
SUBSTITUTE HOUSE BILL 1776

State of Washington

66th Legislature

2019 Regular Session

By House Innovation, Technology & Economic Development (originally sponsored by Representatives Cody, Harris, Macri, Caldier, Robinson, Jinkins, Tarleton, Ormsby, and Slatter; by request of Office of Financial Management and Health Care Authority)

1 AN ACT Relating to making changes to support future operations of
2 the state all payer claims database by transferring the
3 responsibility to the health care authority, partnering with a lead
4 organization with broad data experience, including with self-insured
5 employers, and other changes to improve and ensure successful and
6 sustainable database operations for access to and use of the data to
7 improve health care, providing consumers useful and consistent
8 quality and cost measures, and assess total cost of care in
9 Washington state; amending RCW 43.371.005, 43.371.020, 43.371.030,
10 43.371.050, 43.371.060, 43.371.070, and 43.371.080; reenacting and
11 amending RCW 43.371.010; adding a new section to chapter 43.371 RCW;
12 creating a new section; and declaring an emergency.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

14 **Sec. 1.** RCW 43.371.005 and 2014 c 223 s 9 are each amended to
15 read as follows:

16 The legislature finds that:

17 (1) The activities authorized by this chapter will require
18 collaboration among state agencies and local governments that
19 (~~purchase~~) are involved in health care, private health carriers,
20 third-party purchasers, health care providers, and hospitals. These
21 activities will identify strategies to increase the quality and

1 effectiveness of health care delivered in Washington state and are
2 therefore in the best interest of the public.

3 (2) The benefits of collaboration, together with active state
4 supervision, outweigh potential adverse impacts. Therefore, the
5 legislature intends to exempt from state antitrust laws, and provide
6 immunity through the state action doctrine from federal antitrust
7 laws, activities that are undertaken, reviewed, and approved by the
8 (~~office~~) authority pursuant to this chapter that might otherwise be
9 constrained by such laws. The legislature does not intend and does
10 not authorize any person or entity to engage in activities not
11 provided for by this chapter, and the legislature neither exempts nor
12 provides immunity for such activities including, but not limited to,
13 agreements among competing providers or carriers to set prices or
14 specific levels of reimbursement for health care services.

15 **Sec. 2.** RCW 43.371.010 and 2015 c 246 s 1 are each reenacted and
16 amended to read as follows:

17 The definitions in this section apply throughout this chapter
18 unless the context clearly requires otherwise.

19 (1) "Authority" means the health care authority.

20 (2) "Carrier" and "health carrier" have the same meaning as in
21 RCW 48.43.005.

22 (3) "Claims data" means the data required by RCW 43.371.030 to be
23 submitted to the database, including billed, allowed and paid
24 amounts, and such additional information as defined by the director
25 in rule.

26 (4) "Data supplier" means: (a) A carrier, third-party
27 administrator, or a public program identified in RCW 43.371.030 that
28 provides claims data; and (b) a carrier or any other entity that
29 provides claims data to the database at the request of an employer-
30 sponsored self-funded health plan or Taft-Hartley trust health plan
31 pursuant to RCW 43.371.030(1).

32 (5) "Data vendor" means an entity contracted to perform data
33 collection, processing, aggregation, extracts, analytics, and
34 reporting.

35 (6) "Database" means the statewide all-payer health care claims
36 database established in RCW 43.371.020.

37 (7) "Direct patient identifier" means a data variable that
38 directly identifies an individual, including: Names; telephone
39 numbers; fax numbers; social security number; medical record numbers;

1 health plan beneficiary numbers; account numbers; certificate or
2 license numbers; vehicle identifiers and serial numbers, including
3 license plate numbers; device identifiers and serial numbers; web
4 universal resource locators; internet protocol address numbers;
5 biometric identifiers, including finger and voice prints; and full
6 face photographic images and any comparable images.

7 (8) "Director" means the director of (~~financial management~~) the
8 authority.

9 (9) "Indirect patient identifier" means a data variable that may
10 identify an individual when combined with other information.

11 (10) "Lead organization" means the organization selected under
12 RCW 43.371.020.

13 (11) "Office" means the office of financial management.

14 (12) "Proprietary financial information" means claims data or
15 reports that disclose or would allow the determination of specific
16 terms of contracts, discounts, or fixed reimbursement arrangements or
17 other specific reimbursement arrangements between an individual
18 health care facility or health care provider, as those terms are
19 defined in RCW 48.43.005, and a specific payer, or internal fee
20 schedule or other internal pricing mechanism of integrated delivery
21 systems owned by a carrier.

22 (13) "Unique identifier" means an obfuscated identifier assigned
23 to an individual represented in the database to establish a basis for
24 following the individual longitudinally throughout different payers
25 and encounters in the data without revealing the individual's
26 identity.

27 **Sec. 3.** RCW 43.371.020 and 2015 c 246 s 2 are each amended to
28 read as follows:

29 (1) The office shall establish a statewide all-payer health care
30 claims database (~~(to)~~). On January 1, 2020, the office must transfer
31 authority and oversight for the database to the authority. The office
32 and authority must develop a transition plan that sustains operations
33 by July 1, 2019. The database shall support transparent public
34 reporting of health care information. The database must improve
35 transparency to: Assist patients, providers, and hospitals to make
36 informed choices about care; enable providers, hospitals, and
37 communities to improve by benchmarking their performance against that
38 of others by focusing on best practices; enable purchasers to
39 identify value, build expectations into their purchasing strategy,

1 and reward improvements over time; and promote competition based on
2 quality and cost. The database must systematically collect all
3 medical claims and pharmacy claims from private and public payers,
4 with data from all settings of care that permit the systematic
5 analysis of health care delivery.

6 (2) The ~~((office))~~ authority shall use a competitive procurement
7 process, in accordance with chapter 39.26 RCW, to select a lead
8 organization ~~((from among the best potential bidders))~~ to coordinate
9 and manage the database.

10 (a) Due to the complexities of the all payer claims database and
11 the unique privacy, quality, and financial objectives, the ~~((office))~~
12 authority must ~~((award extra points in the scoring evaluation for))~~
13 give strong consideration to the following elements in determining
14 the appropriate lead organization contractor: (i) The ~~((bidder's))~~
15 organization's degree of experience in health care data collection,
16 analysis, analytics, and security; (ii) whether the ~~((bidder))~~
17 organization has a long-term self-sustainable financial model; (iii)
18 the ~~((bidder's))~~ organization's experience in convening and
19 effectively engaging stakeholders to develop reports, especially
20 among groups of health providers, carriers, and self-insured
21 purchasers in the state; (iv) the ~~((bidder's))~~ organization's
22 experience in meeting budget and timelines for report generations;
23 and (v) the ~~((bidder's))~~ organization's ability to combine cost and
24 quality data, especially among groups of health providers, carriers,
25 and self-insured purchasers.

26 (b) ~~((By December 31, 2017,))~~ The successful lead organization
27 must apply to be certified as a qualified entity pursuant to 42
28 C.F.R. Sec. 401.703(a) by the centers for medicare and medicaid
29 services.

30 (3) As part of the competitive procurement process referenced in
31 subsection (2) of this section, the lead organization shall enter
32 into a contract with a data vendor or multiple data vendors to
33 perform data collection, processing, aggregation, extracts, and
34 analytics. ~~((The))~~ A data vendor must:

35 (a) Establish a secure data submission process with data
36 suppliers;

37 (b) Review data submitters' files according to standards
38 established by the ~~((office))~~ authority;

39 (c) Assess each record's alignment with established format,
40 frequency, and consistency criteria;

1 (d) Maintain responsibility for quality assurance, including, but
2 not limited to: (i) The accuracy and validity of data suppliers'
3 data; (ii) accuracy of dates of service spans; (iii) maintaining
4 consistency of record layout and counts; and (iv) identifying
5 duplicate records;

6 (e) Assign unique identifiers, as defined in RCW 43.371.010, to
7 individuals represented in the database;

8 (f) Ensure that direct patient identifiers, indirect patient
9 identifiers, and proprietary financial information are released only
10 in compliance with the terms of this chapter;

11 (g) Demonstrate internal controls and affiliations with separate
12 organizations as appropriate to ensure safe data collection, security
13 of the data with state of the art encryption methods, actuarial
14 support, and data review for accuracy and quality assurance;

15 (h) Store data on secure servers that are compliant with the
16 federal health insurance portability and accountability act and
17 regulations, with access to the data strictly controlled and limited
18 to staff with appropriate training, clearance, and background checks;
19 and

20 (i) Maintain state of the art security standards for transferring
21 data to approved data requestors.

22 (4) The lead organization and data vendor must submit detailed
23 descriptions to the office of the chief information officer to ensure
24 robust security methods are in place. The office of the chief
25 information officer must report its findings to the ((office))
26 authority and the appropriate committees of the legislature.

27 (5) The lead organization is responsible for internal governance,
28 management, funding, and operations of the database. At the direction
29 of the ((office)) authority, the lead organization shall work with
30 the data vendor to:

31 (a) Collect claims data from data suppliers as provided in RCW
32 43.371.030;

33 (b) Design data collection mechanisms with consideration for the
34 time and cost incurred by data suppliers and others in submission and
35 collection and the benefits that measurement would achieve, ensuring
36 the data submitted meet quality standards and are reviewed for
37 quality assurance;

38 (c) Ensure protection of collected data and store and use any
39 data in a manner that protects patient privacy and complies with this

1 section. All patient-specific information must be deidentified with
2 an up-to-date industry standard encryption algorithm;

3 (d) Consistent with the requirements of this chapter, make
4 information from the database available as a resource for public and
5 private entities, including carriers, employers, providers,
6 hospitals, and purchasers of health care;

7 (e) Report performance on cost and quality pursuant to RCW
8 43.371.060 using, but not limited to, the performance measures
9 developed under RCW 41.05.690;

10 (f) Develop protocols and policies, including prerelease peer
11 review by data suppliers, to ensure the quality of data releases and
12 reports;

13 (g) Develop a plan for the financial sustainability of the
14 database as ~~((self-sustaining))~~ may be reasonable and customary as
15 compared to other states' databases and charge fees for reports and
16 data files as needed to fund the database. Any fees must be approved
17 by the ~~((office))~~ authority and should be comparable, accounting for
18 relevant differences across data requests and uses. The lead
19 organization may not charge providers or data suppliers fees other
20 than fees directly related to requested reports and data files; and

21 (h) Convene advisory committees with the approval and
22 participation of the ~~((office))~~ authority, including: (i) A committee
23 on data policy development; and (ii) a committee to establish a data
24 release process consistent with the requirements of this chapter and
25 to provide advice regarding formal data release requests. The
26 advisory committees must include in-state representation from key
27 provider, hospital, public health, health maintenance organization,
28 large and small private purchasers, consumer organizations, and the
29 two largest carriers supplying claims data to the database.

30 (6) The lead organization governance structure and advisory
31 committees for this database must include representation of the
32 third-party administrator of the uniform medical plan. A payer,
33 health maintenance organization, or third-party administrator must be
34 a data supplier to the all-payer health care claims database to be
35 represented on the lead organization governance structure or advisory
36 committees.

37 **Sec. 4.** RCW 43.371.030 and 2015 c 246 s 3 are each amended to
38 read as follows:

1 (1) The state medicaid program, public employees' benefits board
2 programs, all health carriers operating in this state, all third-
3 party administrators paying claims on behalf of health plans in this
4 state, and the state labor and industries program must submit claims
5 data to the database within the time frames established by the
6 director in rule and in accordance with procedures established by the
7 lead organization. The director may expand this requirement by rule
8 to include any health plans or health benefit plans defined in RCW
9 48.43.005(26) (a) through (i) to accomplish the goals of this chapter
10 set forth in RCW 43.371.020(1). Employer-sponsored self-funded health
11 plans and Taft-Hartley trust health plans may voluntarily provide
12 claims data to the database within the time frames and in accordance
13 with procedures established by the lead organization.

14 (2) Any data supplier used by an entity that voluntarily
15 participates in the database must provide claims data to the data
16 vendor upon request of the entity.

17 (3) The lead organization shall submit an annual status report to
18 the ((office)) authority regarding compliance with this section.

19 **Sec. 5.** RCW 43.371.050 and 2015 c 246 s 5 are each amended to
20 read as follows:

21 (1) Except as otherwise required by law, claims or other data
22 from the database shall only be available for retrieval in processed
23 form to public and private requesters pursuant to this section and
24 shall be made available within a reasonable time after the request.
25 Each request for claims data must include, at a minimum, the
26 following information:

27 (a) The identity of any entities that will analyze the data in
28 connection with the request;

29 (b) The stated purpose of the request and an explanation of how
30 the request supports the goals of this chapter set forth in RCW
31 43.371.020(1);

32 (c) A description of the proposed methodology;

33 (d) The specific variables requested and an explanation of how
34 the data is necessary to achieve the stated purpose described
35 pursuant to (b) of this subsection;

36 (e) How the requester will ensure all requested data is handled
37 in accordance with the privacy and confidentiality protections
38 required under this chapter and any other applicable law;

1 (f) The method by which the data will be (~~stored,~~) destroyed(~~(7~~
2 ~~or returned to the lead organization))~~) at the conclusion of the data
3 use agreement;

4 (g) The protections that will be utilized to keep the data from
5 being used for any purposes not authorized by the requester's
6 approved application; and

7 (h) Consent to the penalties associated with the inappropriate
8 disclosures or uses of direct patient identifiers, indirect patient
9 identifiers, or proprietary financial information adopted under RCW
10 43.371.070(1).

11 (2) The lead organization may decline a request that does not
12 include the information set forth in subsection (1) of this section
13 that does not meet the criteria established by the lead
14 organization's data release advisory committee, or for reasons
15 established by rule.

16 (3) Except as otherwise required by law, the (~~office~~) authority
17 shall direct the lead organization and the data vendor to maintain
18 the confidentiality of claims or other data it collects for the
19 database that include proprietary financial information, direct
20 patient identifiers, indirect patient identifiers, or any combination
21 thereof. Any entity that receives claims or other data must also
22 maintain confidentiality and may only release such claims data or any
23 part of the claims data if:

24 (a) The claims data does not contain proprietary financial
25 information, direct patient identifiers, indirect patient
26 identifiers, or any combination thereof; and

27 (b) The release is described and approved as part of the request
28 in subsection (1) of this section.

29 (4) The lead organization shall, in conjunction with the
30 (~~office~~) authority and the data vendor, create and implement a
31 process to govern levels of access to and use of data from the
32 database consistent with the following:

33 (a) Claims or other data that include proprietary financial
34 information, direct patient identifiers, indirect patient
35 identifiers, unique identifiers, or any combination thereof may be
36 released only to the extent such information is necessary to achieve
37 the goals of this chapter set forth in RCW 43.371.020(1) to
38 researchers with approval of an institutional review board upon
39 receipt of a signed data use and confidentiality agreement with the
40 lead organization. A researcher or research organization that obtains

1 claims data pursuant to this subsection must agree in writing not to
2 disclose such data or parts of the data set to any other party,
3 including affiliated entities, and must consent to the penalties
4 associated with the inappropriate disclosures or uses of direct
5 patient identifiers, indirect patient identifiers, or proprietary
6 financial information adopted under RCW 43.371.070(1).

7 (b) Claims or other data that do not contain direct patient
8 identifiers, but that may contain proprietary financial information,
9 indirect patient identifiers, unique identifiers, or any combination
10 thereof may be released to:

11 (i) Federal, state, tribal, and local government agencies upon
12 receipt of a signed data use agreement with the ((office)) authority
13 and the lead organization. Federal, state, tribal, and local
14 government agencies that obtain claims data pursuant to this
15 subsection are prohibited from using such data in the purchase or
16 procurement of health benefits for their employees; ((and))

17 (ii) Any entity when functioning as the lead organization under
18 the terms of this chapter; and

19 (iii) The Washington health benefit exchange established under
20 chapter 43.71 RCW, upon receipt of a signed data use agreement with
21 the authority and the lead organization as directed by rules adopted
22 under this chapter.

23 (c) Claims or other data that do not contain proprietary
24 financial information, direct patient identifiers, or any combination
25 thereof, but that may contain indirect patient identifiers, unique
26 identifiers, or a combination thereof may be released to agencies,
27 researchers, and other entities as approved by the lead organization
28 upon receipt of a signed data use agreement with the lead
29 organization.

30 (d) Claims or other data that do not contain direct patient
31 identifiers, indirect patient identifiers, proprietary financial
32 information, or any combination thereof may be released upon request.

33 (5) Reports utilizing data obtained under this section may not
34 contain proprietary financial information, direct patient
35 identifiers, indirect patient identifiers, or any combination
36 thereof. Nothing in this subsection (5) may be construed to prohibit
37 the use of geographic areas with a sufficient population size or
38 aggregate gender, age, medical condition, or other characteristics in
39 the generation of reports, so long as they cannot lead to the
40 identification of an individual.

1 (6) Reports issued by the lead organization at the request of
2 providers, facilities, employers, health plans, and other entities as
3 approved by the lead organization may utilize proprietary financial
4 information to calculate aggregate cost data for display in such
5 reports. The ~~((office))~~ authority shall approve by rule a format for
6 the calculation and display of aggregate cost data consistent with
7 this chapter that will prevent the disclosure or determination of
8 proprietary financial information. In developing the rule, the
9 ~~((office))~~ authority shall solicit feedback from the stakeholders,
10 including those listed in RCW 43.371.020(5)(h), and must consider, at
11 a minimum, data presented as proportions, ranges, averages, and
12 medians, as well as the differences in types of data gathered and
13 submitted by data suppliers.

14 (7) Recipients of claims or other data under subsection (4) of
15 this section must agree in a data use agreement or a confidentiality
16 agreement to, at a minimum:

17 (a) Take steps to protect data containing direct patient
18 identifiers, indirect patient identifiers, proprietary financial
19 information, or any combination thereof as described in the
20 agreement;

21 (b) Not redisclose the claims data except pursuant to subsection
22 (3) of this section;

23 (c) Not attempt to determine the identity of any person whose
24 information is included in the data set or use the claims or other
25 data in any manner that identifies any individual or their family or
26 attempt to locate information associated with a specific individual;

27 (d) Destroy ~~((or return))~~ claims data ~~((to the lead
28 organization))~~ at the conclusion of the data use agreement; and

29 (e) Consent to the penalties associated with the inappropriate
30 disclosures or uses of direct patient identifiers, indirect patient
31 identifiers, or proprietary financial information adopted under RCW
32 43.371.070(1).

33 **Sec. 6.** RCW 43.371.060 and 2015 c 246 s 6 are each amended to
34 read as follows:

35 (1)(a) Under the supervision of and through contract with the
36 ~~((office))~~ authority, the lead organization shall prepare health care
37 data reports using the database and the statewide health performance
38 and quality measure set. Prior to the lead organization releasing any

1 health care data reports that use claims data, the lead organization
2 must submit the reports to the ((office)) authority for review.

3 (b) By October 31st of each year, the lead organization shall
4 submit to the director a list of reports it anticipates producing
5 during the following calendar year. The director may establish a
6 public comment period not to exceed thirty days, and shall submit the
7 list and any comment to the appropriate committees of the legislature
8 for review.

9 (2)(a) Health care data reports that use claims data prepared by
10 the lead organization for the legislature and the public should
11 promote awareness and transparency in the health care market by
12 reporting on:

13 (i) Whether providers and health systems deliver efficient, high
14 quality care; and

15 (ii) Geographic and other variations in medical care and costs as
16 demonstrated by data available to the lead organization.

17 (b) Measures in the health care data reports should be stratified
18 by demography, income, language, health status, and geography when
19 feasible with available data to identify disparities in care and
20 successful efforts to reduce disparities.

21 (c) Comparisons of costs among providers and health care systems
22 must account for differences in the case mix and severity of illness
23 of patients and populations, as appropriate and feasible, and must
24 take into consideration the cost impact of subsidization for
25 uninsured and government-sponsored patients, as well as teaching
26 expenses, when feasible with available data.

27 (3) The lead organization may not publish any data or health care
28 data reports that:

29 (a) Directly or indirectly identify individual patients;

30 (b) Disclose a carrier's proprietary financial information; or

31 (c) Compare performance in a report generated for the general
32 public that includes any provider in a practice with fewer than four
33 providers.

34 (4) The lead organization may not release a report that compares
35 and identifies providers, hospitals, or data suppliers unless:

36 (a) It allows the data supplier, the hospital, or the provider to
37 verify the accuracy of the information submitted to the data vendor,
38 comment on the reasonableness of conclusions reached, and submit to
39 the lead organization and data vendor any corrections of errors with

1 supporting evidence and comments within thirty days of receipt of the
2 report;

3 (b) It corrects data found to be in error within a reasonable
4 amount of time; and

5 (c) The report otherwise complies with this chapter.

6 (5) The ~~((office))~~ authority and the lead organization may use
7 claims data to identify and make available information on payers,
8 providers, and facilities, but may not use claims data to recommend
9 or incentivize direct contracting between providers and employers.

10 (6) (a) The lead organization shall distinguish in advance to the
11 ~~((office))~~ authority when it is operating in its capacity as the lead
12 organization and when it is operating in its capacity as a private
13 entity. Where the lead organization acts in its capacity as a private
14 entity, it may only access data pursuant to RCW 43.371.050(4) (b),
15 (c), or (d).

16 (b) Except as provided in RCW 43.371.050(4), claims or other data
17 that contain direct patient identifiers or proprietary financial
18 information must remain exclusively in the custody of the data vendor
19 and may not be accessed by the lead organization.

20 **Sec. 7.** RCW 43.371.070 and 2015 c 246 s 7 are each amended to
21 read as follows:

22 (1) The director shall adopt any rules necessary to implement
23 this chapter, including:

24 (a) Definitions of claim and data files that data suppliers must
25 submit to the database, including: Files for covered medical
26 services, pharmacy claims, and dental claims; member eligibility and
27 enrollment data; and provider data with necessary identifiers;

28 (b) Deadlines for submission of claim files;

29 (c) Penalties for failure to submit claim files as required;

30 (d) Procedures for ensuring that all data received from data
31 suppliers are securely collected and stored in compliance with state
32 and federal law;

33 (e) Procedures for ensuring compliance with state and federal
34 privacy laws;

35 (f) Procedures for establishing appropriate fees;

36 (g) Procedures for data release; ~~((and))~~

37 (h) Penalties associated with the inappropriate disclosures or
38 uses of direct patient identifiers, indirect patient identifiers, and
39 proprietary financial information; and

1 (i) A minimum reporting threshold below which a data supplier is
2 not required to submit data.

3 (2) The director may not adopt rules, policies, or procedures
4 beyond the authority granted in this chapter.

5 **Sec. 8.** RCW 43.371.080 and 2015 c 246 s 8 are each amended to
6 read as follows:

7 ~~(1) ((By December 1st of 2016 and 2017, the office shall report~~
8 ~~to the appropriate committees of the legislature regarding the~~
9 ~~development and implementation of the database, including but not~~
10 ~~limited to budget and cost detail, technical progress, and work plan~~
11 ~~metrics.~~

12 ~~(2) Every two years commencing two years following the year in~~
13 ~~which the first report is issued or the first release of data is~~
14 ~~provided from the database, the office)) The authority shall report~~
15 every two years to the appropriate committees of the legislature
16 regarding the cost, performance, and effectiveness of the database
17 and the performance of the lead organization under its contract with
18 the ~~((office))~~ authority. Using independent economic expertise,
19 subject to appropriation, the report must evaluate whether the
20 database has advanced the goals set forth in RCW 43.371.020(1), as
21 well as the performance of the lead organization. The report must
22 also make recommendations regarding but not limited to how the
23 database can be improved, whether the contract for the lead
24 organization should be modified, renewed, or terminated, and the
25 impact the database has had on competition between and among
26 providers, purchasers, and payers.

27 ~~((3) Beginning July 1, 2015, and every six months thereafter,~~
28 ~~the office)) (2) The authority shall annually report to the~~
29 appropriate committees of the legislature regarding any additional
30 grants received or extended.

31 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.371
32 RCW to read as follows:

33 (1) To assess and improve performance of the database by state
34 agencies, the authority shall convene a state agency coordinating
35 structure, consisting of state agencies with related data needs and
36 the Washington health benefit exchange to ensure effectiveness of the
37 database and the agencies' programs. The coordinating structure must
38 collaborate in a private/public manner with the lead organization and

1 other partners key to the broader success of the database. The
2 coordinating structure must consult with the authority in any
3 development of database policies and rules, including but not limited
4 to ensuring agency access to the database.

5 (2) The office must participate as a key part of the coordinating
6 structure and evaluate progress towards meeting the goals of the
7 database, and, as necessary, recommend strategies for maintaining and
8 promoting the progress of the database in meeting the intent of this
9 section, and report its findings annually to the legislature. The
10 office must have all necessary access to database processes,
11 procedures, methodologies, and outcomes to perform these functions.
12 The annual review shall assess, at a minimum the following:

13 (a) The list of approved agency use case projects and related
14 data requirements under RCW 43.371.050(4);

15 (b) Successful and unsuccessful data requests and outcomes
16 related to agency and nonagency health researchers pursuant to RCW
17 43.371.050(4);

18 (c) On-line data portal access and effectiveness related to
19 research requests and data provider review and reconsideration;

20 (d) Adequacy of data security and policy consistent with the
21 policy of the office of the chief information officer; and

22 (e) Timeliness, adequacy, and responsiveness of the database with
23 regard to requests made under RCW 43.371.050(4) and for potential
24 improvements in data sharing, data processing, and communication.

25 (3) To promote the goal of improving health outcomes through
26 better cost and quality information, the authority and the office, in
27 consultation with the agency coordinating structure, lead
28 organization, data vendor, and the performance measurement
29 coordinating committee, must jointly develop an effectiveness review
30 process for the state common measure set as adopted under RCW
31 70.320.030. The office may make recommendations for improvements in
32 the areas evaluated as needed.

33 NEW SECTION. **Sec. 10.** (1) The powers, duties, and functions of
34 the office of financial management provided in chapter 43.371 RCW,
35 except as otherwise specified in this act, are transferred to the
36 health care authority.

37 (2)(a) All reports, documents, surveys, books, records, files,
38 papers, or written material necessary for the health care authority
39 to carry out the powers, duties, and functions in chapter 43.371 RCW

1 being transferred from the office of financial management to the
2 health care authority and that are in the possession of the office of
3 financial management must be delivered to the custody of the health
4 care authority. All funds or credits of the office of financial
5 management that are solely for the purposes of fulfilling the powers,
6 duties, and functions in chapter 43.371 RCW shall be assigned to the
7 health care authority.

8 (b) Any specific appropriations made to the office of financial
9 management for the sole purpose of fulfilling the duties, powers, and
10 functions in chapter 43.371 RCW must, on the effective date of this
11 section, be transferred and credited to the health care authority.

12 (c) If any question arises as to the transfer of any funds,
13 books, documents, records, papers, files, equipment, or other
14 tangible property used or held in the exercise of the powers and the
15 performance of the duties and functions transferred, the director of
16 financial management must make a determination as to the proper
17 allocation and certify the same to the state agencies concerned.

18 (3) All rules and pending business before the office of financial
19 management specifically related to its powers, duties, and functions
20 in chapter 43.371 RCW that are being transferred to the health care
21 authority shall be continued and acted upon by the health care
22 authority. All existing contracts and obligations remain in full
23 force and must be performed by the health care authority.

24 (4) The transfer of the powers, duties, and functions of the
25 office of financial management does not affect the validity of any
26 act performed before the effective date of this section.

27 (5) If apportionments of budgeted funds are required because of
28 the transfers directed by this section, the director of financial
29 management shall certify the apportionments to the agencies affected,
30 the state auditor, and the state treasurer. Each of these must make
31 the appropriate transfer and adjustments in funds and appropriation
32 accounts and equipment records in accordance with the certification.

33 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
34 preservation of the public peace, health, or safety, or support of
35 the state government and its existing public institutions, and takes
36 effect immediately.

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