Significant variation exists in health care costs, inflation, and quality by location

**Fact 1:** Virginia’s 2004 per capita health care costs are lower than the U.S. ($4,822 vs. $5,283)

**Fact 2:** Virginia’s annual health care inflation rate from 1991–2004 is higher than the U.S. average (5.6% vs. 5.5%)

**Fact 3:** Virginia health care sectors’ annual inflation from 1991–2004
- Rx with medical non–durable expenses had the highest increases of 8.4%
- Hospital Care was lowest at 4.6%

**Fact 4:** Preventable hospital readmissions in Virginia differ by geography

**Fact 5:** More expensive health care does not yield higher quality
What Is an All-Payer Claims Database?

- Databases that typically include data derived from medical, eligibility, provider, pharmacy, and/or dental claims from private and public payers:
  - Insurance carriers
    - Medical, dental, third party administrators (TPAs), pharmacy benefit managers (PBMs)
  - Public payers
    - Medicaid, Medicare, Veterans Administration

- APCDs can allow for a broad understanding of cost and utilization across institutions and populations

Source: Slide from NAHDO Annual Conference, October 2009
Patrick Miller, MPH Research Associate Professor, University of New Hampshire (revised by JCHC staff).

12 States Have Existing APCDs and 2 States Are in Implementation

- Kansas
- Maine
- Maryland
- Massachusetts
- Minnesota
- New Hampshire
- Oregon
- Tennessee
- Utah
- Vermont
- Washington
- Wisconsin
- Colorado
- Rhode Island

Sources: APCD Council email correspondence with JCHC staff & Oregon APCD website.
### APCDs Can Answer Many Types of Health Care Questions

#### Cost
- Which hospitals, surgical centers or doctors have the lowest prices by procedure, or treatment?
- What do health insurance companies pay for health care services?

#### Quality
- Which hospitals, surgical centers or doctors have the highest ratings for certain medical procedures?
- Are established clinical guideline measurements related to quality, safety, and continuity of care being met?

#### Access
- How far do people travel for services and for what type of services?

#### Medicaid
- Is emergency room usage in Medicaid higher than the commercial population? What are the possible reasons?

#### Public Health
- What are the key public health issues by city and county?
- In what geographic areas is public health improving?

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**APCD Primary Focus Varies Among States**

<table>
<thead>
<tr>
<th>State</th>
<th>Cost</th>
<th>Quality</th>
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<th>Geographic Differences</th>
<th>Episodes of Care</th>
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Other uses include: cost and quality benchmarking for Medicaid payment rates, measuring competition within the commercial health market, and potential risk adjustments.

Sources: APCD Council correspondence, JCHC staff & Tennessee APCD website.
Specific State Uses for APCDs

- Help employers understand variations in the cost and utilization of services by geographic area and in different provider settings (ME, NH)
- Explore value (cost and quality) for services provided (NH)
- Inform design and evaluation plans for payment reform models (NH, VT)
- Evaluate the effect of health reforms on the cost, quality, and access to care in a state (MD, VT)
- Compare utilization patterns across payers to inform state purchasing decisions for Medicaid (NH) and identify successful cost containment strategies (NH, VT)


Important APCD Elements

- APCD Governance
- APCD Focus
- Data collection
  - Mandated submission?
  - Which payers submit data?
  - Does data include patient identifier information?
- Data release rules
- Public dissemination of data
- Funding

Sources: Denise Love, William Custer and Patrick Miller, All-Payer Claims Databases: State Initiatives to Improve Health Care Transparency, September 2010 & discussion with Michael Hadenberg of VHI.