REPORT TO THE TWENTY-NINTH LEGISLATURE
STATE OF HAWAII
2017

PURSUANT TO SECTION 4, OF ACT 139, SESSION LAWS OF HAWAII 2016, REQUIRING THE STATE HEALTH PLANNING AND DEVELOPMENT AGENCY, AN ATTACHED AGENCY TO THE DEPARTMENT OF HEALTH, TO SUBMIT A REPORT TO THE LEGISLATURE NO LATER THAN TWENTY DAYS PRIOR TO THE OPENING OF THE 2017 SESSION, ON THE PROGRESS OF ESTABLISHING AN ALL-PAYER CLAIMS DATA BASE FOR THE STATE OF HAWAII.

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HTH 906

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Executive Summary

Due to the increasing costs of health care services, the federal government provided states with grant funding to find ways to lower the costs of health care and provide price transparency for consumers.

The State Health Planning and Development Agency (SHPDA) has had, since 1975, the statutory authority to request cost reports from health providers and health insurers.

In 2014, Hawaii received grant funding from the Centers for Medicare and Medicaid Services' Center for Consumer Information and Insurance Oversight and the funding was placed with the Department of Accounting and General Services' Office of Enterprise Technology Services (ETS). Project staff used the legislative process to get Act 139 Session Laws of Hawaii (SLH) 2016 approved. Act 139 SLH 2016 allows SHPDA to analyze Employer-Union Health Benefits Trust Fund and Med-QUEST for claims data. The claims will be for health care services provided for an estimated 50% of the State's population. The claims data will be examined to measure and track the cost, quality, and health improvement performance of our health system.

The identified health claims data from government employees and those individuals covered by Med-QUEST is provided, through SHPDA's authority, to the University of Hawaii Telecommunications and Social Informatics Research Program's Pacific Health Informatics and Data Center, where it will be de-identified, cleansed, integrated, stored, and analyzed, to become part of a projected Hawaii All-Payer Claims Database. The claims data will be used to answer research questions from academics, insurers, providers, community groups, and government agencies.

To help with this project, a steering committee and several working groups were established. Seven state agency directors or their designees meet monthly to make decisions.

The Data Submission Guide, interim administrative rules, and a Data Analytics and Reporting Roadmap have been produced.

Funding has been expended for 2.3 full-time-equivalent exempt staff. In addition, funding has been expended on data security, and data management services through the University of Hawaii Telecommunications and Social Informatics Research Program's Pacific Health Informatics and Data Center.

The federal grant funding expires in September, 2017. There is the possibility for a one-year grant extension.

Introduction

The State Health Planning and Development Agency (SHPDA), established by Hawaii Revised Statutes section 323D-11, Hawaii Revised Statutes (HRS), in 1975, is now the lead state agency tasked with oversight of data submission for the State of Hawaii's All-Payer Claims Database (APCD).

In the 1960's, the Office of Comprehensive Health Planning was established as a part of the State of Hawaii Department of Health to conduct health planning activities for the State. In 1975, the Office of Comprehensive Health Planning was moved into a separate state agency and named the State Health Planning and Development Agency.

The purpose of SHPDA is to:
> *"Promote accessibility for all the people of the State to quality health care services at a reasonable cost."*

Hawaii Health Data Center

The Hawaii Health Data Center (HHDC) is a federally funded special project established by grants from Centers for Medicare and Medicaid Services' (CMS) Center for Consumer Information and Insurance Oversight (CCIIO), and placed in the State of Hawaii Office of Enterprise Technology Services (ETS) to analyze health care costs, quality, and outcomes in the State of Hawaii.

The HHDC is managed through a unique multi-agency partnership spanning eight (8) agencies, which include SHPDA, Department of Health (DOH), Department of Human Services (DHS)-Med-QUEST Division, Employer-Union Health Benefits Trust Fund (EUTF), ETS, Budget & Finance (B&F), Department of Commerce and Consumer Affairs (DCCA) – Insurance Division, and the University of Hawaii (UH). This collaboration has built the beginnings for a strong foundation for interagency healthcare services planning and public health data analytics.

The HHDC is designed to compile health insurer claims information in order to analyze and integrate the claims information with clinical, quality and outcome data streams. This newly formed collaboration between the State of Hawaii and the University of Hawaii will demonstrate the cost savings and improved health outcomes possible through analysis of Hawaii health records.

The HHDC uses multi-tiered data architecture. The first segment of the project is to build a conventional, claims-based APCD. The initial data to be analyzed in the first segment will be data readily available from instate sources: EUTF, Med-QUEST (State Medicaid Agency), and Medicare. It is estimated that nearly fifty percent (50%) of the covered lives in Hawaii will be included in this first segment. With this data the State will be able to take a comprehensive

look at both in-patient hospital, and out-patient primary care and specialty care services claims data.

The subsequent segments of the project involve integrating additional data streams, such as DOH program data and voluntary claims data, to improve functionality, increase data richness, and produce highly detailed reports. These reports will inform consumers, providers, state healthcare programs, and policymakers on the utilization, trends, and cost of health care services.

Section 323D-18.5, HRS, governs the reporting requirements of providers of health insurance to submit administrative data to SHPDA. SHPDA is tasked with writing the administrative rules relating to data governance, data submission, use and sharing, information security, privacy protection, and reporting. Per section 323D-18.5, HRS, data shall be submitted to SHPDA via the Pacific Health Informatics and Data Center (PHIDC). PHIDC is a program component of the University of Hawaii Telecommunications and Social Informatics Research Program (UH TASI) of the Social Science Research Institute, under the University of Hawaii College of Social Sciences.

The APCD will empower the State and the people of Hawaii through the use of data-driven and informed health care decision making.

Among its many possible uses, the APCD will be available to assist:

- Med-QUEST and EUTF to better understand the prevalence and costs of pre-chronic and chronic diseases, with the goal of improving the contracted disease management programs by the insurers;
- Policy makers, with access to information that will help them to better understand why from fiscal year 2016 to fiscal year 2017 the budget amounts for health care payments for Med-QUEST increased by $250 Million (11% increase from 2016), and the health care premium payments for EUTF increased by $184 Million (46.7% increase from 2016);
- SHPDA, by providing new community level information to assist with the development of our Health Services and Facilities Plan and health planning activities;
- The DOH, by providing APCD data that will provide multitudinous answers through longitudinal and cross population analytic studies;
- All programs and projects that focus on health improvement, within the government and community-wide circles, by establishing baseline data for program development, monitoring and evaluation, and for informing applications for new funding opportunities;
- The State to measure the return on investment on State health care and health services spending;
- The people of Hawaii, by providing transparency for pricing of health care services.

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Progress to Date

The HHDC project team has made significant gains towards developing and establishing the APCD for the State of Hawaii. The project team is comprised of staff from SHPDA, ETS, DOH, and PHIDC.

Aided by the authority established in Act 139 SLH 2016, the initial government-as-payer data collection process is very close to implementation. It is anticipated that the project will start receiving claims data submissions from the EUTF contracted insurers, Med-QUEST, and Medicare in early 2017.

At the time of writing this report, the project team has made the following progress:

Governance and Project Management

HHDC Steering Committee - A steering committee, comprised of the State agency directors or their designees, from the DOH, SHPDA, DHS-Med-QUEST, EUTF, DCCA-Insurance Division, ETS, and B&F held three meetings in 2016. The HHDC Steering Committee will be the official governing body authorized by the interim administrative rules.

The HHDC project team formed inter-disciplinary working groups to assist with the development of the APCD. Their subject areas include: data analytics, compliance, technical design, consumer engagement, insurance, and UH academic research.

Interim Administrative Rules – The HHDC project team initiated multiple drafts of the interim administrative rules with assistance of the project's Deputy Attorney General. The final draft of the interim administrative rules was completed as a collaborative effort between SHPDA, DOH, and ETS. The scope of the rules includes data governance, data submission, use and sharing, information security, privacy protection, and reporting. The interim administrative rules will be submitted to Governor Ige for signature in January, 2017.

Data Submission Guide – Our UH partners provided significant effort creating the first draft, version 1.0, of the APCD Data Submission Guide in September, 2016. This version was developed through the analysis and adaptation of key components from well-established existing APCD Data Submission Guides including: Massachusetts; Maine; and Colorado.

The APCD Data Submission Guide contains information regarding the submission schedule and submission process for data to the HHDC APCD. The Data Submission Guide also contains the detailed data elements specifications of the data that are to be submitted to the HHDC APCD.

The HHDC project team met with representatives from the Act 139 SLH 2016 mandated insurance companies, as a group, to discuss the project and the draft Data Submission Guide on September 7, 2016. The health insurance providers collectively responded to the Data Submission Guide by way of the Hawaii Association of Health Plans at a meeting on October 7, 2016. Since that date, the project team has met with the EUTF insurance providers individually to review the Data Submission Guide and gather additional feedback on their technical needs and capacity to submit the requested data.

In an effort to reduce the administrative burden for submission to the APCD, the HHDC project team listened to the insurance providers and agreed to include in the next draft of the Data Submission Guide the ability for the insurers to submit their data in two increments. The project team also worked with the insurance providers to develop a mutually agreeable data transmission method, and together, decided that File Transfer Protocol would be used.

Data Analytics and Reporting Road Map - From July 1, 2016 through December 20, 2016, the project team conducted over 35 meetings with members of EUTF, Med-QUEST, DCCA-Insurance Division, Hawaii Primary Care Association (HPCA), and multiple divisions, programs and projects within the DOH to develop research priorities and their use of the APCD data. The UH team also conducted an informational briefing meeting to introduce the project and formulate communities of interest. The UH team has also conducted several meetings with academic researchers, other APCDs, and subject matter experts.

The HHDC project team collected over 30 research questions and topics from interested programs through numerous meetings, which guided the establishment of the first draft of the APCD Analytics Road Map. The HHDC project will re-draft and update the APCD Analytics Road Map, for approval by the HHDC Steering Committee in the 1st Quarter of 2017.

System Security - The number one priority of the HHDC is ensuring the security, privacy and confidentiality of protected health information. The HHDC project team and the PHIDC team have been working closely with the State Chief Information Officer, Todd Nacapuy, and his recently hired Chief Information Security Officer, to ensure that the latest security protocol standards and practices are in place and operating to expectation. This process included ETS facilitating meetings with security organizations and service providers to discuss best practices and standards, and how to integrate them. Data security is an on-going, ever-improving process. The HHDC is looking forward to continuing to work with ETS to help establish a new benchmark for the security of health information within the State.

Provider and Consumer Engagement Activities - Representatives from the HHDC project team have been providing project presentations and updates for SHPDA's Statewide Health Coordinating Council (SHCC) and the Subarea Health Councils (SAC). Members of

the SHCC and SACs include health care service providers and community members that are appointed by the Governor. The presentations introduced the project to the council members and members of the public in attendance, and discussed ways the APCD may be a helpful resource as they look to plan the future health needs of their county and community. Public presentations were given to the SHCC on March 22, 2016, and September 22, 2016. Public presentations were also given to: The West Oahu SAC on October 19, 2016; the Kauai County SAC on October 20, 2016; the Honolulu SAC on November 3, 2016; the Tri-Isle SAC on November 4, 2016; and the Windward SAC on November 15, 2016. A presentation is currently planned for the Hawaii County SAC on January 31, 2017. The HHDC team plans to give presentations in early 2017 to community members on Molokai and Lanai, and in the greater Kona community of Hawaii Island.

Information Gathering - The HHDC project team decided to avoid re-creating the APCD wheel and to learn from the start-up mistakes of other APCDs whenever possible. The project team gathered information from other successful APCDs to fully understand the complex processes. Multiple meetings were held with other states' APCD projects to receive advice or lessons they learned. These states included Arkansas, Oregon, Colorado, Rhode Island, Kentucky, Vermont, Maine, Massachusetts, Pennsylvania (Business Group for Health), New Hampshire, and Minnesota (visited). The HHDC project team learned that almost all of the states had very similar historic perspectives and experiences with data submission challenges, political challenges on the local and national levels, and challenges with stakeholder participation and buy-in. The states also provided similar advice pertaining to the importance of consumer engagement with the APCD. This learning process has resulted in new relationships and collaboration opportunities which have assisted the project team in proactively avoiding project management challenges, and have aided in the sharing of supportive tools and solutions, e.g. data validation plans and analytic methodologies.

The HHDC project team attended the National Association of Health Data Organizations' 31st annual conference in late October, 2016. To maximize the learning potential of traveling to the conference, the team met with representatives from the Minnesota Department of Health, the University of Minnesota's State Health Access Data Assistance Center, and the University of Minnesota's Research Data Assistance Center.

The HHDC project team participated in multiple national teleconferences and webinars. The project team is committed to continue the information gathering process and maintain and support these relationships that have been developed.

Memorandums of Agreement - The HHDC project team has been working with their Deputy Attorney General, who has been providing legal services and guidance. In early November, 2016 Memorandums of Agreement (MOA) to support the project were drafted on behalf of SHPDA and transmitted to UH, EUTF and Med-QUEST. The SHPDA and UH MOA is under consideration at UH. The MOA between SHPDA and EUTF is

under consideration at EUTF. The SHPDA and Med-QUEST MOA is under consideration at Med-QUEST.

HHDC Financial Status Report

1. The HHDC is a special project funded by the CMS CCIIO Rate Review Cycle III and Cycle IV grants. The grants are managed and administrated at ETS.

   The CCIIO Rate Review Cycle III grant for $2,877,328.96 was established in ETS on October 23, 2014. A budget modification was approved by CCIIO on August 23, 2016. A no-cost extension through September 30, 2017, was approved by CCIIO on September 20, 2106. $1,130,994.40 of the Cycle III grant has been expended, leaving an available balance of $1,746,334.56.

   The CCIIO Rate Review Cycle IV grant for $1,179,000.00 was established in ETS on October 23, 2014. A no-cost extension through September 18, 2017, was approved by CCIIO on September 15, 2016. Cycle IV grant funds have not been spent and are planned to be expended in 2017 to enhance the HHDC data management, security, and analytic capacity and function.

   The Cycle III grant currently funds two full-time exempt positions: HHDC Project Director; HHDC Chief Financial Officer – Grant Manager. In September, 2016, the grant began funding the Deputy Attorney General for her time spent providing legal services to the project. The project is currently working to add an additional grant funded full-time exempt position to provide support and expertise in the area of health services analytics and research.

   In addition, many state-funded employees are participating in the project and are committing their time to its development and operation. The SHPDA Administrator and the SHPDA staff have provided substantial man hours to assist and support the project. The Grantee Authorizing Official and Health Systems Management Office Chief for the Child and Adolescent Mental Health Division of the DOH has committed 15% of his time to assisting the project. Numerous employees at DOH, Med-QUEST, EUTF, and DCCA-Insurance Division, including their directors, deputies, and administrators have all committed to assisting the project.

   Federal funding for the project is currently scheduled to expire in September, 2017. It is unknown how the priorities of the in-coming federal administration will affect this Affordable Care Act initiated grant program. Funding for ongoing project maintenance/management, including expenses for three state positions and consumer engagement, and data management and analytics expenses at UH are estimated at $1 million. This is consistent with operating budgets of other small state APCDs. The HHDC project team is considering the best models of sustainability demonstrated by other state-funded APCDs.

2. No state or federal funds have been used for contracting the services of private entities to analyze data submitted pursuant to Act 139 SLH 2016. The HHDC project plans to collaborate with the UH John A. Burns School of Medicine, School of Public Health, as well as other interested departments within the UH system to provide additional analytic capacity.

   The HHDC project team is also developing a plan to train and educate government employees to increase their ability to understand and use the HHDC data for the benefit of their programs and the State.

Next Steps

The HHDC project looks forward to completing the following next steps:
1. Complete three Memorandums of Agreement
2. Finalize the first version of the APCD Data Submission Guide;
3. Finalize the first version of the APCD Data Analytics and Reporting Roadmap;
4. Finalize the administrative rules;
5. Expand community outreach activities; and
6. Establish a public-facing website for report publication.