



# STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

DAVID Y. IGE  
GOVERNOR OF HAWAII

VIRGINIA PRESSLER, M.D.  
DIRECTOR OF HEALTH

ROMALA SUE RADCLIFFE, B.A., M.A.  
ADMINISTRATOR

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## DEPT. COMM. NO. 169

December 27, 2017

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

The Honorable Scott K. Saiki, Speaker  
and Members of the House of  
Representatives  
Twenty-Ninth 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 2017.

In accordance with Hawaii Revised Statutes section 93-16, this report may be viewed electronically at: <https://health.hawaii.gov/shpda/files/2017/12/SHPDA-2017-Legislative-Report-v3.1-F.pdf>.

Sincerely,

Romala Sue Radcliffe  
Administrator

**REPORT TO THE TWENTY-NINTH LEGISLATURE  
STATE OF HAWAII  
2017**

**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 2017**

## **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 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 (ETS). Section 323D-18.5, HRS, allows SHPDA to 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 Hawaii 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.

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

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

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 Hawaii Telecommunications and Social Informatics Research Program's Pacific Health Informatics and Data Center and other contractors.

The federal grant funding expires in September 2018.

## 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 including eight (8) agencies, which include 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 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 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 costs of 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, and PHIDC.

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 2018.

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 monthly meetings in 2017.

The HHDC Steering Committee agreed by consensus to continue the APCD beyond the federal grant period and establish it as a State program. A FY2019 request to the legislature will be made, through the Administration's legislative package and supplemental budget request, seeking new positions, and funding for the positions and on-going operational expenses, through the Med-QUEST budget.

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, security, 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, DHS, 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 were submitted to DOH for Governor Ige's signature in December, 2017.

Data Submission Guide – Our UH partners provided significant effort re-drafting and creating version 1.0 of the APCD Data Submission Guide. The final draft was provided to the insurance companies in November, 2017.

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.

Data Needs Assessment - Members of the HHDC project team initiated a data needs assessment at the DOH. The assessment is 80% complete. It looks at how the APCD data can be utilized by DOH programs, emphasizing data sharing and program improvement opportunities, as well as better understanding the total health care experience for the people they serve.

The HHDC project team engaged with the Executive Office on Aging to discuss data use cases.

System Security - 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, Todd Nacapuy, Chief Information Security Officer, Vincent Huang, and the UH-System HIPAA Compliance Officer, James T. Ash, 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 – On January 31, 2017, representatives from the HHDC project team provided project presentations and updates to Hawaii County Mayor, Harry Kim, and SHPDA’s Hawaii County Subarea Health Council (HCSAC). Members of the HCSACs include health care service providers and community members that are appointed by the Governor. The presentations introduced the project, and discussed ways the APCD may be a helpful resource as they look to plan the future health needs of their county and community.

Information Gathering - The HHDC project team contacted other State’s APCDs to understand the complex process of starting an APCD. Meetings were held with other states’ APCD projects to receive advice on lessons they learned. APCD states included Arkansas, Oregon, Colorado, Rhode Island (visited), New York, Kentucky, Maine, Massachusetts (visited), Wisconsin, and Minnesota. Freedman Healthcare, an APCD subject matter expert, was engaged to assist with the information gathering activities.

The HHDC project team attended the National Association of Health Data Organizations’ 32nd annual conference in early October, 2017.

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 January, 2017, the Memorandum of Agreement (MOA) between SHPDA and EUTF was executed. The MOA between SHPDA and UH was executed in September, 2017. The SHPDA and Med-QUEST MOA is in negotiations.

### **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 August 17, 2017. A no-cost extension through September 30, 2018, was approved by CCIIO on August 31, 2017. \$1,705,591.62 of the Cycle III grant has been expended, leaving an available balance of \$1,171,737.34 as of December 1, 2017.

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 August 16, 2017. A no-cost extension through September 18, 2018, was approved by CCIIO on August 31, 2017. \$167,168.32 of the Cycle IV grant has been expended, leaving an available balance of \$1,011,831.68 as of December 1, 2017.

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. An epidemiologist from the DOH Office of Planning Policy and Program Development has been providing support and hours to 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, 2018.

Funding for ongoing project maintenance/management, including expenses for four state positions, consumer engagement, and data management and analytics expenses at UH are estimated at \$1.7 million. This is consistent with operating budgets of other similar sized state 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. Collect, ingest and analyze data;
2. Expand community outreach activities;

3. Establish a public-facing website for report publication; and
4. Provide APCD data training and education.