January 24, 2019

Alex M. Azar II
Secretary
U.S. Department of Health and Human Services

Steven T. Mnuchin
Secretary
U.S. Department of the Treasury

Alexander Acosta
Secretary
U.S. Department of Labor

Dear Secretary Azar, Secretary Mnuchin, and Secretary Acosta,

On behalf of state health data agencies that collect and maintain statewide Hospital Discharge Data Systems and All-Payer Claims Databases (APCDs), we submit these comments in response to 2018 Report, "Reforming America's Healthcare System Through Choice and Competition". This report makes recommendations in four areas in which federal and state rules inhibit choice and competition. As a national coalition of state health data officials with a mission to collect and public-report comparative price and quality information on providers and payers, we are directing these comments to Section Four: Enabling Consumer-Driven Healthcare, specifically the discussion on the Current State of Price-Transparency Efforts and Recommendations: Facilitate Price Transparency (page 100-102). We commend your recognition of the importance of using available data to support decision-making in health care.

> ***Who we are:*** *The National Association of Health Data Organizations (NAHDO) represents state health data organizations and has formed a joint collaboration with the APCD Council to support a learning collaborative of government, private, non-profit, and academic organizations focused on improving the development and deployment of state-based all payer claims databases (APCDs). The APCD Council is convened and coordinated by the Institute for Health Policy and Practice (IHPP) at the University of New Hampshire (UNH) and the National Association of Health Data Organizations (NAHDO). The Council's work focuses on shared learning amongst APCD stakeholders, early stage technical assistance to states and catalyzing states to achieve mutual goals. For more information, find the APCD Council at www.apcdcouncil.org and follow us on Twitter @APCDCouncil.*

We agree that claims data, when aggregated across multiple health systems, provide important information on health systems performance, price variation, and patient outcomes. Because of the broad availability and uniformity of claims-based data, these data sources can create a foundation for state and private health information initiatives. Thus, over 20 states have

invested in implementing statewide All-Payer Claims Databases (APCDs). We were pleased that this report recognized these investments, but their assessment of the value of APCDs and recommendations for federal-state collaboration fell short. Therefore, we respectfully submit these comments to provide additional evidence of the value of statewide APCD reporting programs and suggest recommendations that will strengthen these systems significantly to support health care transformation at the local, state, and federal levels.

States have a long history of collecting and reporting hospital performance data, beginning with hospital mortality and outcomes reports in the 1980s and 1990s. Just as states faced obstacles to publicly reporting hospital outcomes and quality information, states with APCDs also must overcome a range of political and technical challenges to statewide reporting of claims data from payers. Solutions to these challenges are available through innovation and collaboration and these solutions are shared across states through the APCD Council Learning Network, in close collaboration with local and industry stakeholders States are supporting the need for transparency in healthcare at the policy and consumer levels. States are documenting wide variations in costs and outcomes and targeting opportunities for interventions to reduce this variation. The examples below illustrate some of the ways APCD data are being used to promote transparency and oversight of healthcare utilization, quality, and costs.

Informing Health System Change - Use of All-Payer Claims Databases

The APCD Showcase (Figure 1) features links to state reports, many of these tailored for key audiences who use the data for their own purposes. None of these reports would be possible without statewide APCD reporting programs.

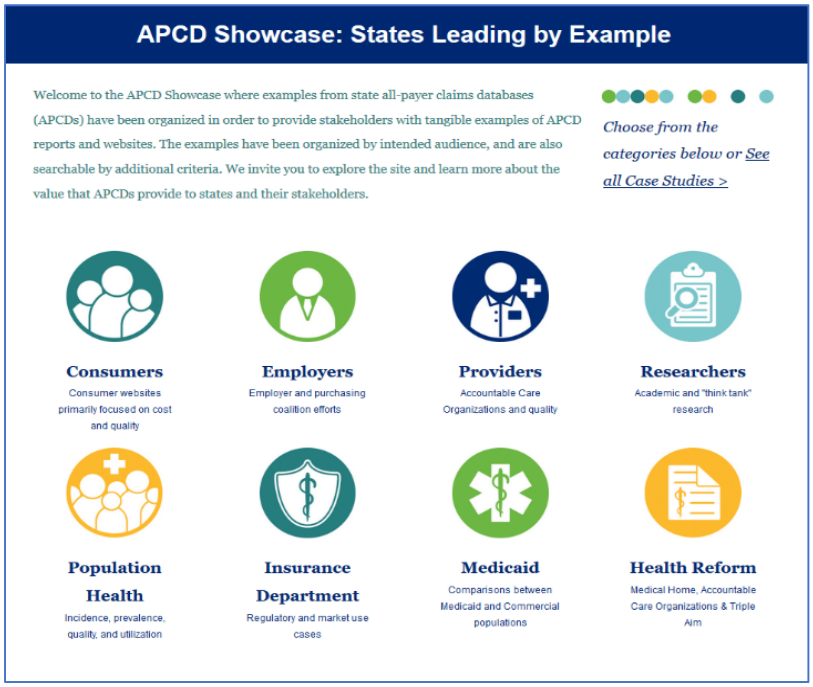


Figure 1. APCD Showcase, https://www.apcdshowcase.org/

Promoting cost and quality transparency and protecting consumers. New Hampshire's HealthCost, Maine's CompareMaine, and Maryland's Wear the Cost websites make available provider-level price and quality information to consumers, health plan enrollees, and employers to promote healthcare comparison shopping. An example of this type of transparency tool shows the average cost for a C-section birth (see Figure 2).

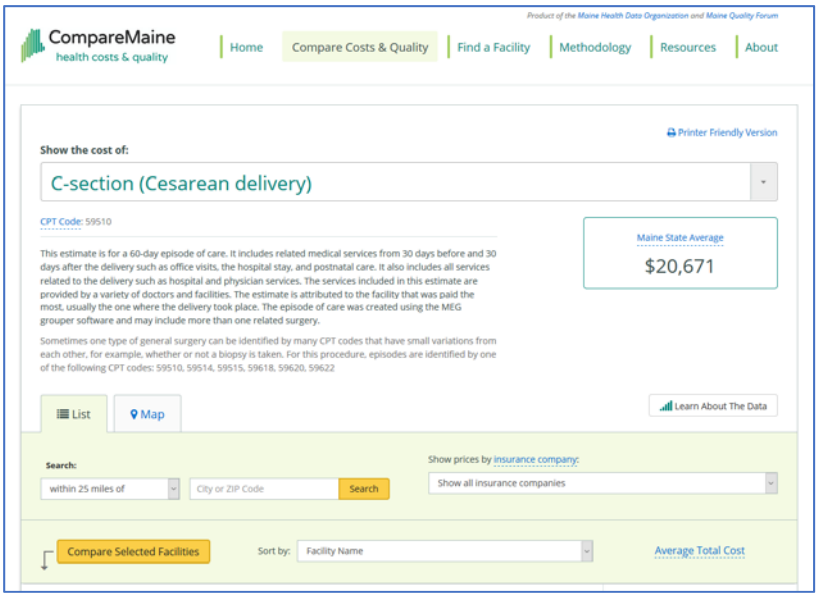


Figure 2. CompareMaine, http://www.comparemaine.org

Assessing geographic variations in price and utilization. The Oregon Health Authority publishes quarterly reports that compare per-member per-month costs and utilization, by service category, for commercially insured, public employees, and public payers (see Figure 3). Colorado APCD data has been analyzed to study price variation for common procedures among healthcare facilities. Maryland APCD data has been used to compare the unit-costs, utilization, per-member per-month costs, out-of-pocket and insurance payments, geographic variations, and physician access across geographic regions.

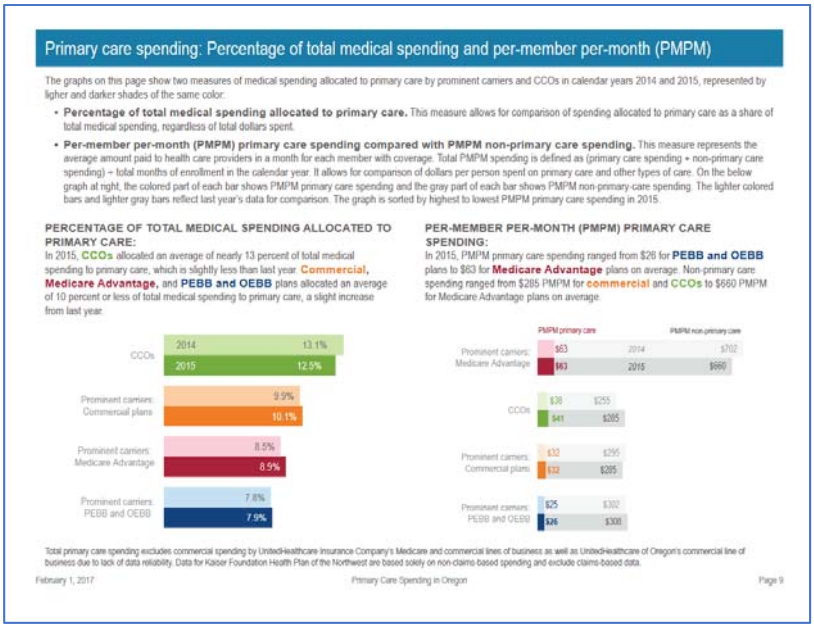


Figure 3. Oregon Health Authority, Primary Care Spending in Oregon, A Report to the Oregon State Legislature, February 2017. http://www.oregon.gov/oha/HPA/CSI-PCPCH/Documents/2017%20SB231_Primary-Care-Spending-in-Oregon-Report-to-the-Legislature.pdf

Tracking healthcare spending drivers and trends. Massachusetts APCD data has been used to produce an annual report of trends in healthcare spending for commercial payers by category of service, type of episode, and geographic area. Minnesota released a report estimating the use and cost of low value services in the state (see Figure 4).

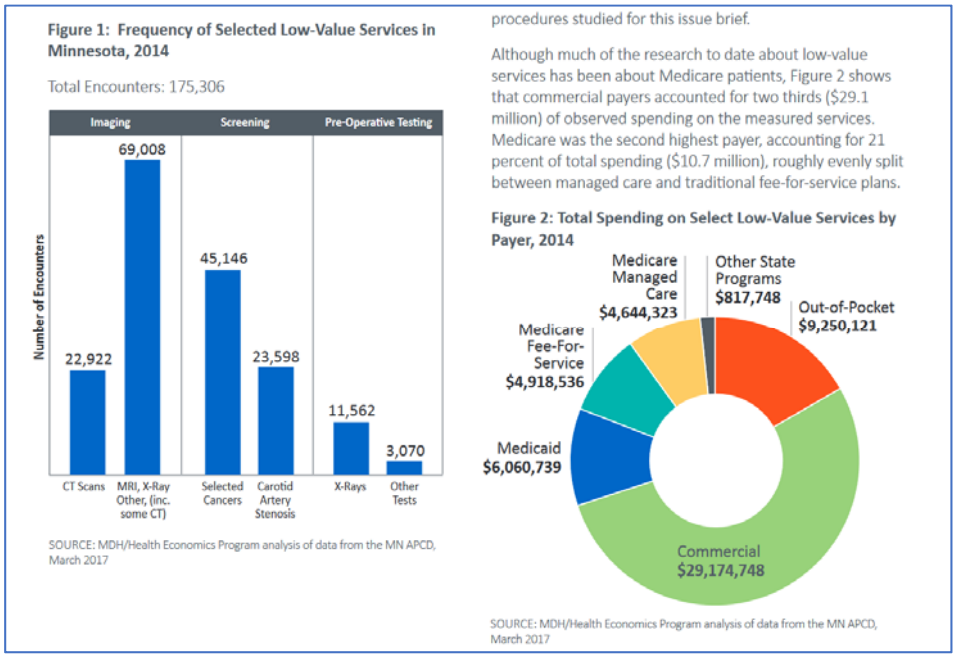


Figure 4. Analysis of Low-Value Health Services in the Minnesota All Payer Claims Database, March 2017
http://www.health.state.mn.us/healthreform/allpayer/lvsissuebrief.pdf

Promoting public health. Organizations in Virginia and Utah have used APCD data to track opioid prescription claims across geographic areas and patient characteristics to understand and address trends (see Figure 5).

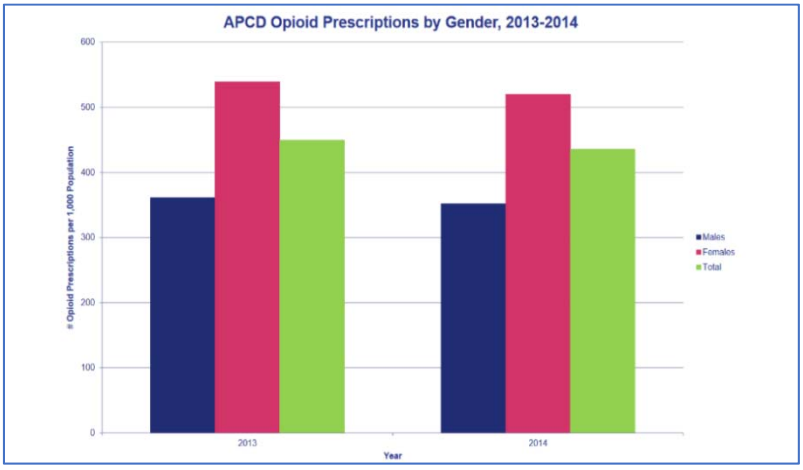
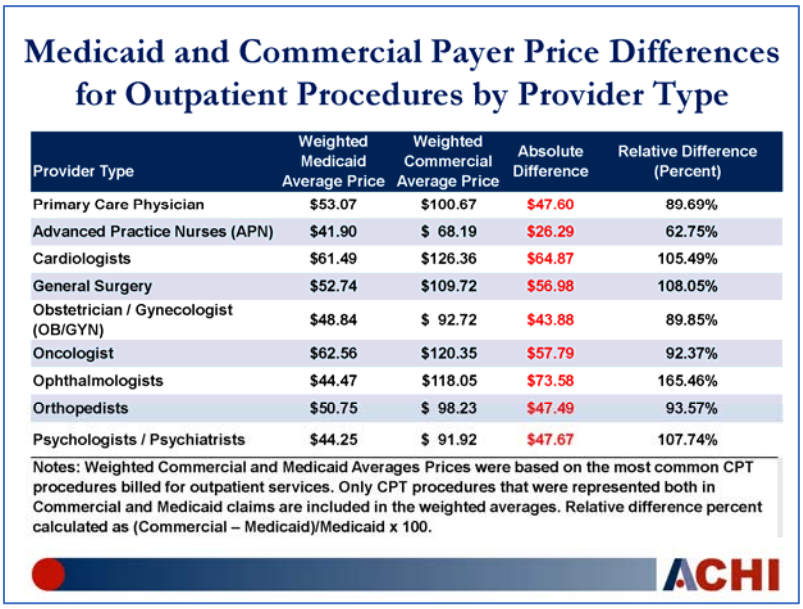


Figure 5. APCD Opioid Prescriptions by Gender, 2013-2014, HealthInsight Utah, Transparency Advisory Group, April 2016.

Assessing the impact of policy changes. Researchers at the Arkansas Center for Health Improvement (ACHI) are using APCD data to understand the impact of Medicaid expansion efforts in Arkansas, using commercial claims data as a comparator to Medicaid claims data (see Figure 6).



Medicaid and Commercial Payer Price Differences for Outpatient Procedures by Provider Type

Provider Type	Weighted Medicaid Average Price	Weighted Commercial Average Price	Absolute Difference	Relative Difference (Percent)
Primary Care Physician	$53.07	$100.67	$47.60	89.69%
Advanced Practice Nurses (APN)	$41.90	$ 68.19	$26.29	62.75%
Cardiologists	$61.49	$126.36	$64.87	105.49%
General Surgery	$52.74	$109.72	$56.98	108.05%
Obstetrician / Gynecologist (OB/GYN)	$48.84	$ 92.72	$43.88	89.85%
Oncologist	$62.56	$120.35	$57.79	92.37%
Ophthalmologists	$44.47	$118.05	$73.58	165.46%
Orthopedists	$50.75	$ 98.23	$47.49	93.57%
Psychologists / Psychiatrists	$44.25	$ 91.92	$47.67	107.74%

Notes: Weighted Commercial and Medicaid Averages Prices were based on the most common CPT procedures billed for outpatient services. Only CPT procedures that were represented both in Commercial and Medicaid claims are included in the weighted averages. Relative difference percent calculated as (Commercial – Medicaid)/Medicaid x 100.

ACHI

Figure 6. Medicaid and Commercial Payer Price Differences for Outpatient Procedures by Provider Type, 2014. Arkansas Center for Health Improvement. Presented at the NAHDO Annual Meeting, 2017.

These are only a few examples of the ways that state APCD data is used; this information is the basis on which consumers, employers, and policy decisions are made. The APCD Council, maintains a web-based inventory of APCD uses which can be found at https://www.apcdshowcase.org/.

Urgent Recommendations for Federal Efforts to Advance Consumer Transparency Information Initiatives

While states have been able to leverage their health data for important work to date, there are several opportunities for federal investment to supplement and enhance state data reporting initiatives. There are also immediate solutions that federal agencies can take to facilitate the release of relevant price and quality data for the public:

Substance Use Disorder Data Policy and Practice revisions: States need to be able to access substance use data for residents in their state. States have experienced challenges in acquiring data related to substance use treatment, due to concerns about 42 CFR Part 2. The APCD Council submitted comments to the Substance Abuse and Mental Health Services Administration (SAMHSA) proposed rule modification https://www.apcdcouncil.org/news/2016/04/apcd-council-submits-comments-sahmsa-regarding-proposed-changes-42-cfr-part-2 and featured SAMHAS staff at the NAHDO 2017 meeting in Washington DC. https://www.nahdo.org/sites/nahdo.org/files/NAHDOpresentationSAMHSA.pdf

ERISA Self-funded Data Reporting Solutions: A portion of a state's commercially-insured population can be exempted from state reporting due to ERISA pre-emption, as ruled in the Supreme Court decision *Gobeille v. Liberty Mutual*. States have actively sought solutions for capturing this critical information, including developing an All-Payer Claims Database - Common Data Layout (APCD-CDL™) to address concerns around reporting burden (https://www.apcdcouncil.org/common-data-layout). There are mechanisms that the Department of Labor, specifically, can leverage to support state data collection efforts.

Medicare Advantage Inclusion in State APCD Initiatives: We are requesting the CMS strengthen its position around states' collection of Medicare Advantage data to state-mandated APCDs. In some states, insurers offering Medicare Advantage plans have expressed concerns about submitting those data to state APCDs. While CMS has provided guidance to states indicating that there are no CMS restrictions related to those data, continued clarification on the issue would be helpful.

Federal Employer Health Benefit Inclusion in State APCD Initiatives: We welcome dialogue with the Office of Personnel Management (OPM) regarding the submission of Federal Employer Health Benefit (FEHB) data. In some states, carriers providing coverage for FEBH plans have expressed confusion about their ability to submit those data to state APCDs. OPM has expressed interest in understanding how it could develop documentation of data procedures at the state level that would allow OPM to provide approval for submission of FEHB plan data to state APCDs. CMS could work with OPM to understand and adopt its state agency approval process.

Thank you for reviewing these comments and recommendations to complement and enhance the Reforming America's Healthcare report. We look forward to discussing these recommendations with you to strengthen data systems to support health system transformation.

Sincerely,

Jo Porter, MPH
Director, Institute for Health Policy and Practice, University of New Hampshire
Co-chair, All-Payer Claims Database (APCD) Council
Jo.porter@unh.edu

Denise Love, BSN, MBA
Executive Director
National Association of Health Data Organizations (NAHDO)
Co-chair, All-Payer Claims Database (APCD) Council
dlove@nahdo.org

Referenced Websites

https://www.apcdshowcase.org/
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