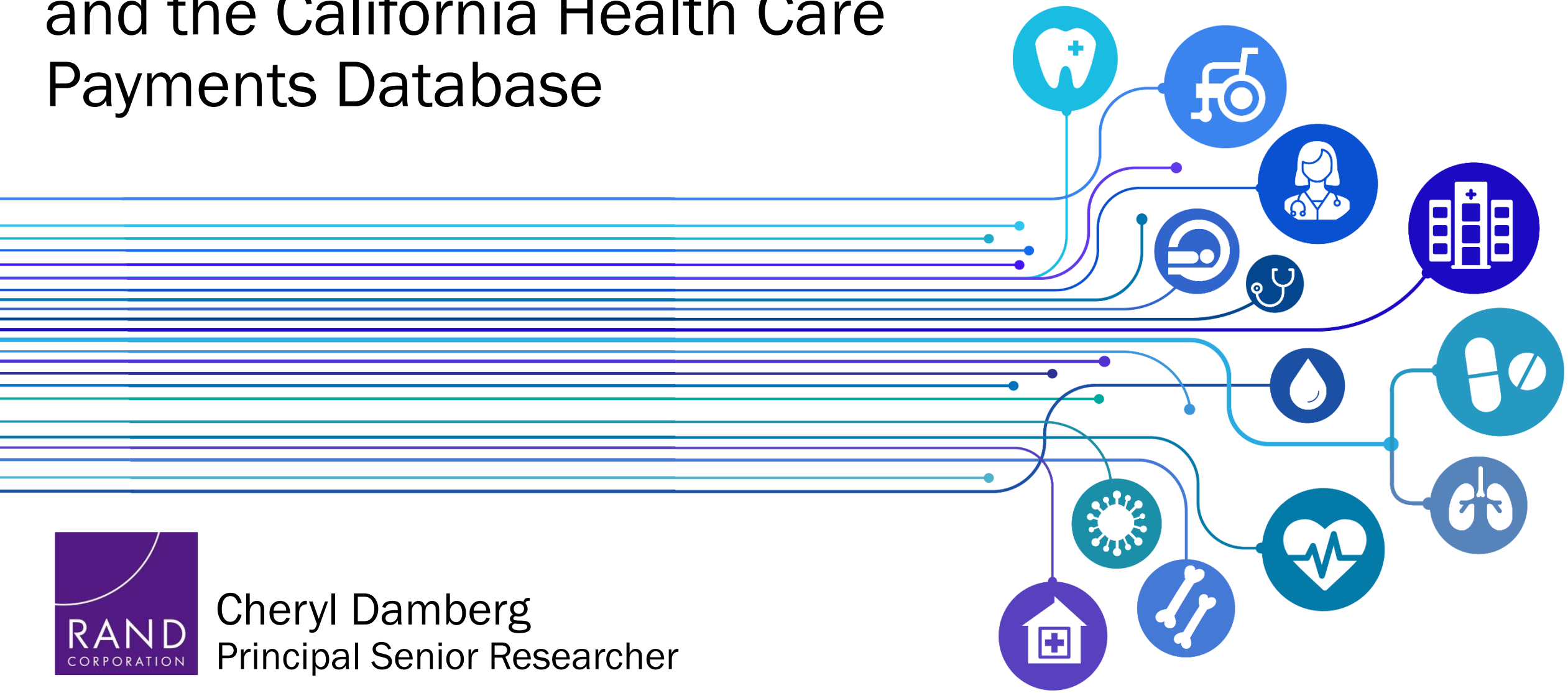
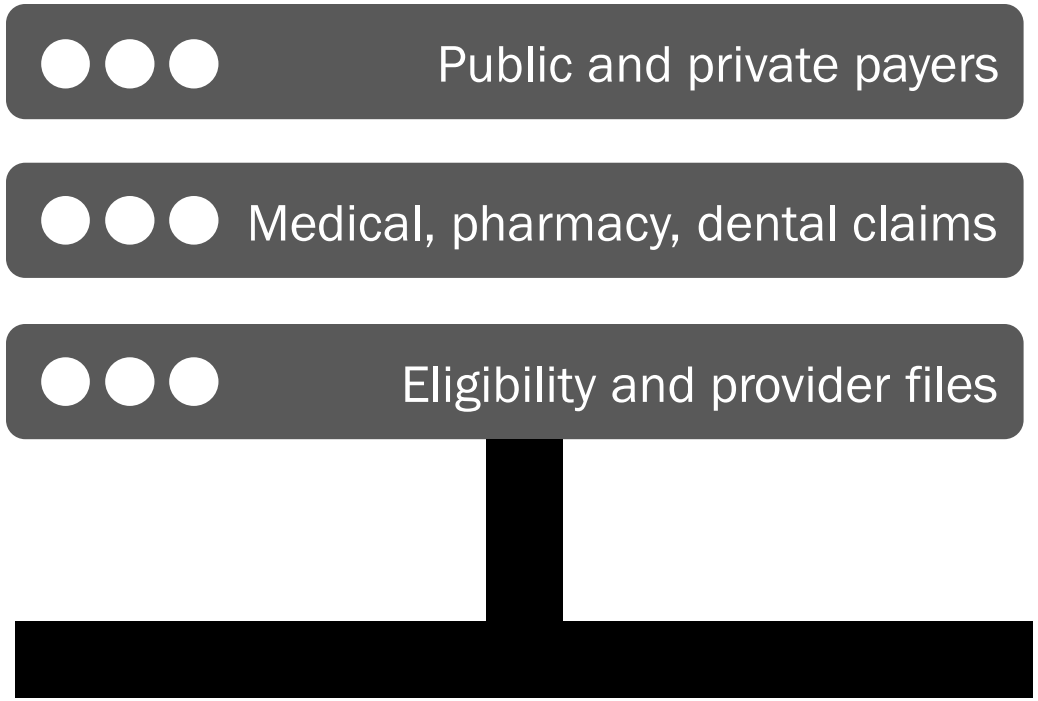
ALL-PAYER CLAIMS DATABASES
and the California Health Care Payments Database

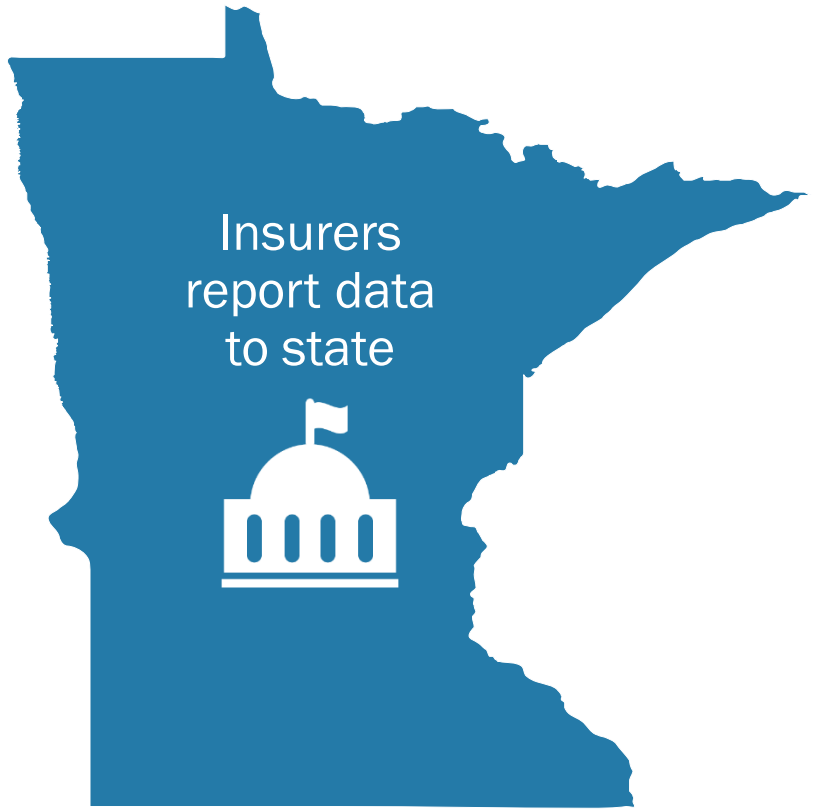


RAND CORPORATION

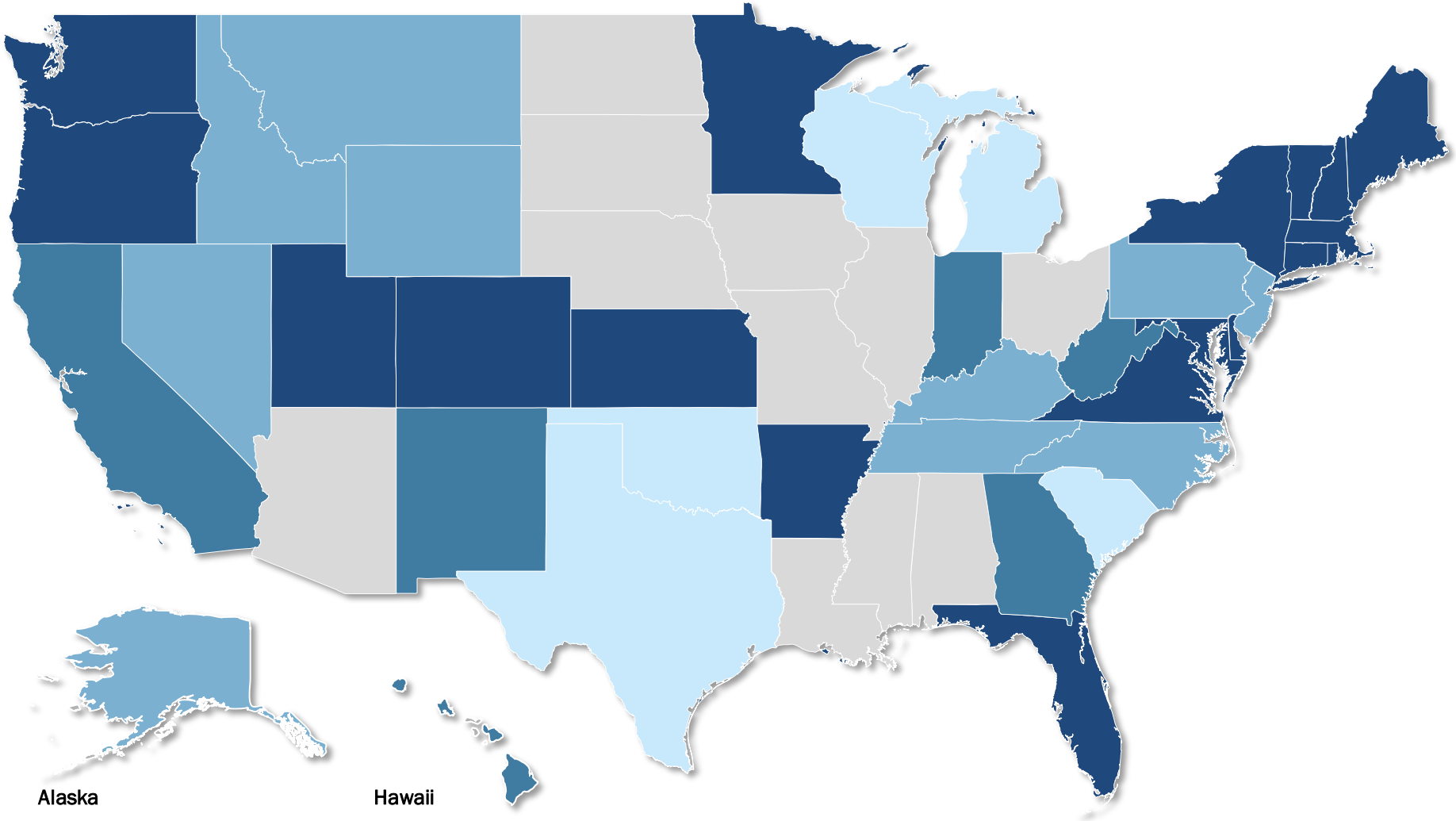
Cheryl Damberg
Principal Senior Researcher

What is an All-Payer Claims Database (APCD)?





States with APCDs: 2020 State Progress Map



18
have APCDs (2020)

6
are implementing APCDs (CA, NM, WV, IL, GA, HI)

Strong interest

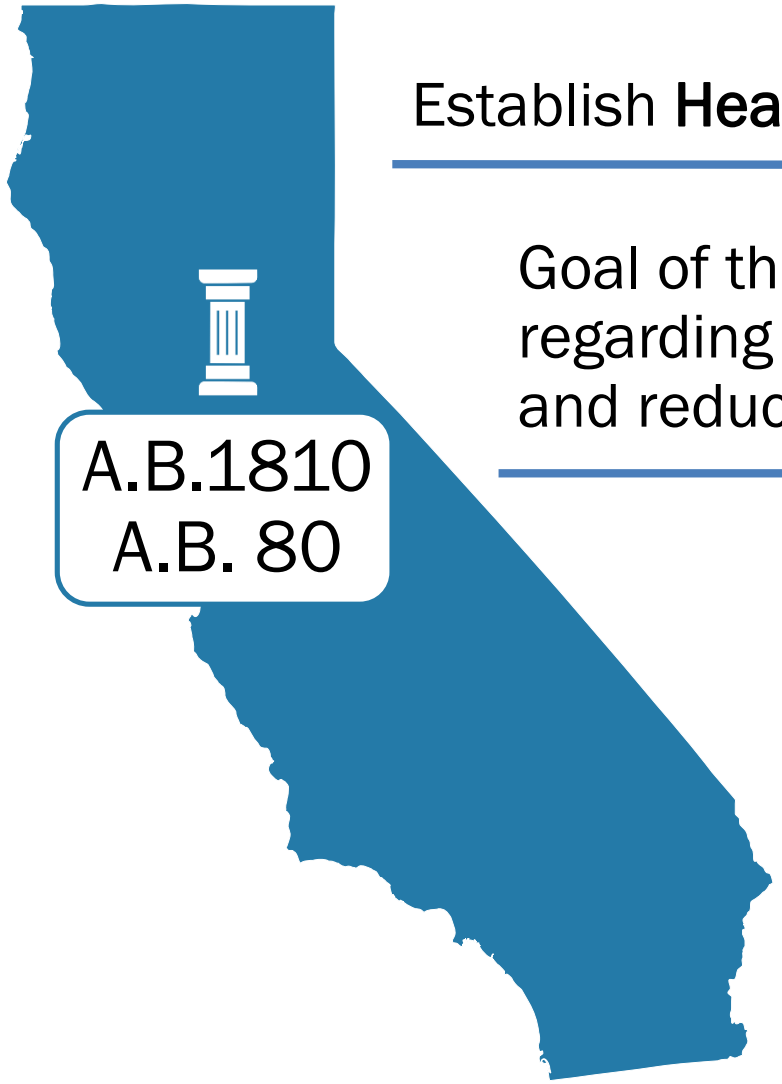
Voluntary efforts

None

APCDs have advantages over other datasets

- Include information on private insurance
- Surpass voluntary reporting efforts that typically only include a limited number of data submitters and restrict use of data
- Include data from most or all of a state's insurers
- Contain information on care across all types of care sites, rather than only hospitalizations and emergency department visits reported as part of discharge data systems maintained by most states (e.g., OSHPD)
- Large sample sizes, geographic representation, and longitudinal information on individual patients and providers

California is establishing its own APCD



Establish **Health Care Cost Transparency Database** by July 1, 2023

Goal of the APCD: generate information to inform policy decisions regarding the provision of quality health care, reduce disparities, and reduce health care costs

A.B. 1810 (2020): OSHPD convened a Review Committee of stakeholders and experts to advise on the establishment, implementation and administration of the Health Care Payments Data (HPD) Program

A.B. 80 (2020): Provided OSHPD the authority to establish the HPD—California's APCD

APCD is a vital data resource to support efforts to improve affordability

Healthcare Payment Database (HPD) is essential to California's cost containment efforts

- Trends in spending
- Variation in costs of care
- Effects of provider consolidation
- "Wasteful" health care spending
- Impact of payment reforms
- Primary care spending as share of total spending
- Transparent cost information for consumers

The HPD can also address other critical questions

- How is **provider consolidation** affecting the quality of care?
- Does **utilization of care change in response to payment policy changes**?
- How does **utilization of services differ across patient populations**?
- What is the **quality of care** and how does quality vary across providers and/or patient populations?
- Are **social risk factors associated with quality performance**?
- Are there **disparities in care** and are disparities shrinking/growing over time?
- Are some **providers more efficient in delivering quality** than others?

How have other states used their APCDs to address cost and affordability?

Virginia used its APCD to measure wasteful health spending

5 Most Costly Low-Value Services in Virginia, 2014

Low-value service	Unnecessary costs
Baseline lab tests for low-risk patients having low-risk surgeries	$228M
Cardiac imaging in low-risk, asymptomatic patients	$93M
Annual cardiac screenings for low-risk, asymptomatic patients	$41M
Routine head CT scans for ED visits for severe dizziness	$25M
EKGs, chest x-rays, or pulmonary function tests for low-risk patients having low-risk surgeries	$21M

Source: JN Mafi et al. Low-Cost, High-Volume Health Services Contribute The Most To Unnecessary Health Spending. Health Affairs, 2017. www.healthaffairs.org/doi/pdf/10.1377/hlthaff.2017.0385

NH used its APCD to provide cost data for the HealthCost comparison shopping tool

Colonoscopy – Diagnostic (outpatient)

This event consists of a number of health care services that often occur at the same time. The cost shown reflects the services provided bundled into one cost estimate.

Colonoscopy - Diagnostic (outpatient)

Insurance Carrier * Anthem - NH

Plan Type Individual (self

Search

Filter Results: Your Zip Code + Entire State Search

Actual driving distances may vary.

Sort Results: Sort by Estimate of Total Cost

$ Statewide Estimate of Total Cost	$2,064		
Compare Selected	**Estimate of Total Cost**	Precision of the Cost Estimate	Typical Patient Complexity
Concord Endoscopy Surgery Center	$619	LOW	MEDIUM
The Surgery Center of Greater Nashua	$626	LOW	MEDIUM
Wentworth Surgery Center	$682	LOW	MEDIUM

Source: NH Insurance Department nhhealthcost.nh.gov/costs/medical/

Colorado's Shop for Care site posts prices for common health care services

CIVHC
CENTER FOR IMPROVING VALUE IN HEALTH CARE

COVID-19 ▾ SHOP FOR CARE GET DATA ▾ CHANGE AGENTS ▾ OTHER F

Select Service: Ultrasound, Abdomen, complete (CPT 76700)

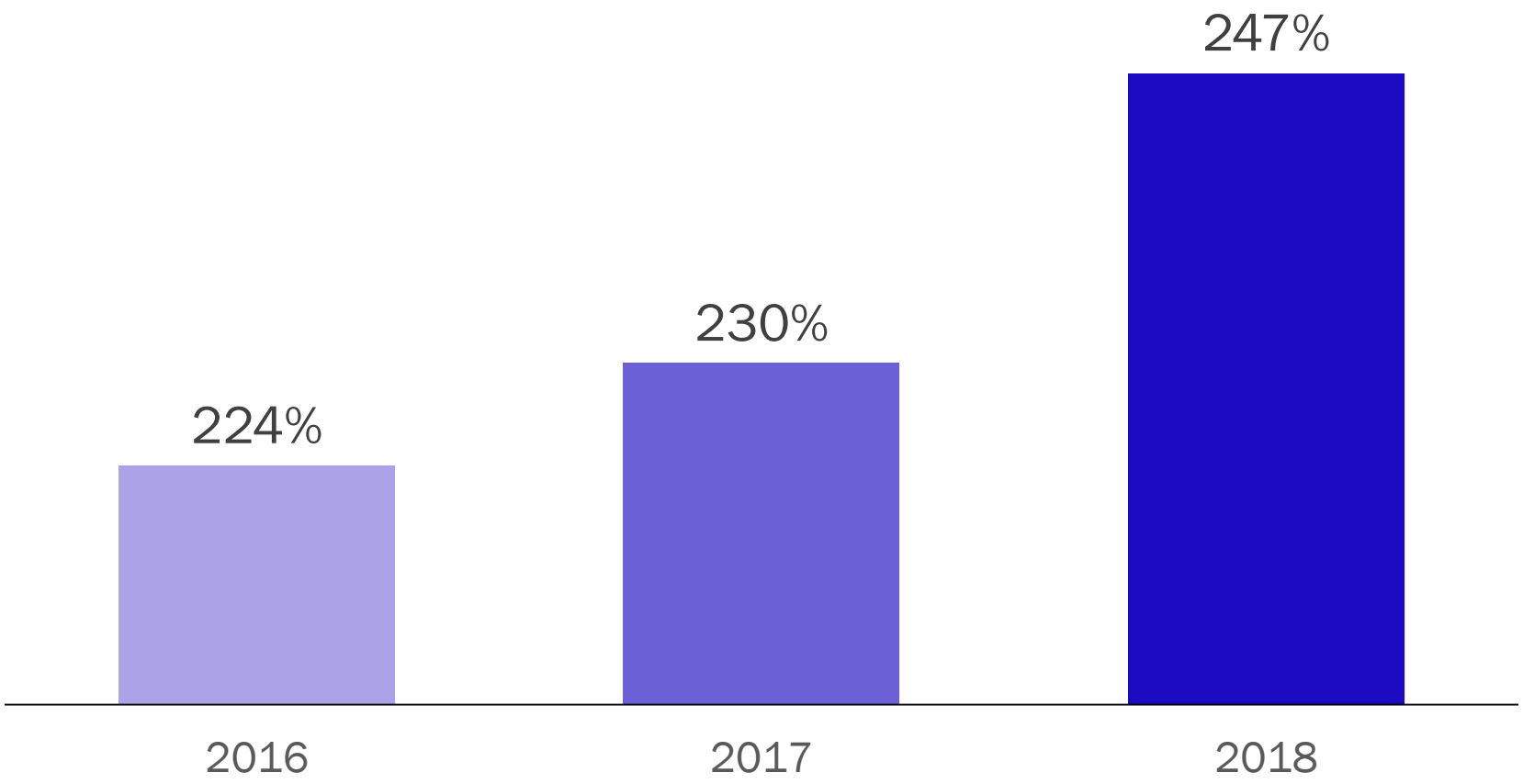
Select Your ZIP Code: 80001

Sort List By: Average Price (Low to High)

Facility Name	Distance (Miles)	Price Estimate		Quality	
		Average Price	Price Range	Patient Experience	Overall Hospital Quality
Denver Health Medical Center	7.2	$310	$280–$540	★★★☆☆	★★★☆☆
San Luis Valley Health Regional Medical Center	166.3	$330	$330–$390	★★★★☆	★★★★☆
Boulder Community Health Foothills Hospital	16.8	$330	$240–$860	★★★☆☆	★★★☆☆
Banner Health North Colorado Medical Center	47.0	$350	$230–$350	★★★☆☆	★★★★☆
UCHealth Yampa Valley Medical Center	102.2	$350	$350–$350	★★★★☆	★★★★☆
National Jewish Health	8.7	$360	$360–$450	*	*
Valley View Hospital	121.2	$400	$400–$410	★★★★☆	★★★★☆
Delta County Memorial Hospital	174.5	$460	$430–$460	★★★☆☆	★★★★☆

RAND's study used APCD data to compare how much hospitals receive from private payers vs. Medicare

Relative Price of Hospital Care for All States
Private payers vs. Medicare

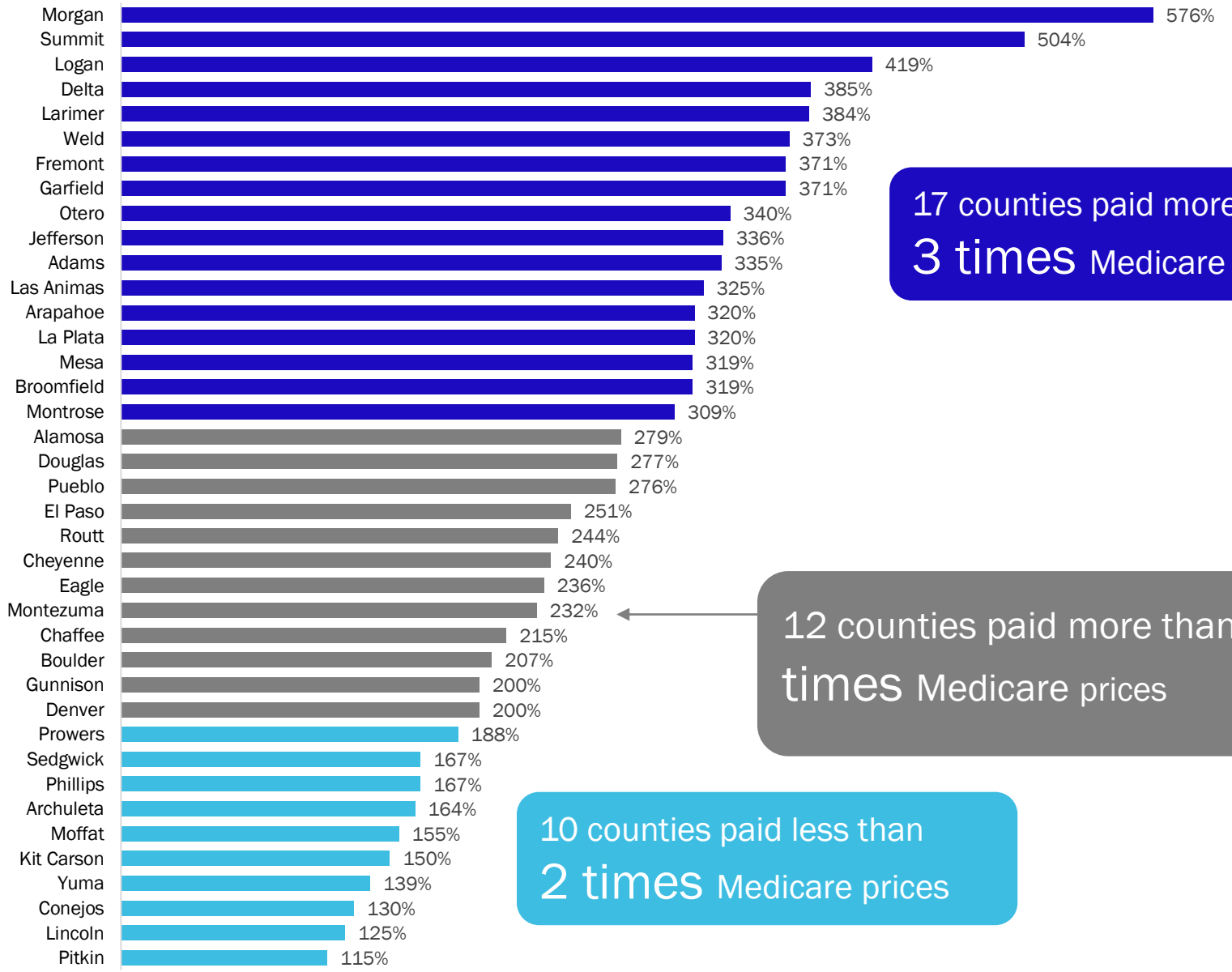


Source: C.M. Whaley et al. 2020. *Nationwide Evaluation of Health Care Prices Paid by Private Health Plans*. RAND Corporation.

Note: Relative price = ratio of the amounts actually paid divided by the amounts that would have been paid—for the same services from the same hospitals—using Medicare's price-setting formulas. Prices include prices for inpatient and outpatient services and group facility and professional fees

The APCD data let us compare prices for every county in Colorado

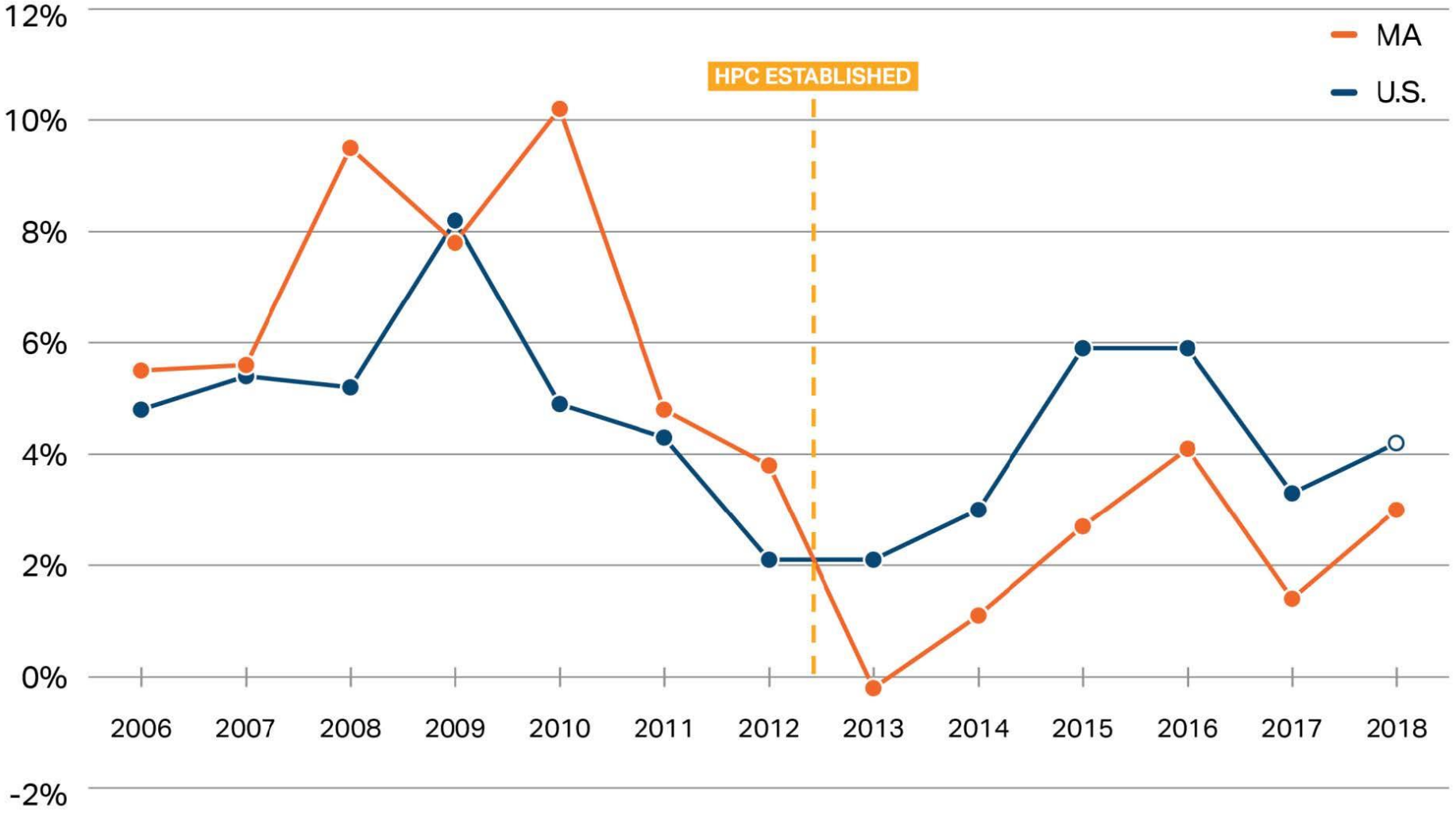
Price Variation by County for Inpatient/Outpatient Hospital Services (2015-2017)



Source: White, C, Whaley, C et al. 2019. RAND Corporation. www.rand.org/t/RR3033

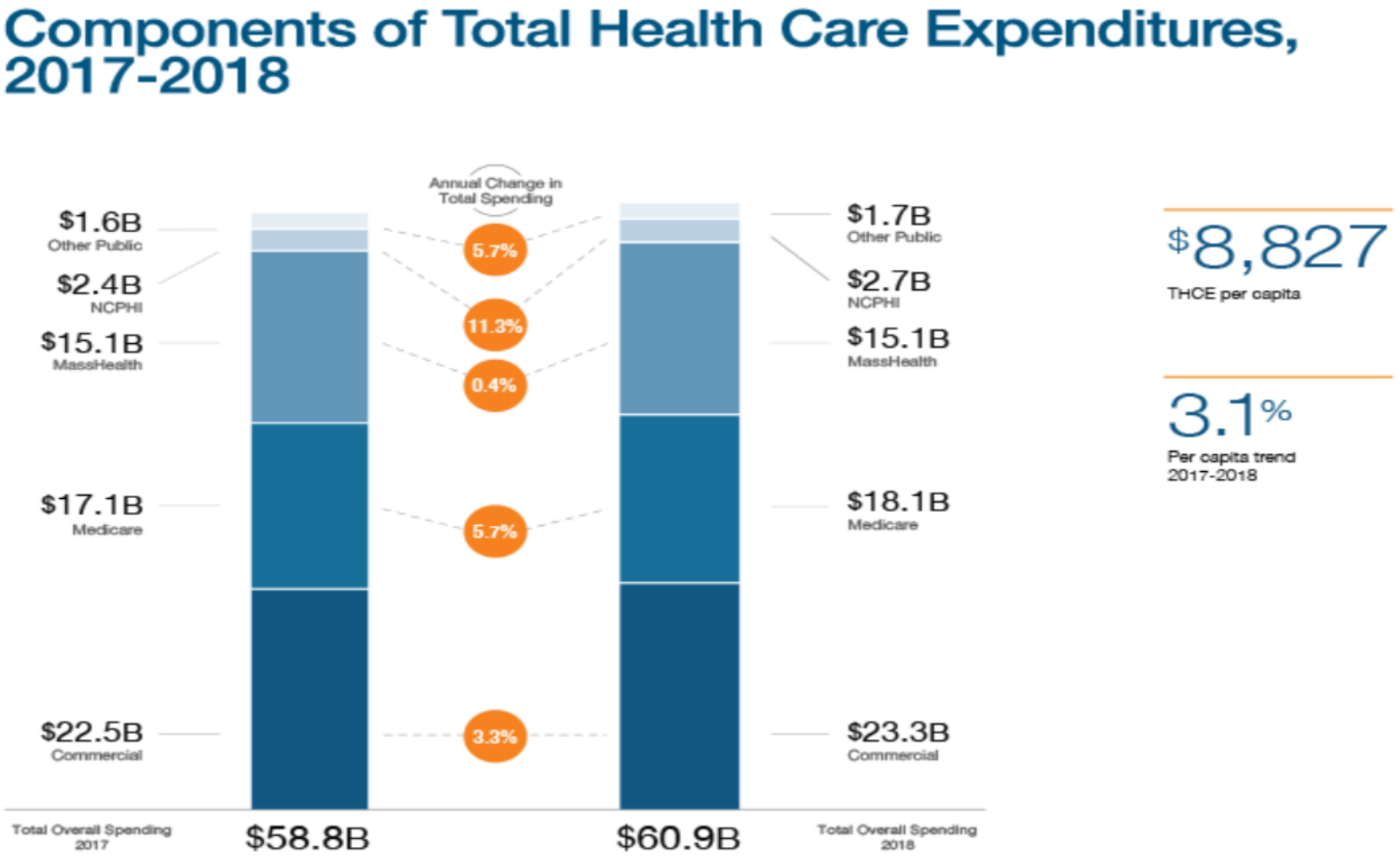
Massachusetts established an HPC that slowed growth in commercial spending compared to the U.S. average

Annual growth in commercial medical spending per enrollee, Massachusetts vs. U.S. (2006-2018)



Source: D. Auerbach. Health Care Spending Trends and Impact on Affordability. Massachusetts Health Policy Commission. 2019 Cost Trends Hearing.

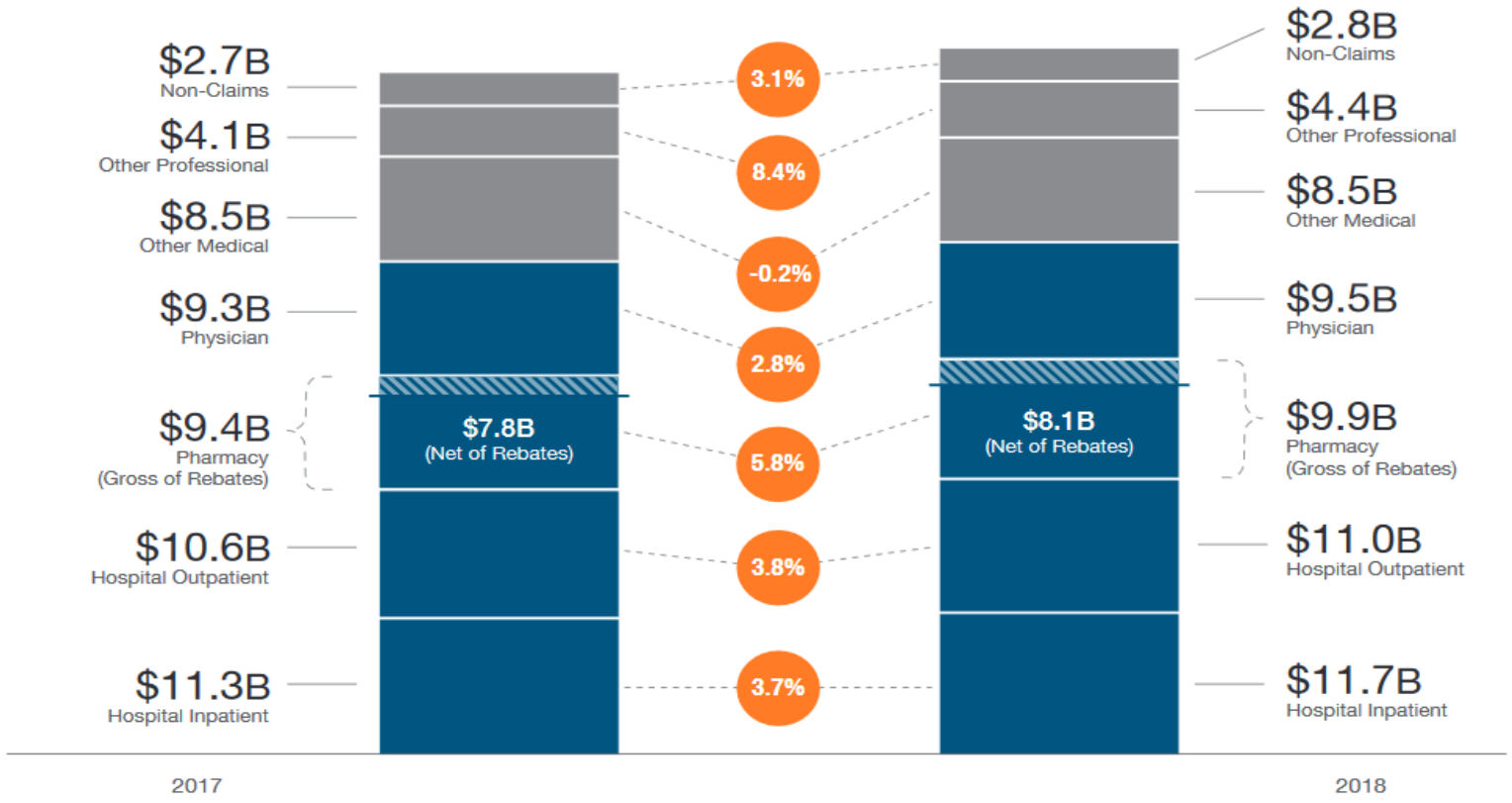
Massachusetts Center for Health Information and Analysis (CHIA)



Source: Center for Health Information and Analysis (CHIA). Annual Report on the Performance of the Massachusetts Health Care System: 2019. https://www.chiamass.gov/assets/2019-annual-report/2019-Annual-Report.pdf

Massachusetts Center for Health Information and Analysis (CHIA)

Total Health Care Expenditures by Service Category, 2017-2018

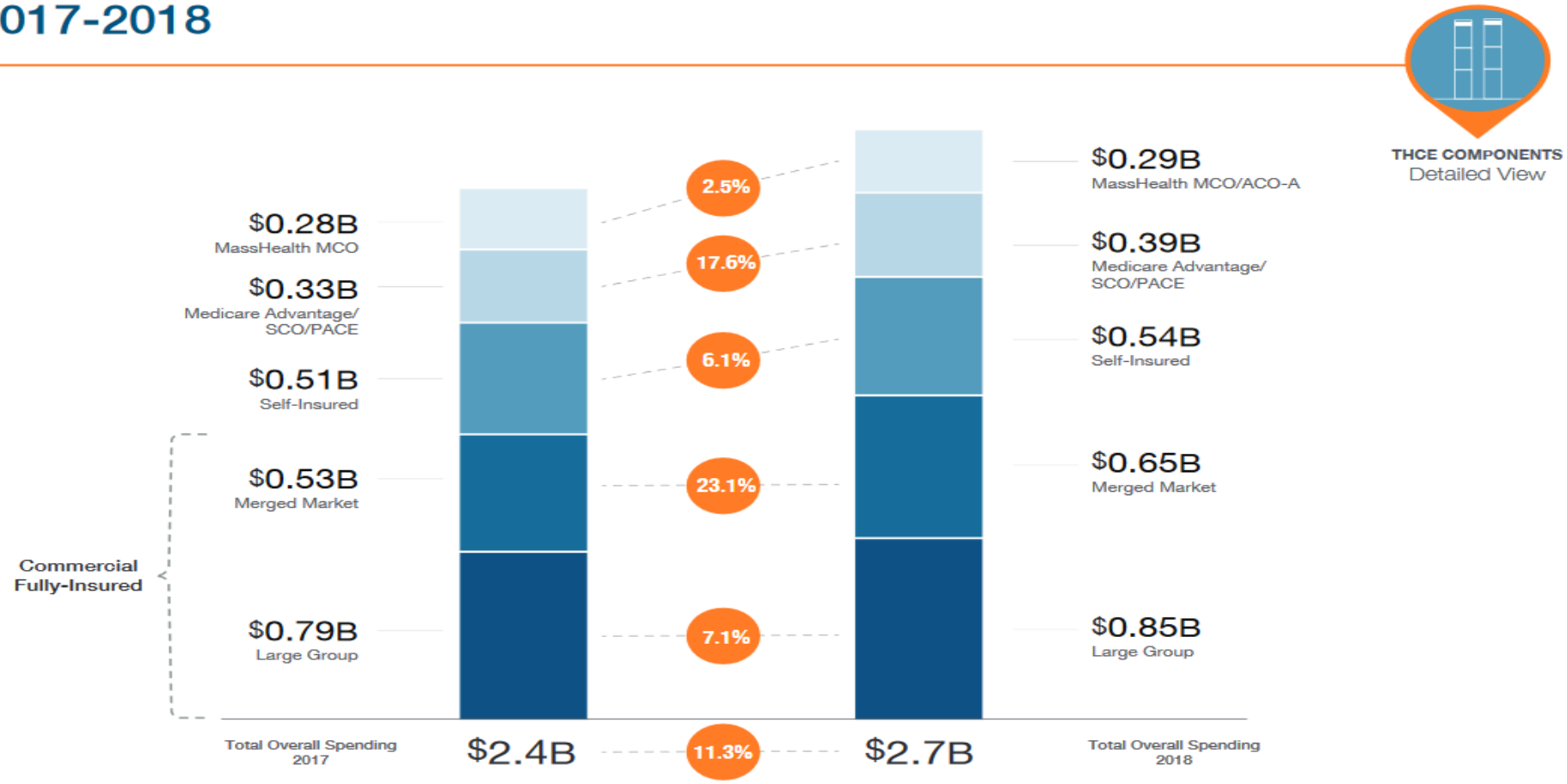


Spending increased for the four largest service categories between 2017 and 2018, with the highest growth in gross pharmacy expenses.

Source: Center for Health Information and Analysis (CHIA). Annual Report on the Performance of the Massachusetts Health Care System: 2019. https://www.chiamass.gov/assets/2019-annual-report/2019-Annual-Report.pdf

Massachusetts Center for Health Information and Analysis (CHIA)

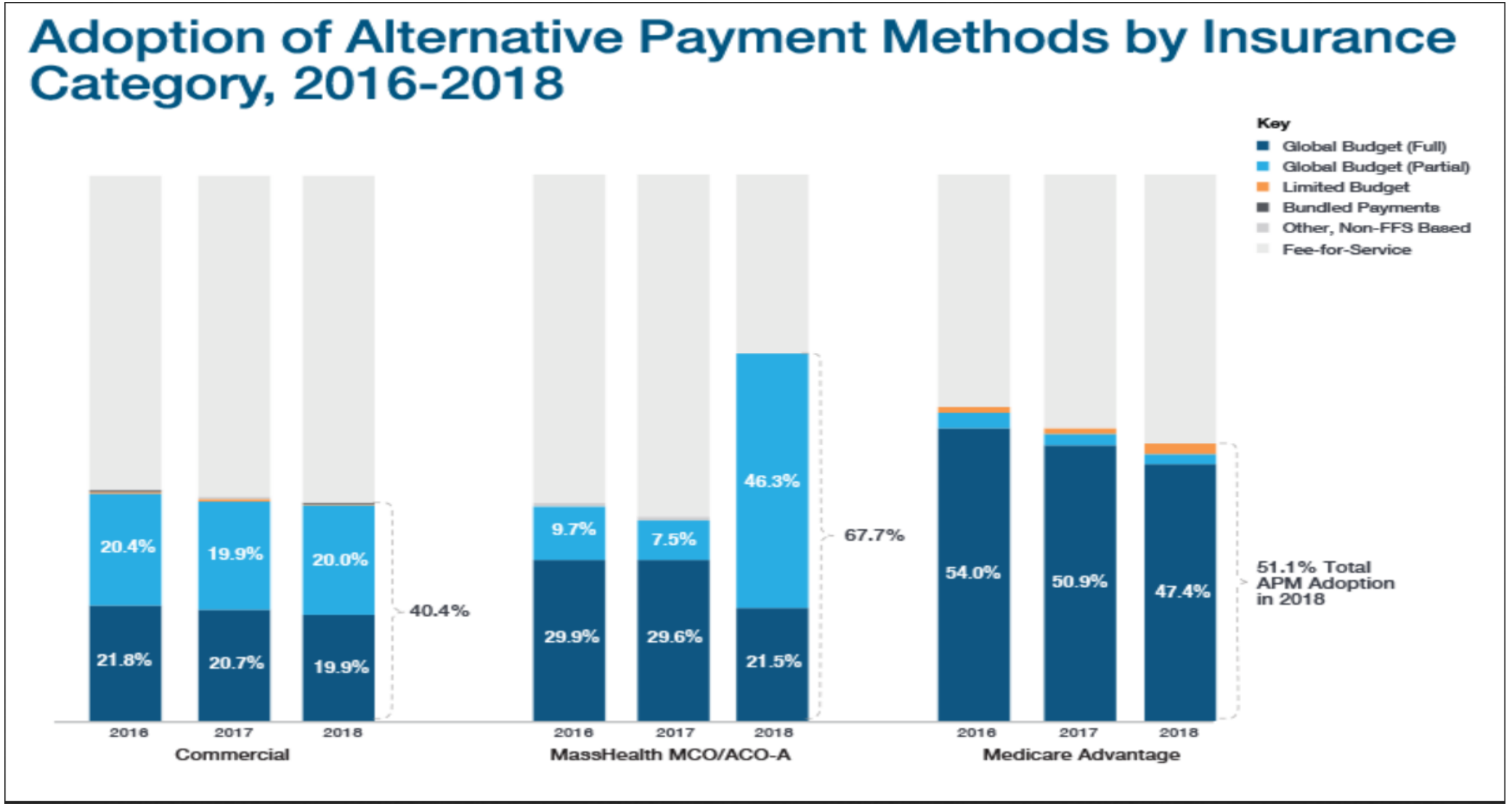
Components of Total Health Care Expenditures:
Net Cost of Private Health Insurance by Market Sector, 2017-2018



NCPHI increased by 11.3% to $2.7 billion in 2018, primarily driven by increases in the merged market and Medicare managed care programs.

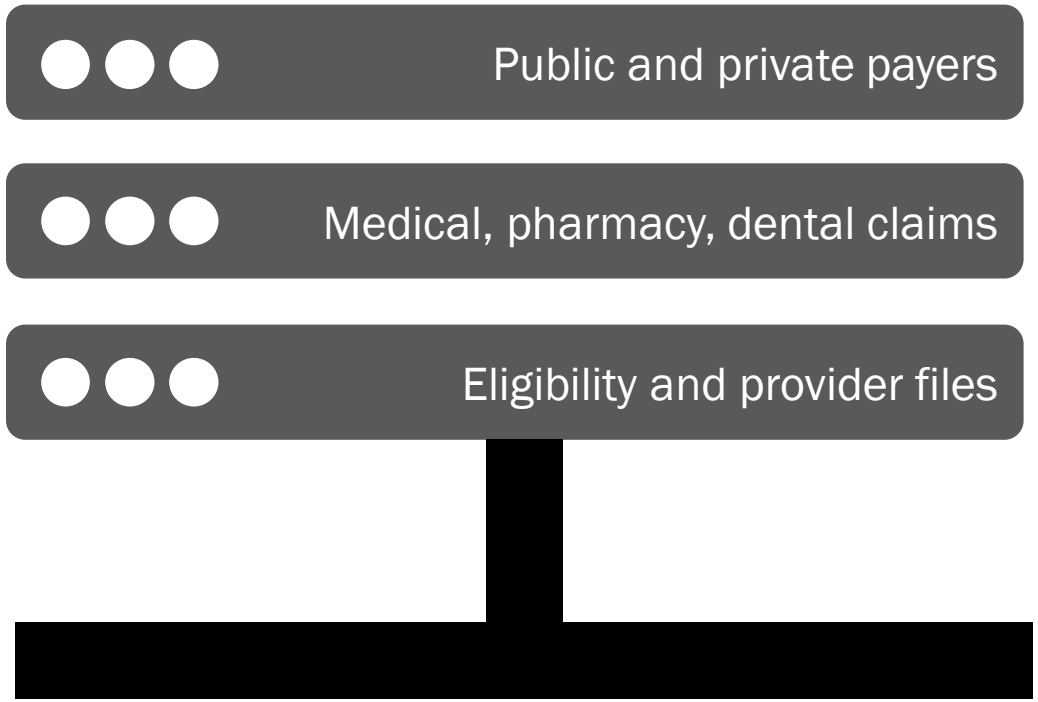
Source: Center for Health Information and Analysis (CHIA). Annual Report on the Performance of the Massachusetts Health Care System: 2019. https://www.chiamass.gov/assets/2019-annual-report/2019-Annual-Report.pdf

Massachusetts Center for Health Information and Analysis (CHIA)



Source: Center for Health Information and Analysis (CHIA). https://www.chiamass.gov/thce-tme-apm/

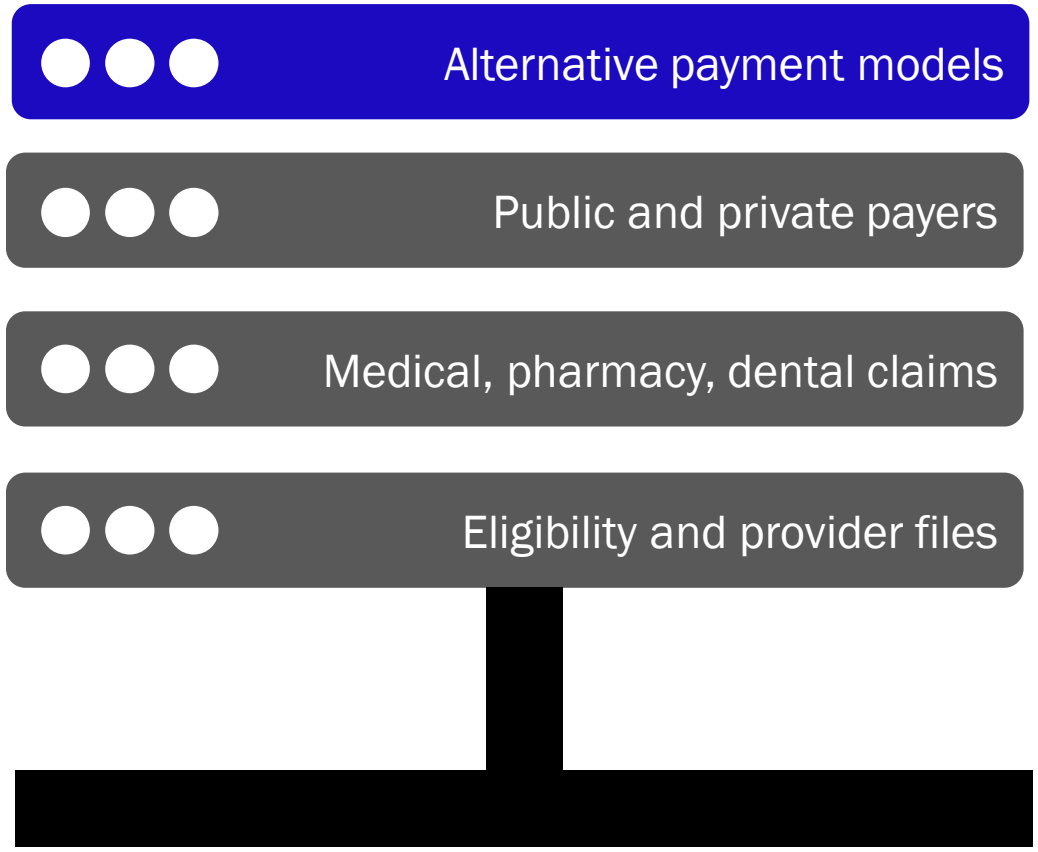
Capturing alternative payment models is a critical issue for California's HPD



APCDs typically exclude **alternative payment model (APM) payments**

- capitation payments
- pay-for-performance payments
- shared saving payments
- payments for primary care or patient-centered medical homes

Capturing alternative payment models is a critical issue for California's APCD



It's important to capture both claims based and APM payments to estimate the totality of payments and health spending

Other states have found ways to include APM payments, including those with significant Kaiser penetration (e.g., Colorado)

Key issues for California's APCD

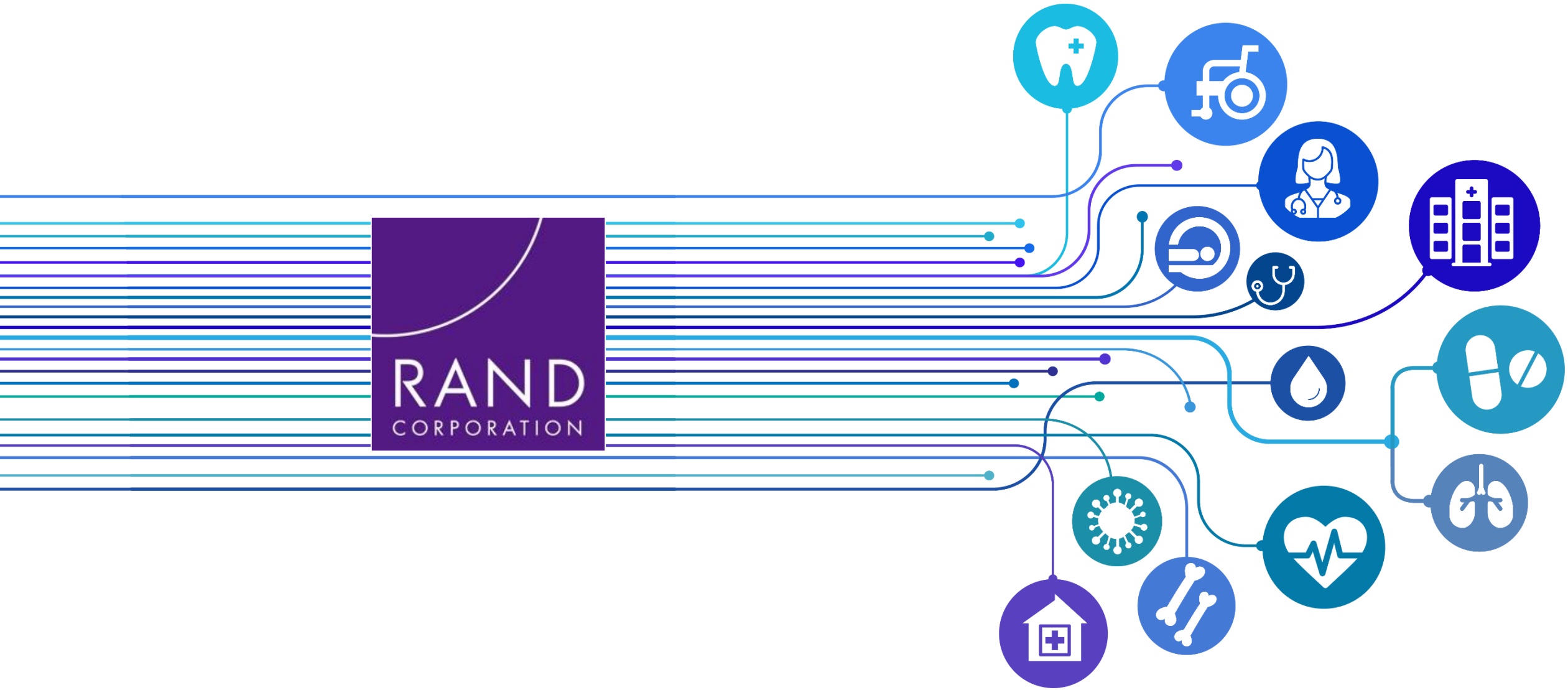
- **Inclusion of Medi-Cal data** (covers ~1/3 of Californians)---the HPD Program should pursue the collection of Medi-Cal data directly from DHCS
- **Unique patient identifier** to track patients over time and across settings
- **Unique provider identifiers** that can be mapped to physician groups and health systems
- **Access to the data for researchers** who can help leverage it to address the critical questions

California HPD Review Committee

- Made **36 unanimous recommendations** to OSHPD
- Recommended a **tiered approach to implementation** that will expand the database over time, given the complexities of California
- Made recommendations about who should be mandatory data submitters, agreed to by all committee members.
- OSHPD delivered Legislative Report July 1, 2020

California HPD Program Advisory Committee

- Multi-stakeholder group representing consumers, providers, purchasers, insurers, organized labor, health care service plans, self-insured plan, the research community.
- Advise OSHPD in the development and implementation of the HPD program
- Committee held first meeting October 22, 2020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