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## Correspondence Memorandum

**Date:** November 13, 2017  
**To:** Group Insurance Board  
**From:** Rachel Carabell, Senior Health Policy Advisor  
Office of Strategic Health Policy  
**Subject:** Truven Health Analytics, LLC Contract Extension

**ETF requests the Group Insurance Board (Board) approve a two-year extension of the Board's current contract with Truven Health Analytics, LLC (Truven) from January 1, 2019, through December 31, 2020.**

This memo also provides an overview of potential amendments to the current contract that will be negotiated with Truven for 2018.

### Background

The contract to provide a data warehouse and visual business intelligence solution was awarded to Truven Health Analytics, LLC. (Truven) effective March 1, 2017, and extends through December 31, 2018, with two, two-year extensions possible.

Under Truven's original proposal, the contract would be implemented in three phases. All three phases would take a total of twelve months to complete.

- Phase one, which would take nine months to complete, would include building the Advantage Suite® data warehouse with three years of historical data (2014-2016) and developing predictive models. It would include an ad-hoc report writer that is part of the Advantage Suite® data warehouse and Interactive Reporting, a visual business intelligence tool that aggregates the data for analytics.
- Phase two would take an additional two months, would include the development of additional custom analytics, dashboards, and performance measures.
- Phase three would occur simultaneously with phase two, take two-to-three months, include completion of the analytics agenda, including assessing treatment compliance and health outcomes, and identifying performance outliers. It also includes exploring the integration of electronic health records data.

Reviewed and approved by Lisa Ellinger, Director, Office of Strategic Health Policy

Electronically Signed 11/14/17

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Adjusting the initial timeline for a March 1, 2017, start date, the initial timeline anticipated phase one of the project would be implemented in the first quarter of 2018.

Under the contract, Data Submitting Entities (DSEs) include the 2017 health plans, ETF, Navitus, StayWell, and Delta Dental. Each DSE is required by its contract with the Board to submit data to the Board's data warehouse vendor. The health plans are required to submit two files each month to Truven: a file containing all paid claims for that month; and a second file that includes information on all providers included in the plan's network for that month. Most plans have been able to successfully submit historical claims files. However, some plans have expressed that they have had challenges providing some of the data requested in the provider file.

### **Current Status**

Currently, phase one of the implementation is estimated for completion at the end of April 2018. The primary reason for the delay in the timeline is that getting the health plans to submit clean data in one standardized format is a new requirement for the health plans in 2017 and has been a significant challenge for a number of the plans.

As the delays began to impact the project timeline, ETF asked Truven to develop strategies to minimize a delayed go-live date, which included alternative testing schedules and resource allocation. The final proposal will launch the data warehouse just one month behind schedule.

Truven and ETF have been working closely with each plan to help them address their challenges, as well as remind the plans of contractual requirements to submit data and potential financial penalties that can be assessed for plans that fail to do so.

Under this timeline, it is currently anticipated that up to two health plans will not have submitted clean historical data by the deadline established for inclusion in the April launch. Data from these health plans will be added to the database once it is already in production, during phase two.

### **Current Data Submission Status**

The status of data submissions as of November 13, 2017:

- ETF, Navitus, StayWell, Delta Dental have had their data approved for inclusion in the first round of testing;
- Five (5) health plans have had their 2016 claims data approved for inclusion in the first round of testing;
- Four (4) health plans have had their 2016 data approved for inclusion in the second round of testing;
- Six (6) health plans have submitted data but it has not yet been approved;
- Two (2) health plans are not expected to submit data in time to be included in the second round of testing and will not be included during the initial implementation.

In addition, two deliverables for the project have been delayed to phase two:

- A provider file solution – In response to challenges with the health plan's submission of a network provider file, ETF and Truven have asked health plans not to submit a provider file as part of phase one and to instead focus on the claim file. ETF and Truven are exploring options to address the challenges the health plans are having submitting the provider data as part of phase two.
- DSE access to the Advantage Suite® data warehouse – Truven's original proposal and timeline did not include the requirement that the DSEs would have access to both Interactive Reporting, Truven's visual business intelligence tool, and access to complete data on their membership in the Advantage Suite® data warehouse as part of phase one. Instead, ETF and Truven are exploring the best approach to providing access to this data and plan to address it as part of phase two.

Truven has confirmed that these delays will not lead to increased costs for the phases that occur during the contract extension. ETF staff will update the Board on the project status and timeline at the February 2018 Board meeting.

### **2018 Contract Amendment**

The contract amendments under consideration include performance guarantees tied to meeting project milestones and a provision to add an audit requirement.

#### Performance Guarantee

ETF will pursue a contract amendment to add a performance guarantee to the contract. If Truven fails to deliver by the identified phase one, two or three project milestones agreed to in the approved project plan, Truven will be subject to financial penalties. ETF has recently begun adding such implementation performance guarantees to its vendor contracts.

#### New Audit Requirement

In addition, ETF will pursue an amendment to require Truven to submit third-party audits of its operations, known as Service Organization Control (SOC) 1, 2 and 3 audits and to provide ETF with a copy of these audits annually. Truven already complies with these audits and ETF has already requested Truven's most recent SOC audit findings. The requirement has recently become standard in ETF vendor contracts.

### **Summary**

ETF is recommending that the Board extend the contract with Truven for one, two-year extension through December 31, 2020. ETF and Truven are approximately at the mid-point of phase one implementation based on the revised timeline.

ETF will provide updates to the Board on the contract extension and amendment described above at the February 2018 meeting.

Staff will be available at the meeting to answer any questions.