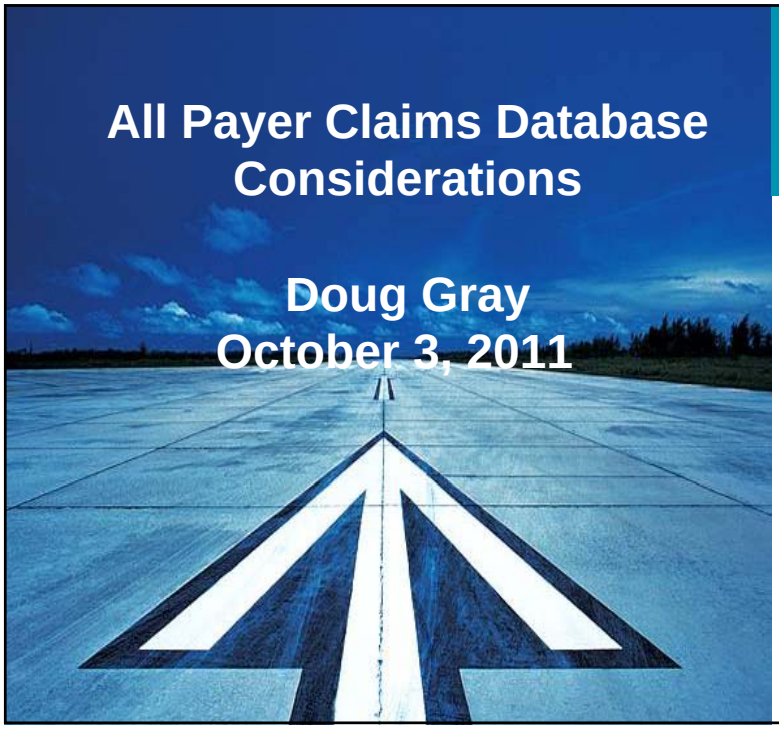
All Payer Claims Database Considerations



Doug Gray
October 3, 2011

VIRGINIA ASSOCIATION OF HEALTH PLANS

All Payer Claim Databases (APCDs) What Are They?

APCDs aggregate payer claim and related information into databases used by state agencies to produce information on:

- costs & quality
- utilization patterns
- access and barriers to care

APCDs may collect eligibility, provider and product information in addition to claim data.

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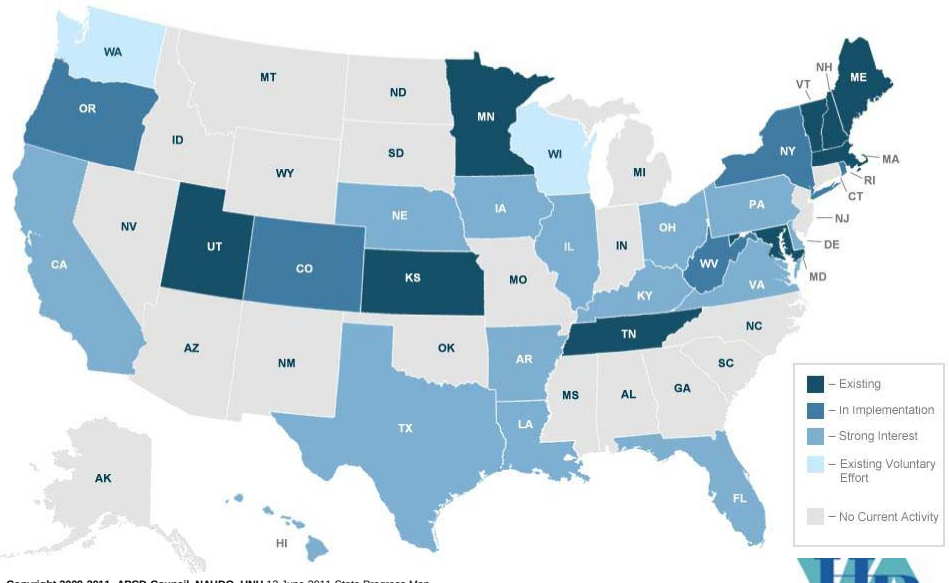
June 2011 State Progress Map



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Relationship to Health Information Exchanges

- HHS is funding state initiatives to create Health Information Exchanges. Virginia was awarded $11.6 million to further develop the states HIE which will permit collection of clinical data from providers for research and analysis
- States may use the clinical data provided by state HIEs combined with payer data to allow for analysis of both cost and quality

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Examples of HIE Reports

- The HIE will provide services to enable electronic public health reporting, quality reporting, immunization reporting, reportable lab results and surveillance data.
- Public health measures from the HIE include:
  - Chronic disease registries vs. targets
  - Preventable hospitalization: pediatric asthma, heart failure, and diabetes
  - Health Maintenance registries vs. targets
  - Screening rate: breast cancer, colorectal cancer, cervical cancer
  - Percent of organizations sharing public health, quality management and medication management information
  - Compare exchange vs. non-exchange organizations

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What should be considered when setting up the APCD?

- Use a consistent set of data elements
- Collect data from the source most likely to have it as part of the normal course of business
- Weigh the value of the data element collected against the cost involved in payer collection and provision of the data
- Include all stakeholders in the drafting of the legislation and in the development of data collection standards and procedures
- Establish a standard schedule for data requirement additions/changes
- Implement strong privacy and security safeguards to protect against inappropriate disclosure and use of data

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Use a consistent set of data elements

The advantages of using standard datasets across states include:

- Carrier familiarity with the standard datasets means less time to get set up, and more reliable data
- Lower cost to carriers supporting more than one state's APCD since programs can be adapted from other states, saving IT time and money
- Use of programming developed by other states for common research questions meaning less time and expense to produce usable information
- Established standards by the ANSI X12 organization will mean states can point to the standards in their regulations

New York's Technical Tiger Team

- Looking to leverage existing state data stores for information that carriers don't normally collect, saving time and money

Collect data from the source most likely to have it as part of the normal course of business

Questions to Ask

Is it needed to:

- pay a claim?
- enroll a member/subscriber?
- bill a member/subscriber?

If so, a Payer should have this data.

If not, another entity may be a better resource for the data.

Weigh the value of the data element collected against the cost involved in payer collection and provision of the data

Need to ask: Is the cost for retrieving the data justified by how the data will be used?

Costs

- Payer systems collect and store data needed to support core business needs; not all data on claim forms may be stored/reportable
- Adding data elements to systems can be costly – $1 million or more
- Storage costs for data elements not needed for core business can be substantial (450 million claims processed a year)

Benefits

- Measurable improvement in quality of care for state residents
- Greater transparency in health care
- Overall cost savings in the health care system

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Include all stakeholders in the drafting of the legislation and in the development of data collection standards and procedures

Who are the stakeholders?

- Entities which collect needed data in the normal course of business
- Potential users of the data

Others who should be resources?

- States considering or just beginning their data collection efforts
- States where ACPDs are established
- Organizations that have been involved in creating and maintaining ACPDs in other states.

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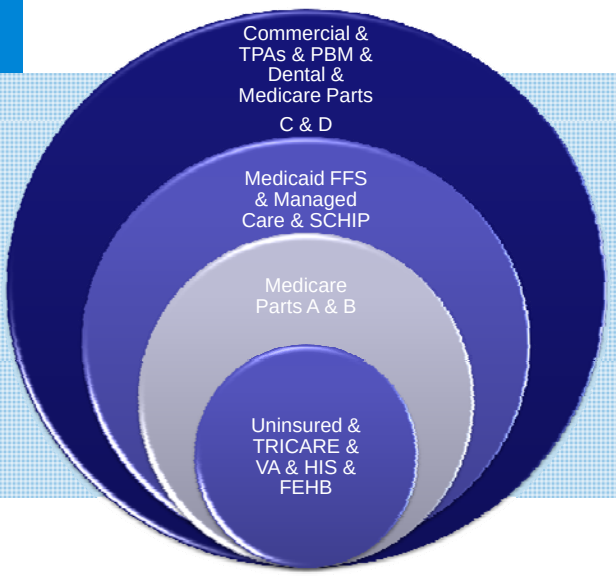
Sources of APCD Data



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Establish a standard schedule for data requirement additions/changes

- Payers must plan for changes well in advance
- Payer system release procedures control which system changes are funded and resourced and when changes go into the system
- Release schedules and funding/assignment of resources may be developed early in the previous year
- System changes may be frozen during open enrollment periods (Typically around Jan.1 or July 1 enrollment.)

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Implement strong privacy and security safeguards to protect against inappropriate disclosure and use of data

- Individuals expect that their state government will protect their personal information
- Individuals rely on payers (health plans) to handle Protected Health Information as required by state and federal law
- Moving vast quantities of data and aggregating data that still may identify individuals is high risk

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APCD Uses

APCD uses include:

Health Care Transformation

- Evaluation of Care Coordination – to avoid waste and over/under utilization of services and to improve patient health outcomes
- Quality Measurement and Improvement – to maintain what is good about existing care while focusing on areas needing improvement
  - Example: Study of Medicare expenditures for patients with chronic diseases

Comparative Effectiveness

- To compare a variety of treatment options to determine best outcomes under what circumstances
  - Example: Appropriateness study on angioplasty and coronary artery bypass grafts for certain conditions.

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Other Considerations

Will the use of an ACPD drive down costs by providing something that insured individuals do not have access to currently?

- Many payers already provide information to members on the actual cost the member may expect to pay for a specific procedure
- Insureds with lower cost-sharing requirements who may pay the same no matter where they go do not have an incentive to look for the best price.
- The implementation of additional federal health reform changes will create increased standardization in benefit packages and cost-sharing; this may reduce consumer incentives to be wise consumers of their health care dollars.

Recommend: Focusing on clinical data to improve quality and health outcomes.

Other Considerations (cont.)

General:

- Does the Commonwealth have jurisdiction to collect data from self insured; uninsured; and those covered by government programs?
- Where will an APCD be housed and how will it be funded?
- What lines of business will be included – should plans that are limited or have transient enrollees be excluded (i.e. student plans; limited benefit plans; specific illness plans)?

Note:

- APCDs rely on monthly submissions of health care claims, with an average lag time of 6-9 months from the date of service. This means they are not useful for "real-time" data needs, such as supporting the operations of ACOs.
- States find it challenging to create consolidated, accurate provider files to allow provider comparisons; reconciling provider identifiers from multiple carriers may be time consuming and may result in many errors.