	(Original Signature of Mem	ber)
116TH CONGRESS 2D SESSION	H.R	

To require the Secretary of Health and Human Services to award a contract to an eligible nonprofit entity to establish and maintain a health care claims database for purposes of lowering Americans' health care costs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr.	Beyer introduced	the	following	bill;	which	was	referred	to	the	Commit	tee
	on										

A BILL

To require the Secretary of Health and Human Services to award a contract to an eligible nonprofit entity to establish and maintain a health care claims database for purposes of lowering Americans' health care costs, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Federal All-Payer
- 5 Claims Database Act of 2020".

1	SEC. 2. ESTABLISHMENT AND MAINTENANCE OF HEALTH
2	CARE CLAIMS DATABASE TO LOWER HEALTH
3	CARE COSTS.
4	(a) In General.—Not later than the date that is
5	180 days after the date of the enactment of this Act, the
6	Secretary of Health and Human Services (referred to in
7	this section as the "Secretary"), acting through the Ad-
8	ministrator of the Centers for Medicare & Medicaid Serv-
9	ices and in consultation with the Secretary of Labor, shall
10	award a contract in accordance with subsection (b) to an
11	eligible nonprofit entity described in such subsection for
12	purposes of carrying out the requirements of such entity
13	under this section.
14	(b) Contract With Eligible Nonprofit Enti-
15	тү.—
16	(1) Competitive procedures.—The Sec-
17	retary shall award the contract described in sub-
18	section (a) to an eligible nonprofit entity described
19	in paragraph (2) using full and open competition
20	procedures pursuant to chapter 33 of title 41,
21	United States Code.
22	(2) ELIGIBLE NONPROFIT ENTITY.—An eligible
23	nonprofit entity described in this paragraph is a
24	nonprofit entity that—
25	(A) is governed by a board that includes—

1	(i) representatives of the academic re-
2	search community; and
3	(ii) individuals with expertise in em-
4	ployer-sponsored insurance, research using
5	health care claims data, and actuarial
6	analysis; and
7	(B) conducts its business in an open and
8	transparent manner that provides the oppor-
9	tunity for public comment on its activities.
10	(3) Considerations.—In awarding a contract
11	to an eligible nonprofit entity under this section, the
12	Secretary shall consider the experience of each eligi-
13	ble nonprofit entity in—
14	(A) collecting and aggregating health care
15	claims data, ensuring quality assurance and se-
16	curity of such claims data, and securing such
17	claims data;
18	(B) supporting academic research on
19	health care costs, spending, and utilization for
20	and by privately insured patients;
21	(C) working with large health insurance
22	issuers, group health plans, and third-party ad-
23	ministrators of group health plans to assemble
24	a health care claims database;

1	(D) effectively collaborating with and en-
2	gaging stakeholders to develop reports;
3	(E) meeting budgets and timelines, includ-
4	ing with respect to developing reports; and
5	(F) facilitating the creation of, or sup-
6	porting, State all-payer claims databases.
7	(4) Period of Contract.—
8	(A) In General.—A contract awarded
9	under this section shall be for a period of 5
10	years and may be renewed, subject to the full
11	and open competition procedures described in
12	paragraph (1).
13	(B) Transition of contract.—In the
14	case that a contract is not renewed for a subse-
15	quent 5-year period under subparagraph (A)
16	after the use of the full and open competition
17	procedures described in paragraph (1), the Sec-
18	retary shall require the entity whose contract is
19	expiring to transfer all data maintained by the
20	health care claims database described in para-
21	graph (5)(A) to the entity to whom the Sec-
22	retary has awarded a contract for the subse-
23	quent 5-year period. The entity whose contract
24	is expiring may not disclose such data to any

1	other entity or keep such data after the expira-
2	tion of such contract.
3	(5) REQUIREMENTS OF CONTRACT.—Each con-
4	tract awarded under this section shall require the
5	entity awarded such contract to carry out each of
6	the following:
7	(A) Establish and maintain a health care
8	claims database in accordance with the require-
9	ments of the HIPAA privacy regulation.
10	(B) Ensure that such health care claims
11	database makes available data submitted under
12	subsection (d) in accordance with the require-
13	ments of subsection (c).
14	(C) In the case that the contract is not re-
15	newed after the end of the 5-year period of the
16	contract, carry out the transfer of data required
17	pursuant to paragraph (4)(B) in accordance
18	with a schedule and process determined by the
19	Secretary.
20	(D) Comply with the HIPAA privacy regu-
21	lation in the same manner and to the same ex-
22	tent as such regulation applies to a covered en-
23	tity (as defined pursuant to such regulation).
24	(E) Strictly limit staff access to such
25	health care claims database to staff with appro-

1	priate training, clearance, and background
2	checks, and require such staff to undergo reg-
3	ular privacy and security training.
4	(F) Maintain effective security standards
5	for transferring data from such health care
6	claims database and making such data available
7	to all individuals and entities who are author-
8	ized users pursuant to subsection $(c)(2)$.
9	(G) Adhere to best security practices with
10	respect to the management and use of such
11	data for health services research, in accordance
12	with applicable Federal privacy law.
13	(H) Report on the security methods of the
14	entity to—
15	(i) the Secretary;
16	(ii) the Committee on Health, Edu-
17	cation, Labor, and Pensions, the Com-
18	mittee on Finance, and the Committee on
19	Commerce, Science, and Transportation of
20	the Senate; and
21	(iii) the Committee on Education and
22	Labor, the Committee on Energy and
23	Commerce, the Committee on the Judici-
24	ary, and the Committee on Ways and
25	Means of the House of Representatives.

1	(c) Availability of Data From Health Care
2	CLAIMS DATABASE.—
3	(1) In general.—Subject to paragraph (2),
4	the entity maintaining the health care claims data-
5	base described in subsection (b)(5)(A) shall make
6	available, at cost, the data submitted under sub-
7	section (d)—
8	(A) to patients to inform such patients
9	about the cost, quality, and value of their
10	health care;
11	(B) to health care providers and hos-
12	pitals—
13	(i) to assist such providers and hos-
14	pitals in making informed choices while
15	providing health care; and
16	(ii) to enable such providers and hos-
17	pitals to improve health care services pro-
18	vided to patients and health care outcomes
19	for such patients by benchmarking their
20	performance against that of other health
21	care providers and hospitals;
22	(C) to group health plans and health insur-
23	ance issuers offering individual or group health
24	insurance coverage to assist such group health
25	plans and health insurance issuers in evaluating

1	and reducing health care costs for enrollees of
2	such group health plans and individual or group
3	health insurance coverage, respectively;
4	(D) to States to facilitate State-led initia-
5	tives to lower health care costs and improve the
6	quality of health care;
7	(E) to any State all-payer claims database
8	and regional health care claims database oper-
9	ated pursuant to the authorization of each
10	State covered by such regional health care
11	claims database;
12	(F) to any individual or entity conducting
13	research;
14	(G) to the Secretary of Defense for pur-
15	poses of carrying out the TRICARE program
16	under chapter 55 of title 10, United States
17	Code;
18	(H) to the Director of the Office of Per-
19	sonnel Management for purposes of carrying
20	out the Federal Employees Health Benefits
21	Program established under chapter 89 of title
22	5, United States Code; and
23	(I) to the Director of the Congressional
24	Budget Office, the Comptroller General of the
25	United States, the Executive Director of the

1	Medicare Payment Advisory Commission, and
2	the Executive Director of the Medicaid and
3	CHIP Payment Advisory Commission.
4	(2) Authorization for access to data.—
5	(A) In General.—The entity maintaining
6	the health care claims database described in
7	subsection (b)(5)(A) may only make available
8	the data described in paragraph (1) to an indi-
9	vidual or entity described in any of subpara-
10	graphs (A) through (F) of such paragraph if
11	such individual or entity submits an application
12	to such entity requesting authorization for ac-
13	cess to such database in accordance with this
14	paragraph.
15	(B) APPLICATION.—An application under
16	this paragraph shall be submitted at such time,
17	in such manner, and containing such informa-
18	tion as the Secretary may require and shall in-
19	clude—
20	(i) in the case of an individual or enti-
21	ty requesting access to the health care
22	claims database described in subsection
23	(b)(5)(A) for research purposes—
24	(I) a description of the uses and
25	methodologies for evaluating health

1	system performance using the data
2	from such database; and
3	(II) documentation of approval of
4	such research purposes by an institu-
5	tional review board, if applicable for a
6	particular plan of research; and
7	(ii) in the case of a group health plan,
8	health insurance issuer, third-party admin-
9	istrator of a group health plan, or health
10	care provider requesting access to such
11	health care claims database for the pur-
12	pose of quality improvement or cost-con-
13	tainment, a description of the intended
14	uses for the data from such database.
15	(C) Data use and confidentiality
16	AGREEMENT.—Upon approval of an application
17	under subparagraph (B), the authorized user
18	shall enter into a data use and confidentiality
19	agreement with the entity that approved such
20	application, which shall include a prohibition on
21	attempts to reidentify and disclose protected
22	health information and proprietary financial in-
23	formation. In the case of an approval of an ap-
24	plication for quality improvement or cost-con-
25	tainment purposes under subparagraph (B)(ii),

1	access to data from the health care claims data-
2	base described in subsection (b)(5)(A) shall be
3	provided in a form and manner such that the
4	authorized user may not obtain individually
5	identifiable price information with respect to di-
6	rect competitors.
7	(3) Availability of reports and analyses
8	BASED ON DATA.—
9	(A) In general.—Subject to subpara-
10	graph (B), the entity maintaining the health
11	care claims database described in subsection
12	(b)(5)(A), in consultation with the advisory
13	committee convened under subsection (e), shall
14	make available to all individuals and entities
15	who are authorized users pursuant to para-
16	graph (2) any report or analysis based on data
17	from such database, including aggregate data
18	sets, free of charge.
19	(B) Customized reports.—Group health
20	plans may request customized reports from the
21	entity maintaining the health care claims data-
22	base described in subsection (b)(5)(A), at cost,
23	but subject to the requirements of the HIPPA
24	privacy regulation.

1	(d) Submission of Data to Health Care Claims
2	Database.—
3	(1) In general.—Subject to paragraphs (2)
4	and (3), a group health plan (through its sponsor,
5	third-party administrator, pharmacy benefit man-
6	ager, or other entity designated by the group health
7	plan) or a health insurance issuer offering group or
8	individual health insurance coverage shall electroni-
9	cally submit to the health care claims database
10	maintained under this section all claims data (in-
11	cluding claims with respect to treatment of sub-
12	stance use disorders and prescription drug claims)
13	with respect to the plan or group or individual
14	health insurance coverage, respectively.
15	(2) Scope of information and format of
16	SUBMISSION.—The entity maintaining the health
17	care claims database under this section, in consulta-
18	tion with the advisory committee convened under
19	subsection (e), shall—
20	(A) specify the data elements required to
21	be submitted under paragraph (1), which shall
22	include all data related to transactions de-
23	scribed in subparagraphs (A) and (E) of section
24	1173(a)(2) of the Social Security Act (42
25	U.S.C. 1320d-2(a)(2)), including all data ele-

1	ments normally present in such transactions
2	when adjudicated, and enrollment information;
3	(B) specify the form and manner for sub-
4	missions under this subsection and the histor-
5	ical period to be included in the initial submis-
6	sion; and
7	(C) offer an automated submission option
8	to minimize administrative burdens relating to
9	the submission of data under this subsection.
10	(3) De-identification of data.—The entity
11	maintaining the health care claims database under
12	this section, in consultation with the advisory com-
13	mittee convened under subsection (e), shall—
14	(A) establish a process under which data is
15	de-identified in accordance with section
16	164.514(a) of title 45, Code of Federal Regula-
17	tions (or any successor regulations), while re-
18	taining the ability to link data longitudinally for
19	the purposes of research on cost and quality
20	and the ability to complete risk adjustment and
21	geographic analysis;
22	(B) ensure that any third-party sub-
23	contractors who perform the de-identification
24	process described in subparagraph (A) retain
25	the minimum necessary information to perform

1	such process and adhere to effective security
2	and encryption practices in data storage and
3	transmission;
4	(C) store claims and other data collected
5	under this subsection only in de-identified form,
6	in accordance with section 164.514(a) of title
7	45, Code of Federal Regulations (or any suc-
8	cessor regulations); and
9	(D) ensure that data is encrypted, in ac-
10	cordance with the HIPAA privacy regulation.
11	(4) Other data.—
12	(A) Medicaid data.—The Administrator
13	of the Centers for Medicare & Medicaid Serv-
14	ices shall submit all health care claims data
15	with respect to the Medicare program under
16	title XVIII of the Social Security Act (42
17	U.S.C. 1395 et seq.) and the Medicaid program
18	under title XIX of such Act (42 U.S.C. 1396 et
19	seq.) in accordance with scope, format, and de-
20	identification requirements applicable pursuant
21	to paragraphs (2) and (3).
22	(B) TRICARE.—The Secretary of Defense
23	shall submit all health care claims data with re-
24	spect to the TRICARE program under chapter
25	55 of title 10, United States Code, in accord-

ance with scope, format, and de-identification 1 2 requirements applicable pursuant to paragraphs 3 (2) and (3). (C) FEHB.—The Director of the Office of Personnel Management shall submit all health 6 care claims data with respect to the Federal Employee Health Benefits program in accord-7 8 ance with scope, format, and de-identification 9 requirements applicable pursuant to paragraphs 10 (2) and (3). 11 (D) STATE DATA.—The entity maintaining 12 the health care claims database under this sec-13 tion may collect data from State all-payer 14 claims databases that seek access to such health 15 care claims database. A State may require 16 health insurance issuers and other payers to 17 submit claims data to a State-mandated all-18 payer claims database, provided that such data 19 is submitted in a form and manner established 20 by the Secretary. A State may also require 21 health insurance issuers and other payers to 22 submit claims data to the health care claims 23 database maintained under this section, pro-24 vided that such data is submitted in a form and 25 manner established by the Secretary and con-

1	sistent with scope, format, and de-identification
2	requirements applicable pursuant to paragraphs
3	(2) and (3).
4	(5) Prohibition.—Any individual or entity re-
5	quired to submit data under this subsection may not
6	place any restrictions on the use of such data by au-
7	thorized users under subsection $(c)(2)$.
8	(e) Advisory Committee.—
9	(1) IN GENERAL.—Not later than the date that
10	is 180 days after the date of the enactment of this
11	Act, the Secretary shall convene an advisory com-
12	mittee (referred to in this subsection as the "Com-
13	mittee") to advise the Secretary, any entity awarded
14	a contract under subsection (b), and Congress on
15	the establishment, operations, and use of the health
16	care claims database established and maintained
17	under this section.
18	(2) Membership.—
19	(A) APPOINTMENT.—In accordance with
20	clause (ii), the Secretary, in consultation with
21	the Comptroller General of the United States,
22	shall appoint members to the Committee who
23	have distinguished themselves in the fields of
24	health services research, health economics,
25	health informatics, or the governance of State

1	all-payer claims databases, or who represent or-
2	ganizations likely to submit data to or use the
3	health care claims database established and
4	maintained under this section, including pa-
5	tients, health care providers, group health
6	plans, health insurance issuers, and third-party
7	administrators of group health plans.
8	(B) Composition.—For purposes of
9	clause (i)—
10	(i) the Secretary shall appoint to the
11	Committee—
12	(I) one member to serve as the
13	chair of the Committee;
14	(II) the Assistant Secretary for
15	Planning and Evaluation of the De-
16	partment of Health and Human Serv-
17	ices;
18	(III) one representative from the
19	Centers for Medicare & Medicaid
20	Services;
21	(IV) one representative from the
22	Agency for Health Research and
23	Quality;
24	(V) one representative from the
25	Office for Civil Rights of the Depart-

1	ment of Health and Human Services
2	with expertise in data privacy and se-
3	curity; and
4	(VI) one representative of the
5	National Center for Health Statistics;
6	and
7	(ii) the Comptroller General of the
8	United States shall appoint to the Com-
9	mittee—
10	(I) one representative from an
11	employer that sponsors a group health
12	plan;
13	(II) one representative from an
14	employee organization that sponsors a
15	group health plan;
16	(III) one academic researcher
17	with expertise in health economics or
18	health services research;
19	(IV) one patient advocate;
20	(V) one representative of Des-
21	ignated Standards Maintenance Orga-
22	nizations named by the Secretary of
23	Health and Human Services to main-
24	tain standards adopted under regula-
25	tions promulgated under section

1	264(c) of the Health Insurance Port-
2	ability and Accountability Act of 1996
3	(42 U.S.C. 1320d–2 note);
4	(VI) one representative with ex-
5	pertise in the governance of State all-
6	payer claims databases; and
7	(VII) two additional members.
8	(C) TERMS AND VACANCIES.—Members of
9	the Committee shall serve three-year terms on
10	a staggered basis. A vacancy on the Committee
11	shall be filled by appointment in a manner con-
12	sistent with the requirements of this subsection
13	not later than 90 days after the vacancy arises.
14	(3) Duties.—The Committee shall—
15	(A) assist and advise the Secretary on the
16	management of contracts awarded under sub-
17	section (b);
18	(B) assist and advise entities awarded such
19	contracts in establishing—
20	(i) the appropriate uses of data by all
21	individuals and entities who are authorized
22	users pursuant to subsection (e)(2), includ-
23	ing developing standards for the approval
24	of applications submitted pursuant to such
25	subsection; and

1	(ii) the appropriate formats and meth-
2	ods for making available to the public re-
3	ports and analyses based on the health
4	care claims database maintained under this
5	section;
6	(C) conduct an annual review of whether
7	data from such health care claims database was
8	used according to the appropriate uses de-
9	scribed in subparagraph (B)(ii);
10	(D) report, as appropriate, to the Sec-
11	retary and Congress on the operations of such
12	health care claims database and opportunities
13	to better achieve the objectives of this section;
14	(E) establish additional restrictions on re-
15	searchers who receive compensation from enti-
16	ties specified by the Committee in order to pro-
17	tect proprietary financial information; and
18	(F) establish objectives for research and
19	public reporting.
20	(f) Funding.—
21	(1) Initial funding.—There are authorized to
22	be appropriated, and there are appropriated, out of
23	monies in the Treasury not otherwise appropriated,
24	\$20,000,000 for fiscal year 2021, for the implemen-

1	tation of the initial contract and establishment of
2	the database under this section.
3	(2) Ongoing funding.—There are authorized
4	to be appropriated \$15,000,000 for each of fiscal
5	years 2022 through 2026, for purposes of carrying
6	out this section (other than the grant program
7	under subsection (h)).
8	(g) Annual Report.—Not later than March 1,
9	2022, and March 1 of each year thereafter, the entity with
10	a contract in effect under subsection (b) shall submit to
11	Congress and the Secretary, and make publicly available
12	on an internet website, a report containing a description
13	of—
14	(1) trends in the price, utilization, and total
15	spending on health care services, including a geo-
16	graphic analysis of differences in such trends;
17	(2) limitations in the data set;
18	(3) progress towards the objectives of this sec-
19	tion; and
20	(4) the performance by the entity of the duties
21	required under such contract.
22	(h) Grants to States.—
23	(1) IN GENERAL.—The Secretary may award

1	maintaining State all-payer claims databases that
2	improve transparency of health care claims data.
3	(2) Funding.—There is authorized to be ap-
4	propriated \$100,000,000 for the period of fiscal
5	years 2021 through 2028 for the purpose of award-
6	ing grants to States under this subsection.
7	(i) Exemption From Public Disclosure.—
8	(1) In general.—Data submitted to the
9	health care claims database under subsection (d)
10	shall not be considered public records and shall be
11	exempt from any Federal law relating to public dis-
12	closure requirements.
13	(2) Restrictions on uses for certain pro-
14	CEEDINGS.—Such data may not be subject to dis-
15	covery or admission as public information or evi-
16	dence in judicial or administrative proceedings with-
17	out the consent of the affected parties.
18	(j) Definitions.—In this section:
19	(1) HIPAA PRIVAY REGULATION.—The term
20	"HIPAA privacy regulation" has the meaning given
21	such term in section 1180(b)(3) of the Social Secu-
22	rity Act (42 U.S.C. 1320d–9(b)(3)).
23	(2) PHSA DEFINITIONS.—The terms "group
24	health plan", "group health insurance coverage",
25	"health insurance issuer", and "individual health in-

1	surance coverage" have the meanings given such
2	terms in section 2791 of the Public Health Service
3	Act (42 U.S.C. 300gg-91).
4	(3) PROTECTED HEALTH INFORMATION.—The
5	term "protected health information" has the mean-
6	ing given such term in section 160.103 of title 45,
7	Code of Federal Regulations (or any successor regu-
8	lations).
9	(4) Proprietary financial information.—
10	The term "proprietary financial information"—
11	(A) means data that would disclose the
12	terms of a specific contract between an indi-
13	vidual health care provider or facility and a spe-
14	cific group health plan, Medicaid managed care
15	organization or other managed care entity, or
16	health insurance issuer offering group or indi-
17	vidual health insurance coverage; and
18	(B) does not include any billing or pay-
19	ment information from claims between such a
20	provider or facility and such a health plan,
21	managed care organization or other managed
22	care entity, or health insurance issuer.
23	(k) Conforming Amendments.—
24	(1) PHSA.—Subpart II of part A of title
25	XXVII of the Public Health Service Act (42 U.S.C.

1	300gg-11 et seq.) is amended by adding at the end
2	the following new section:
3	"SEC. 2730. HEALTH CARE CLAIMS DATABASE REPORTING
4	REQUIREMENT.
5	"A group health plan and a health insurance issuer
6	offering group or individual health insurance coverage
7	shall comply with the provisions of section 1(d) of the Fed-
8	eral All-Payer Claims Database Act of 2020.".
9	(2) ERISA.—
10	(A) In general.—Subpart B of part 7 of
11	subtitle B of title I of the Employee Retirement
12	Income Security Act of 1974 (29 U.S.C. 1185
13	et seq.) is amended by adding at the end the
14	following new section:
15	"SEC. 716. HEALTH CARE CLAIMS DATABASE REPORTING
16	REQUIREMENT.
17	"A group health plan and a health insurance issuer
18	offering group health insurance coverage shall comply with
19	the provisions of section 1(d) of the Federal All-Payer
20	Claims Database Act of 2020.".
21	(B) CLERICAL AMENDMENT.—The table of
22	contents in section 1 of such Act is amended by
23	inserting after the item relating to section 714
24	the following new items:

[&]quot;Sec. 715. Additional market reforms.

[&]quot;Sec. 716. Health care claims database reporting requirement.".

1	(3) IRC.—
2	(A) In general.—Subchapter B of chap-
3	ter 100 of the Internal Revenue Code of 1986
4	is amended by adding at the end the following
5	new section:
6	"SEC. 9816. HEALTH CARE CLAIMS DATABASE REPORTING
7	REQUIREMENT.
8	"A group health plan shall comply with the provisions
9	of section 1(d) of the Federal All-Payer Claims Database
10	Act of 2020.".
11	(B) CLERICAL AMENDMENT.—The table of
12	sections for such subchapter is amended by
13	adding at the end the following new items:
	"Sec. 9815. Additional market reforms. "Sec. 9816. Health care claims database reporting requirement.".
14	SEC. 3. STUDY AND REPORTS BY COMPTROLLER GENERAL.
15	(a) STUDY.—The Comptroller General of the United
16	States shall conduct a study on—
17	(1) the performance of each entity awarded a
18	contract under subsection (b) of section 1;
19	(2) the privacy and security of any data sub-
20	mitted to such entity under subsection (d) of such
21	section; and
22	(3) the costs incurred by such entity in per-
23	forming duties under such a contract.

- 1 (b) Reports.—Not later than two years after the ef-
- 2 fective date of the first contract awarded under section
- 3 1(b), and again not later than four years after such effec-
- 4 tive date, the Comptroller General of the United States
- 5 shall submit to Congress a report containing the results
- 6 of the study conducted under subsection (a), together with
- 7 recommendations for such legislation and administrative
- 8 action as the Comptroller General determines appropriate.