CONNECTICUT HEALTH INSURANCE EXHANGE (the "Exchange")

DRAFT POLICIES AND PROCEDURES: ALL-PAYER CLAIMS DATABASE.

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Introduction

Public Act 13-247 authorizes the Exchange to establish the All-Payer Claims Database. As required under sections 138(a)(8) and (9), and 144(b)(3)(A) of Public Act 13-247, the Exchange must establish reporting requirements by issuing a policy and procedure describing the manner and form in which a Reporting Entity shall report health care information for inclusion in the All-Payer Claims Database. The Exchange will implement the following process.

Definitions

"Administrator" means an individual appointed by the Chief Executive Officer of the Exchange to direct the activities of the APCD.

"APCD" means the Connecticut All-Payer Claims Database as established under Public Act 13-247.

~~"Control Total File" means a data file composed of summary data describing the total number of records and other corroborating information about the Reporting Entity's files for the corresponding period.~~

"Day" means a calendar day.

"Dental Claims Data File" means a data file composed of service level remittance information including, but not limited to, member demographics, provider information, charge and payment information, and dental terminology codes from all paid claims and encounters.

"Eligibility Data File" means a data file composed of demographic information for each Member who is eligible to receive medical, pharmacy, or dental coverage provided or administered by a Reporting Entity for one or more days of coverage during the reporting period.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. § 1320d – 1320d-8, and its implementing regulations, including 45 C.F.R. Parts 160, 162 and 164, as amended from time to time.

"Historic Data" means Eligibility Data File(s), Medical Claims Data File(s), Pharmacy Claims Data File(s), Provider File(s) and Control Total File(s) for the period commencing January 1, ~~2010~~2011, through December 31, 2013, or such later period specified by the Administrator.

"Medical Claims Data File" means a data file composed of service level remittance information including, but not limited to, member demographics, provider information, charge and payment information, and clinical diagnosis/procedure codes from all paid claims and encounters.

"Member" means the Subscriber or an individual on a Subscriber's plan who is: (A) a Connecticut resident or (B) covered by a health plan issued in Connecticut in the individual or small group market, except to the extent that such health plan is grandfathered from the risk adjustment requirements of Section 1343 of the federal Patient Protection and Affordable Care Act. For purposes of this definition, a "Connecticut resident" is an individual whose address is within the State of Connecticut, regardless of where the service is provided or the state where coverage is issued. For the avoidance of doubt, any student enrolled in a student plan at a Connecticut college or university is a Connecticut resident.

"Pharmacy Claims Data File" means a data file composed of service level remittance information including, but not limited to, member demographics, provider information, charge and payment information and national drug codes from all paid claims for each prescription filled.

"Provider File" means a data file that includes additional information as set forth in the Submission Guide about the health care providers that are included in a Medical Claims Data File or Dental Claims Data File.

"Reporting Entity" has the same meaning as provided in Section 144 (a)(2) of Public Act 13-247.

"Submission Guide" means the document published by the Exchange that sets forth the data elements, formats, minimum thresholds and other specifications for Reporting Entities' submission of Eligibility Data Files, Medical Claims Data Files, Dental Claims Data Files, Pharmacy Claims Data Files, Provider Files and Control Total Files to the Exchange. The Submission Guide is hereby incorporated into these Policies and Procedures by reference.

"Subscriber" means the individual responsible for payment of premiums or whose employment is the basis for eligibility for membership in a health benefit plan.

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Reporting Requirements

Each Reporting Entity shall submit complete and accurate Eligibility Data Files, Medical Claims Data Files, Pharmacy Claims Data Files, Dental Claims Data Files, and Provider Files ~~and Control Total Files~~ to the Exchange for all of their Members in accordance with the Submission Guide and the requirements of this section. Each Reporting Entity shall also submit all Medical Claims Data Files, Dental Claims Data Files, Pharmacy Claims Data Files, and associated Provider Files~~, and Control Total Files~~ for any claims processed by any sub-contractor on the Reporting Entity's behalf.

Reporting Entities that are in a contractor/subcontractor arrangement with each other and Reporting Entities that perform certain components of the claims adjudication process for the same Members under a shared services arrangement shall coordinate with each other to avoid duplicative submissions. Any Reporting Entity that administers claims of Members as a subcontractor of another Reporting Entity or can otherwise demonstrate that its submission of data regarding certain Members would result in a duplicative submission may request the Administrator to waive its obligation to submit data files for such Members as part of the annual registration process.

Reporting Entities' Data Submission Schedule

Test Files: Reporting Entities shall submit test files consisting of Eligibility Data, Medical Claims Data and Pharmacy Claims Data, and associated Provider Files ~~and Control Total Files~~ for a consecutive twelve month period designated by the Administrator on a date specified by the Administrator. The Administrator shall provide written notice to Reporting Entities of the due date for the test files and such notice will also be published on the APCD website. The due date shall in no event be less than 150 days after the issuance of these Policies and Procedures.

Historic Data: Reporting Entities shall submit complete and accurate Historic Data that conforms to Submission Guide requirements to the Administrator no later than 60 days after the Administrator's approval of ~~due date for~~ the test file specified in these Policies and Procedures.

Year-to-date Data: Reporting Entities shall submit complete and accurate Eligibility Data Files, Medical Claims Data Files, Pharmacy Claims Data Files, and Provider Files ~~and Control Total Files~~ covering the period from January 1, 2014, or such later date specified by the Administrator, through a date to be specified by the Administrator, by no later than 45 days after the Administrator's approval of ~~due date for~~ Historic Data specified in these Policies and Procedures.

Monthly Reporting: On a monthly basis thereafter, Reporting Entities shall submit complete and accurate monthly Eligibility Data Files, Medical Claims Data Files, Pharmacy Claims Data Files, and Provider Files ~~and Control Total Files~~ to the Administrator. Monthly files shall be submitted no later than the last day of the month following the end of the reporting month.

Dental Claims Data: The Administrator shall establish a similar schedule for the reporting of Dental Claims Data by Reporting Entities in the future. Said schedule and detailed reporting specifications shall

be incorporated into a future revised version of the Submission Guide. Notification of such changes shall be provided to Reporting Entities through written notice and posted on the APCD website.

Waivers of Data Submission Requirements: The Administrator may waive particular data submission requirements for a Reporting Entity that demonstrates to the Administrator's satisfaction that those required data elements are not currently available in the Reporting Entity's systems. As a condition for granting a waiver, the Administrator may require a Reporting Entity to submit a plan for improving conformance to data submission requirements.

Extensions: Any request for an extension of time by a Reporting Entity shall be submitted to the Administrator in writing at least fifteen (15) days prior to the established deadline. The Administrator may grant a request for an extension if, to the Administrator's satisfaction, the Reporting Entity shows good cause for its inability to timely submit the required data and that it is working diligently to submit the required data. The Administrator shall provide a written response to all requests for extensions.

Annual Registration

~~Beginning October 1, 2013, and annually thereafter, e~~Each Reporting Entity shall register annually with the Administrator on a form designated by the Administrator. The registration form shall indicate whether the Reporting Entity is processing claims for Members and, if applicable, the types of coverage and its current enrollment in each coverage type as of the registration date. Reporting Entities shall submit the registration form to the Administrator by January 10, 2014. Reporting entities shall submit the annual registration form for 2015 by October 1, 2014, and by October 1 in all subsequent years.

Exclusions

Data related to the following types of policies shall be excluded from the files submitted by Reporting Entities: hospital confinement indemnity coverage; disability income protection coverage; accident only coverage; long term care coverage; specified accident coverage; Medicare supplement coverage; specified disease coverage; TriCare Supplemental Coverage; travel health coverage; and single service ancillary coverage, with the exception of dental and prescription drug coverage.

Reporting Entities that have fewer than a total of 3,000 Members enrolled in plans not otherwise excluded from the files that are offered or administered by the Reporting Entity on October 1 of any year, and are exempt from the data submission requirements set forth in this Policy and Procedure for the following calendar year, except that all Reporting Entities shall comply with Annual Registration Requirements.

Revision of Submission Guide

In addition to any other requirements of law, prior to making any material revision to the Submission Guide, the Exchange will provide electronic notice of such proposal to all Reporting Entities that are registered and publish the proposed revisions on the APCD website. Reporting Entities and any other

members of the public will be allowed to submit written comments to the Administrator concerning such proposed revisions for thirty (30) days after the notice on the APCD website. The Administrator may, at his or her discretion, hold a public hearing concerning proposed revisions to the Submission Guide. The Exchange will publish the final revisions on the APCD website. Any such revisions shall not be effective until ninety (90) days following publication of the final revisions on the APCD website or such later date as shall be determined by the Administrator.

The Exchange may also issue technical bulletins to clarify aspects of these policies and procedures and the Submission Guide, provided that such technical bulletins will be published on the APCD website. The Administrator will also provide electronic notice of any such technical bulletins to all registered Reporting Entities.

Non-Compliance and Penalties

The Exchange may conduct audits of data submitted by Reporting Entities to verify the accuracy of such data.

A Reporting Entity that fails to submit conforming data to the APCD, or to correct submissions rejected because of errors, shall be deemed a non-compliant Reporting Entity. If the Administrator finds that a Reporting Entity is non-compliant, the Administrator will provide written notice to the non-compliant Reporting Entity describing the deficiency. The non-compliant Reporting Entity shall provide the required information, or otherwise correct the deficiency, within thirty (30) days following receipt of such written notice.

If a non-compliant Reporting Entity does not provide the required information or correct the deficiencies within thirty (30) days, the Administrator may issue a notice of civil penalty to the non-compliant Reporting Entity. Such notice shall describe with specificity each failure on the part of the non-compliant Reporting Entity to provide data in accordance with Public Act 13-247, Section 144, the date that non-compliance began, and the per day civil penalty amount to be imposed. The Administrator may impose a civil penalty of up to $1,000 per day for each day the Reporting Entity is not in compliance. Included conspicuously in the notice of civil penalty to the non-compliant Reporting Entity shall be a notice informing the Reporting Entity of its right to contest the finding at a hearing before the Chief Executive Officer of the Exchange or a qualified hearing officer appointed by the Chief Executive Officer of the Exchange. The notice shall establish a date, place and time for the hearing which shall be no later than thirty (30) calendar days from the date of the notice. The notice shall further inform the Reporting Entity that failure to appear at this hearing will result in a conclusive presumption of non-compliance. A request for a continuance by a Reporting Entity will be granted only in extraordinary circumstances, and then for not more than thirty (30) additional calendar days. The Administrator may require a statement, under oath, from the Reporting Entity explaining the extraordinary circumstances.

The Administrator: (a) must be prepared to present evidence at the hearing that supports the Exchange's position; and (b) shall prepare a summary of facts which will be available to the parties and their respective attorneys prior to the hearing. At the hearing, the Reporting Entity may present any testimony, documents or other evidence to establish that the alleged non-compliance is incorrect in any or all respects. No later than 30 calendar days after the conclusion of the hearing and based upon the

evidence presented, the Chief Executive Officer of the Exchange, or the hearing officer appointed by the Chief Executive Officer, as the case may be, shall affirm, modify, or rescind the non-compliance notice. The Reporting Entity shall be formally notified, in writing, of the decision.

If the Chief Executive Officer of the Exchange or the hearing officer affirms the finding of non-compliance, he or she shall issue in writing a formal finding. In addition to the items detailed in the initial notice of civil penalty, the final notice shall detail the penalty assessed, and, if applicable, the reasons for the decision to reduce the amount of the civil penalty imposed from the statutorily-provided maximum fine. The Chief Executive Officer may provide the name of any Reporting Entity on which such penalty has been imposed to the Insurance Commissioner who may further request that the Attorney General bring an action in the Superior Court for the Judicial District of Hartford to recover any penalty imposed.

Any non-compliance may be resolved by the Administrator by stipulation, agreed settlement, consent order or default. Any such disposition of non-compliance by the Administrator is without prejudice to the right of the Exchange to take any enforcement action against the applicable Reporting Entity to enforce the stipulation, agreed settlement or consent order if the Administrator determines that the Reporting Entity is not fully complying with any terms or conditions stated in the stipulation, agreed settlement or consent order.

Data Utilization and Disclosure

The Exchange will utilize data in the APCD to provide health care consumers in the state with information concerning the cost and quality of health care services that will allow such consumers to make economically sound and informed health care decisions.

The Exchange will make standard, aggregated reports containing information regarding utilization, cost and quality of services available to health care consumers.

The Exchange may make data available in such form or forms as it deems appropriate to health care consumers and public and private entities engaged in reviewing health care utilization, cost, or quality of health care services, including community and public health assessment activities, in accordance with future Policies and Procedures to be promulgated by the Exchange.

Fees

The Exchange may charge a fee for access to data in the APCD.

Privacy and Confidentiality

The Exchange may make data from the APCD available to public and private entities in accordance with these Policies and Procedures when disclosed in a form and manner that is consistent with HIPAA regarding the safeguarding of Protected Health Information and the de-identification of data, and in compliance with state and federal data security and confidentiality requirements.

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The Exchange shall institute appropriate administrative, physical and technical safeguards that are consistent with HIPAA security rules, including those contained in 45 C.F.R. Part 160 and Part 164, Subparts A and C, to ensure that data received from Reporting Entities is securely collected, compiled and stored.

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