



STATE OF TENNESSEE
DIVISION OF HEALTH CARE FINANCE & ADMINISTRATION

REQUEST FOR INFORMATION
FOR
APCD COMMON IDENTIFIER ENCRYPTION
RFI # 31865-00440
OCTOBER 8, 2015

1. STATEMENT OF PURPOSE:

The State of Tennessee, Division of Health Care Finance & Administration (HCFA) issues this Request for Information ("RFI") for the purpose of preparing for a potential request for proposals for a common identifier encryption solution for Tennessee's All-Payer Claims Database (APCD). We appreciate your input and participation in this process.

2. BACKGROUND:

Brief History of Tennessee's All Payer Claims Database

Tennessee's All Payer Claims Database (APCD) is relatively young and has undergone several transitions. The General Assembly enacted the APCD statute in 2009, and the business unit (the Office of Health Planning) housing the APCD reported directly to the Commissioner of Finance & Administration (F&A). After implementing a contract on December 1, 2009, the State's original APCD vendor, OnPoint, collected data from all payers through October 31, 2011. Thereafter, the contract lapsed, and the State experienced a hiatus in data collection. The State subsequently reorganized the organizational management of the APCD, transferring it in April 2012 to a newly-created Division of Health Care Finance & Administration (HCFA) within F&A. For reference, HCFA includes the Bureau of TennCare, the Office of eHealth, CoverTennessee (including the CoverKids or CHIP program), and the Strategic Planning and Innovation Group. HCFA retained the APCD administrative functions even after Health Planning subsequently moved to the Department of Health.

Tennessee has recently redoubled its APCD efforts. HCFA procured a new APCD vendor and executed a new contract with Truven on November 1, 2013. In February 2014, HCFA notified all payers that the new vendor would begin to collect data in a modified format. Following discussions with the industry, HCFA worked through the spring and summer of 2014 to finalize its approach, which the Department of Commerce & Insurance (C&I) subsequently approved (as is required under the APCD's administrative rules). HCFA then published the *APCD Procedure Manual* on or about October 31, 2014, and payers and insurers had to begin submitting data within 180 days. The new version of the *APCD Procedure Manual* required that payers and insurers submit historical data since January 1, 2012 and ongoing data on a prospective

basis. For reference, the State may impose penalties on payers that fail to comply with their obligations pursuant to TCA § 56-2-125(f)(4) and Administrative Rule Chapter 0780-01-79-.06(2).

The average number of claims submitted for the years 2009 and 2010 was 49 million. The State anticipates a significant increase in submissions for the years 2012 through 2014. A total of 37 payers are qualified and currently submitting data to the APCD.

The State also reconstituted the Tennessee Health Information Committee (THIC) in the second quarter of CY 2015. By statute, the THIC oversees and approves the data management, reporting, and research activities of the APCD. The State received nominations for each of the statutorily-designated entities (e.g., Tennessee Hospital Association, Hospital Alliance of Tennessee, Tennessee Pharmacists Association, Tennessee Medical Association, etc.) and finalized appointments in May 2015. The new members of the THIC convened for their first meeting on July 21, 2015.

For general information about All Payer Claims Databases across the United States, visit <http://www.apcdouncil.org/>, <https://www.nahdo.org/>, and <http://www.commonwealthfund.org/publications/resources/2011/all-payer-claims-databases>.

Common Identifiers

Tennessee's APCD cannot currently link claims data for the same person across payers or time. Because of the statutory restrictions at TCA § 56-2-125(e), neither the State nor the APCD vendor can collect personally-identifiable information including name, dates of birth, Social Security Numbers (SSNs), etc. In the absence of such identifiers, the APCD is currently unable to link claims for the same individual or household across payers or across time. This inability to link claims effectively prevents longitudinal data analyses. Of the 13 or 14 APCDs around the country, Tennessee appears to be the only state with this restriction.

The State's early effort to develop a common identifier was unsuccessful. The original APCD vendor, OnPoint, proposed an encryption algorithm that it believed would allow it to link an individual's claims across payers and across time even in the absence of the proscribed information. Unfortunately, the algorithm yielded a table of 7 million unique members at a time when the APCD contained at most 5.1 million covered lives. Based on this experience, the State discontinued the use of this algorithm.

More recent experience at the federal level fuel renewed optimism about the viability of a common identifier. Specifically, the ACA's risk adjustment program suggests that technological improvements may have enabled the development a consistent, reliable common identifier for the same individual (across payers and across time). Given this and related developments, the State now is exploring the potential advantages of contracting with another third-party entity to provide a solution.

The State seeks stakeholder input about the technical design, possible constraints, and realistic success of a new effort to create common identifiers. For example, the State could contract with a vendor to provide encoding/encryption support to the payers/insurers. This support would theoretically allow all payers/insurers to generate a common identifier for the same individual in a consistent, reliable manner. In so doing, the payers/insurers would be able to provide the common identifier to the APCD vendor without transmitting any information proscribed by state law. The encryption key for such a common identifier, though, must be unknown and unknowable to the State and the APCD vendor. The desire for stakeholder input about this and other possibilities led the State to develop and release this RFI.

At least one potential vendor is excluded by state law from any such procurement. The current APCD contractor, Truven, is considered a "designated entity" under state law. For this

reason, Truven is unable to receive the identifier necessary to develop the algorithm. Thus, Truven would be ineligible to submit a proposal in the event that the State issues a procurement for such encoding/encryption support.

3. COMMUNICATIONS:

3.1. Please submit your response to this RFI via email to:

Alma Chilton, Director of Contracts
Division of Health Care Finance and Administration
310 Great Circle Road
Nashville, TN 37243
tel: 615-507-6384
alma.chilton@tn.gov

3.2. Please feel free to contact the Division of Health Care Finance & Administration (HCFA) with any questions regarding this RFI. The main point of contact will be:

Brian Haile, Deputy Chief of Staff
Division of Health Care Finance and Administration
310 Great Circle Road
Nashville, TN 37243
tel: 615-507-6478
brian.haile@tn.gov

3.3. Please reference RFI # 31865-00440 with all communications to this RFI.

4. RFI SCHEDULE OF EVENTS:

EVENT		TIME (Central Time Zone)	DATE (all dates are State business days)
1.	RFI Issued		October 8, 2015
2.	RFI Response Deadline	4:30pm	November 3, 2015

5. GENERAL INFORMATION:

5.1. Please note that responding to this RFI is not a prerequisite for responding to any future solicitations related to this project and a response to this RFI will not create any contract rights. Responses to this RFI will become property of the State.

5.2. The information gathered during this RFI is part of an ongoing procurement. In order to prevent an unfair advantage among potential respondents, the RFI responses will not be

available until after the completion of evaluation of any responses, proposals, or bids resulting from a Request for Qualifications, Request for Proposals, Invitation to Bid or other procurement method. In the event that the state chooses not to go further in the procurement process and responses are never evaluated, the responses to the procurement including the responses to the RFI, will be considered confidential by the State.

5.3. The State will not pay for any costs associated with responding to this RFI.

6. INFORMATIONAL FORMS:

The State is requesting the following information from all interested parties. Please fill out the following forms:

RFI #31865-00440
TECHNICAL INFORMATIONAL FORM

1. RESPONDENT LEGAL ENTITY NAME:

2. RESPONDENT CONTACT PERSON:

Name, Title:
Address:
Phone Number:
Email:

3. Please provide a brief description of your experience providing a similar scope of services/products.

4. Please limit your responses to the technical questions (a) through (h) below to no more than 10 double-sided, single-spaced pages using at least 10-point font:

- a) Given the current state of technology, what types of options might best accomplish the State's goal of having consistent, reliable common identifier in the APCD for the same individual (across payers and across time)? Provide as much detail as possible and cite to operational examples of each option.

Please include only options that (i) do not require the State or the APCD vendor to capture or store personally-identifiable information proscribed by state law; **and** (ii) involve encryption keys for such a common identifier that would necessarily remain unknown and unknowable to the State and the APCD vendor.

- b) What types of solutions involve the least administrative burden for insurers/payers?

- c) In terms of measuring the reliability and consistency:

- i. What are the best estimates of the rate of common identifiers assigned over a three- or five-year period that may be shared by more than one individual even using the best technology and under the best of circumstances?
- ii. What are the best estimates of the rate of individuals who may have more than one common identifier as measured over a three- or five-year period even when using the best technology and under the best of circumstances?
- iii. What types of individuals or claims are most likely to be mis-identified – and why?
- iv. Which of the options described in response to question (a) above are likely to have the highest and the lowest “error” rates?

- d) Aside from the “error” rates described in question (c), what additional design features or technical considerations for a solution are relevant to the validity of any longitudinal analyses of APCD data?

- e) What types of technology or operational approaches may be particularly problematic or involve higher levels of risks? Please provide as much detail as possible and describe any offsetting advantages or benefits.

- f) What are the general implementation timeframes required for the options described in response to question (a) above?

- g) Please provide information about any recent public or private procurements for this or similar technology.
- h) Please provide the name and contact information for companies or organizations who may be best equipped and most interested in responding to future procurement from the State related to this issue.

COST INFORMATIONAL FORM
1. Describe what pricing units you typically utilize for similar services or goods (e.g., per hour, each, etc.):
2. Describe the typical price range for similar services or goods

ADDITIONAL CONSIDERATIONS
1. Please provide input on alternative approaches or additional things to consider that might benefit the State: