



September 10, 2018

## Comments to File Code CMS-1693-P

To the Centers for Medicare & Medicaid Services:

On behalf of the National Association of Health Data Organizations (NAHDO) and Institute for Health Policy and Practice (IHPP) which collaboratively manage the All-Payer Claims Database (APCD) Council, we are submitting written comments to the Notice of Proposed Rule Making (NPRM) CMS-1693-P. The All-Payer Claims Database (APCD) Council is 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). NAHDO is a national non-profit organization, established in 1986, to promote the uniformity, comparability, and availability of public health care data for policy, research, and market decisions.

The leadership team respectfully submits the following comments, in response specifically to section IV.B. *Request for Information on Price Transparency: Improving Beneficiary Access to Provider and Supplier Charge Information*. We have focused our comments on states' efforts to drive transparency and how that experience can inform CMS, understanding that there is a broader universe of stakeholders who will likely comment on other parts of the NPRM with their own unique lens.

NAHDO and the APCD Council are committed to assisting CMS in its transition to value-based care delivery and in promoting accelerated and expanded data exchange across the healthcare community. NAHDO and the APCD Council, along with our state and national members, want to work more closely with CMS as a partner to leverage the information infrastructure that states have established, some with investments from CMS through CMMI and Medicaid programs.

We commend CMS on its commitment to receive public input about promoting price transparency. CMS calls out specific data in the NPRM, and we provide comments about those data as well as other available data that promote transparency, such as health care claims data. We draw on our mission and work with states on their own public reporting and transparency initiatives, to provide the following comments and recommendations directed to the Price Transparency aspects of this NPRM.

These statewide systems collect system-wide data from providers and payers in a state and make the information available for policy decisions, research, and consumers, among other



users. States have over 30 years' experience developing Hospital Discharge Data Systems (HDDS) and many states have been leaders in publicly reporting risk-adjusted mortality and utilization reports and provider comparative quality measures, including hospital readmissions, healthcare-acquired complications. (HDDS; see [www.nahdo.org](http://www.nahdo.org) for a list of states with HDDS).

While hospital data provide population-based information about inpatient and Emergency Department utilization and outcomes, these data systems contain only charge information and thus, are not especially useful for consumer price transparency applications. Therefore, driven by rising health care costs, payment reform, and shifting of care to outpatient settings, over the past decade, states have been developing All-Payer Claims Databases (APCD) (see [www.apcdouncil.org](http://www.apcdouncil.org) for a list of states with APCDs).

This NPRM focuses on CMS' interest in efforts for price transparency, and we address specific questions from the NPRM, below. However, while states are focused on price transparency, states have invested and are using ongoing sources of comparable and comprehensive data to support broader system transparency, to inform health policy, population health, and delivery system performance. Some examples include:

- **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 (<http://www.oregon.gov/oha/hpa/analytics/pages/index.aspx>). Colorado uses its APCD to study price variation for common procedures among facilities (<http://www.civhc.org/get-data/interactive-data/statewide-metrics/cost-of-care/>). Maryland uses APCD data to compare the unit-costs, utilization, per-member per-month costs, out-of-pocket and insurance payments, geographic variations, and physician access data across geographic regions (<http://mhcc.maryland.gov/transparency/Default.html>).
- **Tracking health care spending drivers and trends.** Massachusetts uses its APCD data to produce an annual report analyzing trends in in health care spending for commercial payers by category of service, type of episode, and geographic area (<http://www.mass.gov/anf/docs/hpc/apcd-almanac-chartbook.pdf>). Minnesota has used its APCD data to analyze prescription drug spending by therapeutic category and setting (office-administered vs. pharmacy benefit) ([http://www.health.state.mn.us/healthreform/allpayer/20160229\\_rxtrends.pdf](http://www.health.state.mn.us/healthreform/allpayer/20160229_rxtrends.pdf)). Rhode Island released a report analyzing the top 15 clinical complaints and associated costs of potentially avoidable emergency room visits broken down by payer type (<http://health.ri.gov/data/potentiallypreventableemergencyroomvisits/>)

- **Promoting public health.** Organizations in Virginia (<http://www.vhha.com/research/2016/01/29/data-show-southwest-virginia-hard-hit-by-opioid-crisis/>) and Utah (<http://healthinsight.org/files/Utah%20Partnership%20for%20Value-Driven%20Healthcare/Transparency%20Advisory%20Group/In-Person%20Events/TAG%20Slides%204-19-16%20final.pdf>) have used APCD data to track opioid prescription claims across geographic areas and patient characteristics to understand and address trends in opioid use as have the Agency for Healthcare Research and Quality ([https://www.hcup-us.ahrq.gov/datainnovations/Opioid\\_trends\\_ICD\\_Med\\_Care.pdf](https://www.hcup-us.ahrq.gov/datainnovations/Opioid_trends_ICD_Med_Care.pdf)). New Hampshire used APCD data to measure access to and utilization of preventive services, such as cancer screening or diabetic testing and treatment, among its adult Medicaid population (<https://www.dhhs.nh.gov/ombp/documents/adultpreventivebrief.pdf>)
- States are using their data systems to improve outcomes and reduce costs associated with avoidable inpatient and Emergency Department visits and hospital readmissions ([https://profiles.health.ny.gov/measures/all\\_state/16284](https://profiles.health.ny.gov/measures/all_state/16284))

The following sections provide comments to the specific areas of price transparency included in the NPRM.

### **Public Reporting of Hospital Charges and Chargemasters**

While we commend CMS for the requirement to make current standard charges available annually, this effort faces a series of challenges based on lessons learned in over thirty years of state-based hospital discharge data reporting programs. This includes:

- There is no standard definition for charges and hospital chargemasters, resulting in tremendous variation across hospitals and facilities in calculating what is reflected in a chargemaster.
- What is actually charged by a provider for a given service varies widely across payers. Charges and chargemasters do not reflect what is actually paid.
- Hospitals often use the chargemaster as bookkeeping for unit pricing set to maximize revenue, and its information is irrelevant to the individual patient.
- Focusing on facility charges as sources of consumer information will fall short in informing decisions and estimating financial liability, because a service, even within a hospital, will include charges to the patient for professional services that are part of the



patient interaction, but may not be part of the facility's cost (i.e., they may be billed separately).

While statewide all-payer hospital discharge data reporting programs provide important population-based and system performance information, hospital charges do not adequately support price transparency and health care cost applications. Thus, states with hospital reporting programs have rapidly been expanding to APCD reporting in order to obtain additional financial fields, such as actual paid amount, which is closer to the price of service.

**• *What types of information would be most beneficial to patients, how can providers and suppliers best enable patients to use charge and cost information in their decision-making, and how can CMS and providers and suppliers help third parties create patient-friendly interfaces with these data?***

We support CMS' efforts to engage consumers through publicly-available and comparable health care information. As states and other entities are learning, translating complex health care data into meaningful and useful information, and getting consumers to use this information is difficult.

Determining the price for a service is not a simple exercise, yet many states are making strides to provide price information to consumers. Because of the difficulties (and the cost/resources required), we recommend that CMS leverage state APCD tools and methods that have been developed. We believe that a price transparency collaboration between CMS and state officials would benefit both CMS and state all-payer transparency efforts.

As the only statewide data source for a state that captures the utilization and costs across payers and providers in a state, including pharmacy, physician, and dental data, state APCDs should be considered as a model and a source of comparative benchmark information for price transparency initiatives, including those implemented by CMS. Because data are collected and used at the local levels, APCD data systems are robust enough to allow granular data analysis to support local-level information—which no national data source can provide. However, if states and CMS can work together, these local data can be standardized and aggregated to provide regional and national information to support a range of transparency applications.

***Examples of states providing health cost information and tools to consumers include the following:***

The example below, from the NH HealthCost website from the New Hampshire Insurance Department<sup>1</sup>, shows that an X-ray of the knee (using the same procedure code) can vary three-fold in cost, for a person covered by group health insurance from a single insurer, depending on location of the service.

**X-Ray - Knee (outpatient)**  
Procedure Code: 73562

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.

X-ray exam of the knee, with three views. Procedure code 73562

**Sort Results**  
Sort by Estimate of Total Cost

	Estimate of Total Cost	Precision of the Cost Estimate	Typical Patient Complexity
<input type="checkbox"/> Sportsmedicine Atlantic Orthopaedics	\$56	▲ HIGH	● MEDIUM
<input type="checkbox"/> Seacoast Orthopedics & Sports Medicine	\$59	▼ LOW	▲ HIGH
<input type="checkbox"/> Derry Imaging Center	\$121	▼ LOW	● MEDIUM
<input type="checkbox"/> Core Physicians	\$123	▼ LOW	● MEDIUM
<input type="checkbox"/> York Hospital	\$128	● MEDIUM	● MEDIUM
<input type="checkbox"/> Frisbie Memorial Hospital	\$175	▼ LOW	● MEDIUM

This example from New Hampshire highlights the utility of developing data systems to collect data to support health care system transparency.

Another example of state efforts to capture detailed data and transform the data into meaningful consumer-oriented information is the State of Washington’s All-Payer Health Care Claims Database (WA-APCD) and its recently-launched HealthCareCompare website. The WA-APCD includes more than 30 commercial health care payers; the Medicaid program, including its five managed care plans; and Medicare Advantage, the HMO products for Medicare

<sup>1</sup> www.nhhealthcost.com

members. These data supply the information in the HealthCareCompare website.

WASHINGTON HealthCareCompare  
DISCOVER. COMPARE. DECIDE.

Home Statewide Performance Data Requests Washington's AF

Find the best care, at the best price.

Find local prices of a treatment or visit | Find quality health care nearby

Name of procedure or treatment (required) | Your ZIP Code (required) | **SEARCH**

Examples: "knee" "pregnant" "weight loss" "urgent care" | [Why do we ask for ZIP Code?](#)  
[Can't find what you're looking for?](#)

This search will help you find prices for medical procedures and other health care services or therapies.

**No more mystery.**  
The cost and quality of your health care matters too much.

COST AND VALUE <span>SHOW LESS</span>			
	Commercial Coverage	Health Exchange Coverage	Medicaid Coverage
Yearly Healthcare Cost Per Medicaid Enrollee (Enrollee Cost per Year)	No Result	No Result	\$5,524
Yearly Healthcare Cost Per Public Employee Program Enrollee (PEBB) (Enrollee Cost per Year)	\$6,026	No Result	No Result
Emergency Room Visits Per 1,000 Persons	136.44	140.5	625.89

GOOD TREATMENT RESULTS <span>SHOW MORE</span>	
How is this measured?	

KEEPING PATIENTS SAFE <span>SHOW MORE</span>	
How is this measured?	

GET THE RIGHT CARE <span>SHOW MORE</span>	
How is this measured?	

GETTING IN TO SEE THE DOCTOR <span>SHOW MORE</span>	
How is this measured?	

PREVENTING ILLNESS <span>SHOW MORE</span>	
How is this measured?	

Another example of consumer-oriented information supported by a statewide APCD is the CompareMaine website, designed with consumer stakeholder input and blending price information with quality metrics.

Maine’s CompareMaine site: <http://www.comparemaine.org/>

Product of the Maine Health Data Organization and Maine Quality Forum

**CompareMaine** health costs & quality | Home | Compare Costs & Quality | Find a Facility | Methodology | Resources | About

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MRI scan of lower spinal canal Maine State Average  
**\$1,032**

List | Map

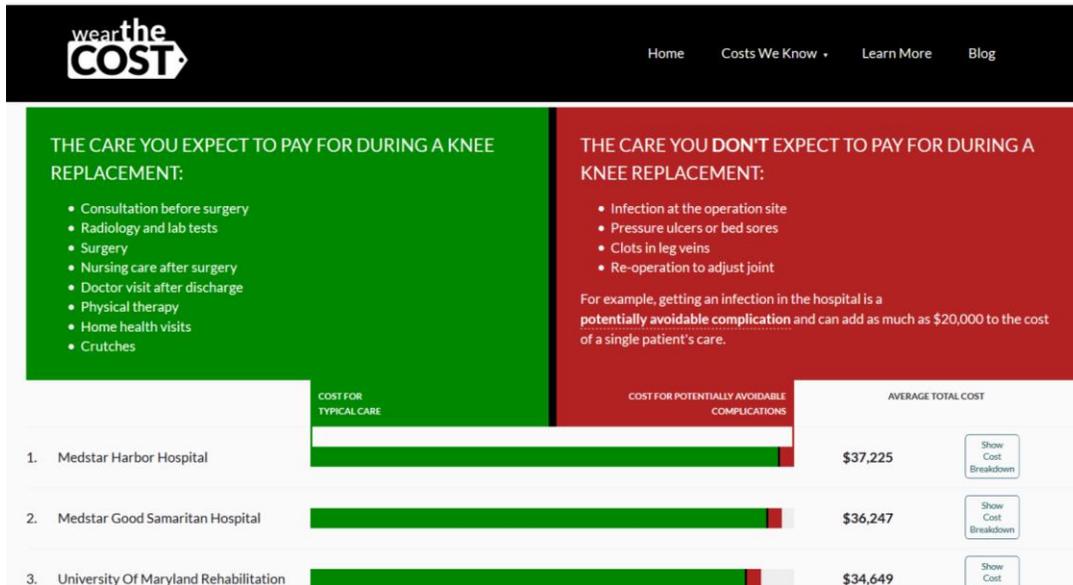
Search: within 25 miles of   Show prices by insurance company:

Sort by: Average Total Cost (low to high)

<p><b>Cary Medical Center</b> 163 Van Buren Rd Caribou, ME 04736-3567</p> <p>Patient Experience </p> <p>Preventing Serious Complications </p> <p>Preventing Healthcare-Associated Infections (C. diff) </p>	<p><b>\$1,445</b> <small>cost breakdown</small></p>
<p><b>Central Maine Orthopaedics</b> 690 Minot Ave Auburn, ME 04210-3922</p> <p>N/A Patient Experience </p> <p>N/A Preventing Serious Complications </p> <p>N/A Preventing Healthcare-Associated Infections </p>	<p><b>\$683</b> <small>cost breakdown</small></p>
<p><b>Down East Community Hospital</b> 11 Hospital Dr Machias, ME 04654-3325</p> <p>Patient Experience </p> <p>N/A Preventing Serious Complications </p> <p>Preventing Healthcare-Associated Infections (C. diff) </p>	<p><b>\$1,737</b> <small>cost breakdown</small></p>

Another exemplary site is Maryland's WearTheCost site:

<http://healthcarecost.mhcc.maryland.gov/>



There are many other examples of how states are disseminating health care data. These tools provide comparative information about the cost for selected services, typically focusing on services for which people have time and ability to choose where to receive care. The full functionality of these tools is beyond the scope of these comments, and we encourage you to spend time using the tools to understand how they can be used to assist consumers.

Importantly, many of these tools also incorporate aspects of health care quality into the consumer tools. The tools incorporate such quality dimensions as complications, health care associated infections, and patient experience.

## Recommendations for CMS-State Collaboration to Promote Price Transparency

We recommend that CMS work closely with states to leverage lessons learned and apply new and promising practices. This will enhance both state tools, and can be built upon to develop regional and national portals for information, using standard methods and measures based on standardized claims-based administrative data that both states and CMS maintain. A CMS-state price transparency collaboration would consist of the following components:

- Co-design of a standardized price transparency consumer portal that incorporates best practices across state and other transparency sites as well as consumer-friendly functions
- Federal support of state price transparency initiatives through continuation of the Federal Financial Participation (FFP) mechanism for states adopting standard interfaces, measures, and methods for transparency websites.
- CMS participation in state efforts to standardize the underlying claims data that support price transparency websites. In collaboration with states and payers, the APCD Council has developed the Common Data Layout (CDL) for core all-payer claims data sets. The CDL core data set supports common measures and information across states.
- Improvements and guidance in the collection and use of physician and provider identifiers and patient-provider attribution.

A coalition of state and national payers, coordinated by the APCD team, have harmonized APCD reporting data elements and formats across states, known as the Common Data Layout (CDL).<sup>2</sup> Policy efforts that focus on implementing the CDL in order to fill data gaps, as well as maintain and update and implement the common reporting formats, will reduce reporting burden and improve comparability of claims-based data across states. This effort has not been implemented due to a combination of factors: 1) Department of Labor delay in enacting a final reporting rule and 2) lack of funding to support the finalization and maintenance of the APCD reporting standard.

State and private reporting initiatives will benefit from shared solutions to common technical issues, where possible. Seeking common solutions to cross-cutting issues will benefit all. This includes:

- a. Physician identifiers and attribution

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<sup>2</sup> <https://www.apcdouncil.org/standards>

- b. Common approaches to data quality/claims data edit logic
- c. Open-source measures and tools, such as episodes of care, consumer transparency tools, and quality measures

- ***Should providers and suppliers be required to inform patients how much their out-of-pocket costs for a service will be before those patients are furnished that service?***

In short, yes, we need more transparency across the entire health care delivery system, from the points of care to statewide and national benchmarks and metrics. However, gathering price information from individual providers is a daunting undertaking for most consumers and it is likely that self-reported pricing at the individual provider levels will not be comparable nor validated by an independent party. This is why statewide APCDs and state based tools have much promise for consumer use. States do capture system-wide data, validate the data, and normalize the information in analytic formats for consumer and public uses.

But states alone cannot bear the entire burden of supporting people to be effective health care consumers. Such an effort will require a multi-faceted approach. Employers, providers, payers, advocacy organizations, policy makers, and others all play a role. While there are many important players in efforts to support transparency, states will continue to have a crucial and central role. Research has shown that the vast majority (80%) “think it is important for their state governments to provide people with comparative price information.”<sup>3</sup>

- ***How can information on out-of-pocket costs be provided to better support patients’ choice and decision-making? What changes would be needed to support greater transparency around patient obligations for their out-of-pocket costs? How can CMS help beneficiaries to better understand how co-pays and coinsurance are applied to each service covered by Medicare? What can be done to better inform patients of their financial obligations? Should providers and suppliers of healthcare services play any role in helping to inform patients of what their out-of-pocket obligations will be?***

Several state reporting tools for price transparency offer the ability for consumers to input information specific to their insurance plans, including the levels of the consumer’s responsibility for cost (e.g., deductible amount, co-insurance, etc.). This allows consumers to estimate their out-of-pocket costs related to services, by provider. While those are important dimensions to healthcare transparency tools, it is important to remember that the consumers

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<sup>3</sup> <https://nyshealthfoundation.org/wp-content/uploads/2017/11/how-people-use-health-care-price-information-full-report.pdf>

may not be fully aware of their benefit plan designs, and how and when their consumer payment responsibility exist. It is critical to couple the cost information with a larger effort to educate consumers about how to traverse the health care system and how to ask questions of both the insurers and providers to make effective use of the data and information made available by any price transparency effort and related tool.

• ***Can we require providers and suppliers to provide patients with information on what Medicare pays for a particular service performed by that provider or supplier?***

While providing information about Medicare payments may facilitate greater conversations about price transparency and price variation, coupling that information with what states are doing for commercial coverage will be of greater value in promoting price transparency. We believe that there are ways that CMS can use its authority and boost transparency initiatives in the broader environment beyond Medicare. These include:

1. CMS can require Medigap plans to participate in and report claims data to the statewide All-Payer Claims Database reporting system.
2. CMS can partner with state APCDs to align policies and practices around common areas of interest related to price transparency and value-based care delivery.

Utilizing and leveraging statewide APCD reporting should have minimal impact on provider reporting burden. Payers already report extracts to the state APCD and may have to expand reporting, but with minimal burden. These data can be used in tools and measures that inform Medigap patient's understanding of out-of-pocket costs and identify how prices vary across the state and providers, using a similar format that states use for their commercial price tools and reporting on out-of-pocket costs.

In conclusion, we commend CMS' efforts to promote consumer engagement and price transparency. As states have learned, there are many technical barriers to publishing health care prices that are comparable, reliable, and validated. Resolutions to technical barriers to enhanced health care transparency are possible and states are sharing lessons learned and effective practices. But states alone cannot effectively solve all of the issues (e.g., data gaps, provider identifiers, common interfaces, and standard data and measures). We recommend that federal-state partnership is developed to support continued use of and commonality in claims-based data collection.



We welcome the opportunity for more discussion with you and your teams, about any of our comments, or about additional questions you may have.

Sincerely,

A handwritten signature in black ink that reads "Denise Love".

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**List of Resources Cited in this Response:**

[www.nahdo.org](http://www.nahdo.org)  
[www.apcdouncil.org](http://www.apcdouncil.org)  
[www.apcdshowcase.org](http://www.apcdshowcase.org)  
<http://www.oregon.gov/oha/hpa/analytics/pages/index.aspx>  
<http://www.civhc.org/get-data/interactive-data/statewide-metrics/cost-of-care/>  
<http://mhcc.maryland.gov/transparency/Default.html>  
<http://www.mass.gov/anf/docs/hpc/apcd-almanac-chartbook.pdf>  
[http://www.health.state.mn.us/healthreform/allpayer/20160229\\_rxtrends.pdf](http://www.health.state.mn.us/healthreform/allpayer/20160229_rxtrends.pdf)  
<http://health.ri.gov/data/potentiallypreventableemergencyroomvisits/>  
<http://www.vhha.com/research/2016/01/29/data-show-southwest-virginia-hard-hit-by-opioid-crisis/>  
<http://healthinsight.org/files/Utah%20Partnership%20for%20Value-Driven%20Healthcare/Transparency%20Advisory%20Group/In-Person%20Events/TAG%20Slides%204-19-16%20final.pdf>  
[https://www.hcup-us.ahrq.gov/datainnovations/Opioid\\_trends\\_ICD\\_Med\\_Care.pdf](https://www.hcup-us.ahrq.gov/datainnovations/Opioid_trends_ICD_Med_Care.pdf)  
<https://www.dhhs.nh.gov/ombp/documents/adultpreventivebrief.pdf>  
[https://profiles.health.ny.gov/measures/all\\_state/16284](https://profiles.health.ny.gov/measures/all_state/16284)  
[www.nhhealthcost.com](http://www.nhhealthcost.com)  
<http://www.comparemaine.org/>  
<http://healthcarecost.mhcc.maryland.gov/>  
<https://www.apcdouncil.org/standards>  
<https://nyshealthfoundation.org/wp-content/uploads/2017/11/how-people-use-health-care-price-information-full-report.pdf>