**STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**

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December 19, 2018

The Honorable Ronald D. Kouchi
President
and Members of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, the State Health Planning and Development Agency is transmitting a copy of the Hawaii APCD Progress Report as required under Act 139, Session Laws of Hawaii 2016.

In accordance with Hawaii Revised Statutes section 93-16, this report may be viewed electronically at: https://health.hawaii.gov/shpda/files/2018/12/SHPDA-2018-Legistative-Report.pdf

Sincerely,

Romala Sue Radcliffe
Administrator

REPORT TO THE THIRTIETH LEGISLATURE
STATE OF HAWAII
2018

PURSUANT TO SECTION K, 323D-18.5, HRS, 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 LEGISLATIVE SESSION, ON THE PROGRESS OF ESTABLISHING AN ALL-PAYER CLAIMS DATA BASE FOR THE STATE OF HAWAII.

PREPARED BY:
HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY
HTH 906

December 2018

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 has had, since 1975, the statutory authority to request cost reports from health providers and health insurers.

In 2013, 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. Section 323D-18.5, HRS, allows SHPDA to collect and analyze Employer-Union Health Benefits Trust Fund and Med-QUEST 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 track the cost.

Gathering the health claims data from government employees and those individuals covered by Med-QUEST is provided, through SHPDA's authority. The University of Hawaiʻi Telecommunications and Social Informatics Research Program's Pacific Health Informatics and Data Center will support finding answers to research questions poised from academics, insurers, providers, community groups, and government agencies about costs, quality and ways to improve healthcare services.

The Data Submission Guide, interim administrative rules, and FY 2019 Annual Plan have been published.

Since 2013, funding has been expended for 2.1 full-time-equivalent exempt staff. In addition, funding has been expended on data security and data management services through the University of Hawaiʻi Telecommunications and Social Informatics Research Program's Pacific Health Informatics and Data Center and other contractors.

The federal grant funding expires in March 2019. To continue operating the All-Payer Claims Database beyond the federal grant expiration, management and operating funds were placed in the new Department of Human Services' Med-QUEST Division's Health Analytics Program established by Act 55 (18).

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 attached to the Department of Health (DOH) 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 Project

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, which includes SHPDA, 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 a strong foundation for interagency healthcare services planning and public health data analytics.

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 available from insurers: EUTF, Med-QUEST (State Medicaid Agency), and Medicare. With this data, in-patient hospital, out-patient primary care and specialty care services claims data will be analyzed.

The reports will inform consumers, providers, state healthcare programs, and policymakers on the utilization, trends, and prices paid by insurers to providers of health care services and drugs.

Section 323D-18.5, HRS, governs the reporting requirements of providers of health insurance to submit administrative data to SHPDA. SHPDA was 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 to understand healthcare costs through the use of data-driven and informed health care decision making.

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

- Policy makers, Med-QUEST and EUTF to better understand the prevalence and reimbursements from insurers to health care providers for pre-chronic and chronic diseases;
- SHPDA, by providing new community level information to assist health planning activities;
- The DOH, by providing APCD data that will provide numerous 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 the cost of paid-for health care services.

Progress to Date

The HHDC 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, Med-QUEST, and PHIDC.

The initial government-as-payer data collection process has been initiated and is nearly complete. All EUTF contracted insurers have complied with data submissions requests. EUTF, Hawaii Dental Service, and CVS Health have submitted production data. VSP Vision Care, Kaiser Permanente, and Hawaii Medical Service Association have submitted production test data. PHIDC has acquired Medicare Fee-For-Service Parts A, B, and D claims data for calendar years 2010 through 2014. It is anticipated that the project will start receiving claims data submissions from Med-QUEST in 2019.

Information about the HHDC can be found at https://phidc.ssri.hawaii.edu/endeavors/apcd/

Governance and Project Management

<u>HHDC Steering Committee</u> - The steering committee, comprised of the State agency directors or their designees, from the DOH, SHPDA, DHS-Med-QUEST, EUTF, DCCA-Insurance Division, ETS, B&F, and UH met in June 2018, to approve the FY 2019 SHPDA Annual Plan. https://phidc.ssri.hawaii.edu/wp-content/uploads/2018/06/FY-2019-SHPDA-HHDC-APCD-Annual-Plan.pdf

<u>Interim Administrative Rules</u> – The interim administrative rules were approved by Governor Ige on March 7, 2018 and made effective March 17, 2018. https://health.hawaii.gov/shpda/files/2018/04/Chapter-11-188-Interim-Hawaii-Admin-Rules.pdf

<u>Data Submission Guide</u> – Our UH partners provided significant effort re-drafting and creating version 1.0 of the APCD Data Submission Guide. The final version was published on March 17, 2018. https://phidc.ssri.hawaii.edu/wp-content/uploads/2018/06/SHPDA-HHDC-APCD-Data-Submission-Guide-v1.0.pdf

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.

<u>System Security</u> - The number one priority of the HHDC is to ensure 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 (CIO) and Chief Information Security Officer to ensure that the latest security protocol standards and practices are in place and operating to expectation. The CIO approved the HHDC's request to collect production test data and production data on June 13, 2018.

<u>Stakeholder and Consumer Engagement Activities</u> – In 2018 the HHDC project team provided project update presentations and discussed ways the APCD may be a helpful resource for planning future community health needs to the Kauai, Tri-Isle, West Oahu, Windward Oahu, and Honolulu Subarea Health Councils.

The HHDC project team engaged with the Executive Office of Aging and the UH Center on Aging to discuss Medicare data use cases.

<u>Healthcare Claims Data Analytics Club</u> – In order to build much needed capacity within the state, the DOH Office of Planning, Policy and Program Development and the UH Office of Public Health Services collaborated to create the Healthcare Claims Data Analytics Club. Club participants met biweekly on-line and participated in a healthcare claims data training curriculum specially developed by the UH.

<u>Information Gathering</u> – The HHDC project team participated in the APCD Council Learning Network on-line events, and attended the National Association of Health Data Organizations' 32nd annual conference in early October, 2018. The HHDC project team participated in multiple national teleconferences and webinars.

<u>Memorandums of Agreement</u> - The HHDC project team has been working with their Deputy Attorney General, who has been providing legal services and guidance. The Memorandum of Agreement (MOA) between SHPDA and EUTF was executed in 2017. The MOA between SHPDA and UH was executed 2017. We expect to execute the SHPDA and Med-QUEST MOA in December 2018.

<u>Project Transition</u> – Act 55 (18) established the Health Analytics Program in Med-QUEST, established positions, and appropriated funds to support APCD operations and management in collaboration with SHPDA, DOH, DCCA, EUTF, and the UH. The HHDC team has been working closely with the newly assembled Med-QUEST Health Analytics Program staff to support the project's smooth transition from ETS to 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 administered 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 July 12, 2018. A no-cost extension through March 31, 2019, was approved by CCIIO on August 29, 2018. $2,400,037.47 of the Cycle III grant has been expended, leaving an available balance of $477,291.49 as of December 12, 2018.

    The CCIIO Rate Review Cycle IV grant for $1,179,000.00 was established in ETS on October 23, 2014. A budget modification was approved by CCIIO on July 12, 2018. A no-cost extension through March 31, 2019, was approved by CCIIO on August 29, 2018. $667,054.51 of the Cycle IV grant has been expended, leaving an available balance of $511,945.49 as of December 12, 2018.

    The Cycle III grant currently funds two full-time exempt positions: HHDC Project Director and HHDC Chief Financial Officer – Grant Manager. The grant also funds SHPDA's Deputy Attorney General for her time spent providing legal services to the project.

    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 employee hours to assist and support the project. The Grantee Authorizing Official, the 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, ETS, 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 on March 31, 2019.

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 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

1. Complete HHDC project transition to Med-QUEST Health Analytics Program.
2. Continue data collection process with EUTF contracted insurers.
3. Initiate data collection process with Med-QUEST.
4. Obtain latest available Medicare fee-for-service data sets.
5. Continue processing data through cleansing, quality, and validation checks to attain report ready status.
6. Develop and publish reports as authorized by the FY 2019 SHPDA Annual Report.