process. OFM reviewed all comments and considered them in developing the final proposed rules filed in the register with the CR 102.

OFM received additional written comments from four entities after the publication of the proposed rules published with the CR 102: Kaiser Foundation Health Plan of the Northwest, Premera Blue Cross, Cambia Health Solutions, and SEIU Healthcare 1199NW. A summary of the comments and OFM's response is attached as Exhibit 1. In addition, OFM held a hearing on December 17, 2015, to take comments on the proposed rules. Although six people attended the hearing, no one provided verbal comments.