

Agency: **303 Department of Health**
 Decision Package Code/Title: **R2 CHARS Data Products & Services**
 Budget Period: **2015-17**
 Budget Level: **PL -Performance Level**

Recommendation Summary Text:

Funding is requested to continue to provide foundational public health assessment work through the collection and analysis of hospital patient discharge data in the Comprehensive Hospital Abstract Reporting System (CHARS). The purpose of the CHARS system is to provide public health personnel, consumers, purchasers, payers, providers, and researchers with information to use to make informed decisions on health care. The CHARS system provides policy makers with information necessary to analyze many significant health care issues.

Fiscal Detail

| Operating Expenditures | | <u>FY 2016</u> | <u>FY 2017</u> | <u>Total</u> |
|------------------------|--------------------|----------------|----------------|----------------|
| 001-1 | General Fund-State | 37,000 | 162,000 | 199,000 |
| Total Cost | | 37,000 | 162,000 | 199,000 |

Package Description:

CHARS contains patient-level coded hospital inpatient and observation stay information derived from billing systems. CHARS data include patient age, sex, zip code, and payer, summary of billed charges, and most importantly the patient’s diagnoses and medical procedure codes. Data on inpatient stays are available for 1987 to 2014 and observation stay data are available from 2008 forward. Since all of Washington’s community hospitals report to CHARS, the system provides a comprehensive picture of hospitalizations and the burden of disease statewide, in local areas, by payer type, and by patient demographics.

The Department of Health (department) uses CHARS data to:

- Identify and monitor trends in illness, injury and perinatal care.
- Populate a database used by local health jurisdictions to understand community health status.
- Create Certificate of Need projections for acute care bed needs and certain services such as open-heart surgery. Regional need must be shown before a hospital can apply to the department for new licensed beds or for certain new services.
- Generate state-specific diagnosis-related groups (DRG) weights, a way of comparing hospital stays across all hospitals.
- Create hospital-specific case mix indices, a way to compare the severity of illnesses treated at one hospital compared to another hospital.
- Identify and quantify issues related to health care access, quality, and cost containment.
- Create a revisit file that allows for research into the burden of patients readmitted to a hospital soon after the first visit.

Public health personnel, emergency planners, consumers, purchasers, payers, providers, hospitals, and researchers use CHARS data in a variety of ways. Examples include:

- Public health and researchers use linked data from birth certificates and CHARS to monitor perinatal health in Washington and study maternal, gestational, and neonatal health risks and adverse outcomes.
- Hospitals use the revisit file to assess hospital readmissions. Reducing readmissions is a key strategy of the state's Partnership for Patients to improve quality of healthcare and reduce costs.
- Hospitals and health systems, such as Providence, PeaceHealth and Multicare use quarterly data for continuous quality care initiatives, hospital and physician performance indicators, Certificate of Need, and market analysis.

The department currently relies on time-limited funding to provide core data products and services from CHARS. This program has seen a total loss of over \$450 thousand since 2009. This work has most recently been supported by a contract with Washington State Hospital Association (WSHA) which ended August 2015, and one-time funding from a federal grant within the agency which ends September 2016. Funding supports the production of quarterly data files and linked data files (e.g., revisit file and linked birth-CHARS file), data quality analysis and improvement, as well as technical assistance to users on analysis of CHARS data.

CHARS data production is foundational public health assessment work and the department needs stable, sufficient funding to secure the future of this critical health data system. CHARS data user's value high quality, timely data. Loss of funding will result in decreased quality and timeliness of data. Linked data will no longer be available to measure quality of perinatal care and birth outcomes.

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

The department will be able to provide timely CHARS data for health care transformation work, quarterly data files and linked data files which are used to assess hospital readmission and the linked birth-CHARS which is used by public health and researchers to monitor perinatal health, assure data quality analysis and improvement, as well as technical assistance to users on analysis of CHARS data.

Performance Measure Detail

Activity: A008 - Strengthen the Public Health System

Is this DP essential to implement a strategy identified in the agency's strategic plan?

No

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

The following sections of the Governor's Results Washington are affected by this request:
Goal 4: Healthy and Safe Communities

What are the other important connections or impacts related to this proposal?

As Washington State implements health care reform, the need for rapid, reliable health data will grow. Data from CHARS will provide vital information needed by the Accountable Communities for Health, state agencies, and others to monitor changes in health care delivery, quality and cost.

What alternatives were explored by the agency and why was this alternative chosen?

This work has most recently been supported by a contract with WSHA which ended August 2015, and one-time funding from a federal grant within the agency which ends September 2016. These one-time funds were previous alternatives to requesting general fund state; however, those options are no longer available.

What are the consequences of not funding this package?

The consequences of not funding this package are:

- Elimination of quarterly CHARS data files. The department will only release one annual data file per year.
 - This will affect most hospitals and health systems that rely on quarterly CHARS data for continuous quality care initiatives, hospital and physician performance indicators, Certificate of Need, and market analysis.
 - This may also affect hospitals' ability to monitor perinatal quality improvement work. Currently, hospitals and WSHA rely on quarterly CHARS data for this work.
 - Timely CHARS data for health care transformation work will not be available. For example, Accountable Communities of Health will have to wait for annual CHARS data for their planning.
- Elimination of linked CHARS data files, including the revisit file (links records of hospital stays for individual patients) and the birth-CHARS file (links the birth certificate to the hospital birth record). This will affect public health, hospitals, and researchers that rely on these information-rich linked files to study health care issues such as hospital readmissions and perinatal health outcomes.
- Elimination of epidemiology consultation, data analysis, and reports for internal and external users of CHARS data. CHARS is a large and complex data system and the loss of technical assistance will have a detrimental impact on users' ability to analyze CHARS data appropriately.
- Loss of capacity to assure high quality data, such as review of data for inconsistencies, incompleteness and errors.
- Reduced capacity to respond to customer requests for CHARS data.

What is the relationship, if any, to the state capital budget?

N/A

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

N/A

Expenditure and revenue calculations and assumptions:

Revenue:

None

Expenditures:

In fiscal year (FY) 2016, funding is requested to support an existing 0.3 FTE Health Services Consultant 4 (HSC4) to continue quarterly release of CHARS data files.
(FY 2016 - \$37,000)

In FY 2017, funding is requested to support existing staff including 0.3 FTE HSC4 to continue quarterly release of CHARS data files; 0.8 Epidemiologist (EPI) 2 to continue to provide CHARS data files such as linked records of hospital stays for individual patients and linked birth certificates to the hospital birth records, technical assistance to users on analysis of CHARS data, and respond to customer requests for CHARS data; and 0.1 FTE EPI 3 to oversee CHARS activities.
(FY 2017 - \$162,000)

Starting in FY2018 and ongoing, costs will be \$199,000 each year.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing.

| <u>Object Detail</u> | <u>FY 2016</u> | <u>FY 2017</u> | <u>Total</u> |
|-------------------------------|-----------------------|-----------------------|---------------------|
| A Salaries and Wages | 25,000 | 112,000 | 137,000 |
| B Employee Benefits | 7,000 | 33,000 | 40,000 |
| C Personal Service Contracts | | | |
| E Goods and Services | 5,000 | 16,000 | 21,000 |
| G Travel | | | |
| J Capital Outlays | | | |
| T Intra-Agency Reimbursements | | 1,000 | 1,000 |
| Total Objects | 37,000 | 162,000 | 199,000 |