

**Testimony before the
National Committee on Vital and Health Statistics (NCVHS)
on
Claims-based Databases for Policy Development and Evaluation**

Introduction

Good afternoon Mr. Chairman and members of the Subcommittee,

Thank you for the opportunity to testify today on behalf of HealthCore, Inc and Anthem Inc. regarding our perspective on Claims-based Databases for Policy Development and Evaluation. We have also filed a more inclusive written testimony with the Subcommittee.

I am Sheryl Turney, Senior Director, All Payer Claims Database Analytics, HealthCore, Inc. (a subsidiary company of Anthem, Inc.)

- I have been working in the health care industry for over 28 years and for the past six years I have provided enterprise leadership to Anthem on the subject of All Payer Claims databases.
- I am a current member of the Project Management Institute, the CT State Innovation Model Health Information Technology work group, the Virginia Health Information APCD Advisory council and many other healthcare related industry organizations. .

HealthCore is the wholly-owned, independently-operated research subsidiary of Anthem, Inc. HealthCore conducts a broad array of cutting edge, health research studies and analyses which produce much needed real-world evidence on the safety and effectiveness of biomedical products for both internal and external clients.

With over 72 million people served by its affiliated companies, including more than 38 million enrolled in its family of health plans, Anthem is one of the nation's leading health benefits companies. Anthem submits APCD data in 12 states, including 3 states in which submission is voluntary. We have worked closely with state entities to support the implementation and ongoing maintenance of these resources.

Anthem is fully supportive of efforts to promote high-quality, high-value care. We hope that sharing our experience and recommendations with NCVHS will help improve the effectiveness of the policies and standards related to Claims-based Databases for Policy Development and Evaluation.

Based on our extensive experience as both a data submitter and a sophisticated research organization, we believe that a federated, multi-state data model would allow stakeholders to realize the potential benefits of APCDs while

minimizing the burden on data submitters, states, and researchers. A harmonized approach is also consistent with the government's effort in other areas, such as in the use of EDGE servers. We believe that NCVHS' leadership on this point has the potential to substantially advance the usability, effectiveness, and impact of APCDs.

Greater alignment of APCD standards can mitigate many of the challenges presented by APCD participation today. Specifically, future efforts to streamline APCD reporting and analysis should focus on:

- Establishing relevant, meaningful, and appropriate core data elements that can meet the analytic and reporting needs of multiple states;
- Standardizing the underlying technical infrastructure for data collection and the format in which payers submit claims data;
- Aligning process requirements, including data integrity checks and periodic data updates; and
- Outlining common expectations and practices for reporting on quality and claims data, including appropriate protections for sensitive information.

I would now like to elaborate on each of these specific areas based on our experience across multiple states and APCDs.

Establishing relevant, meaningful, and appropriate core data elements

Anthem's experience is that while many of the existing APCDs were initiated to achieve the triple aim by reducing the cost of health care, increasing the quality of health care delivered and increasing the accessibility of health care services, the specific outcomes and actions necessary for achieving those outcomes are not well defined. This lack of specificity means that APCD entities frequently need to adjust the approach or methodology for collecting data, as well as the metrics and algorithms required to measure progress against these objectives. In some cases, misalignments persist in APCD requirements; for example, data on race, ethnicity, social security numbers, and temporary residence locations (particularly for students) are often required elements that are not universally populated in claims data.

Anthem has spent significant time, resources and budget reporting data to various APCDs. A core set of data elements would greatly reduce the administration burden for data submitters, but also for researchers and others who seek to use APCD data. We note that the establishment of a core data set should include a variety of stakeholder perspectives. In considering recommendations from Anthem as a standard to be named for APCD reporting, one example to pull from for consideration is the work ASC X12 has performed with industry to produce a standard APCD reporting transaction named the "Post Adjudicated Claims Data Reporting (PACDR)

We recognize that a core data set will need to be cultivated and updated over time. For example, as the interest in innovative payment models grows, so too does the need for a longitudinal patient record that includes claims and clinical data. Most APCDs currently DO NOT support the innovative payment models that are becoming a hallmark of our engagement with providers and are an express goal of the administration. As these new payment models are defined, data requirements for reporting against quality, cost and accessibility measures increase. The current APCDs and claims databases must be completely retrofitted to accommodate the data requirements for measuring these new payment and quality models currently being refined under MACRA; establishing a single set of data elements that is periodically reassessed would ensure that APCDs contain

relevant information, and would eliminate the need for data submitters to manually retrofit claims for each database.

Standardizing the underlying technical infrastructure and reporting requirements

The lack of common technical infrastructure and standards for APCD or claims based databases across geographic areas also poses challenges.

Significant issues include the following:

- Each APCD's physical database has unique technical and other specifications, requiring data submitters to reformat claims data according to the parameters of each entity's system. This reformatting is resource-intensive and costly for data submitters. For example, Anthem has devoted substantial personnel and other resources to our APCD efforts. We estimate the total cost over the past 6 years to be \$40 million. We suspect that state APCD entities have spent similarly large sums on APCD creation and maintenance, though no such data are available to the public.
- There is a lack of standardization in terms of the form, content, and submission process for data completeness and quality among states (entities) requiring claims data submissions.
- There is a lack of consistency among APCD state entities with regard to what entities are required to submit claims data. The inclusion/exclusion rules have been impacted by ***Gobeille v. Liberty Mutual Insurance Company***¹ in which the U.S. Supreme Court held that ERISA preempted a Vermont state law that required ERISA employer groups (self-insured) to be data submitters to the Vermont APCD.
- For many of the state APCDs there is a process by which data extracts are submitted and go through a pre-process. Once this pre-process is completed (usually within a few days) the data go through a level of threshold checks and data quality checks. The APCD data may also go through an additional level of stratification or verification that results in questions from the state APCD entities to the payers - sometimes weeks, months, or years after the data were originally submitted.

One of the biggest benefit to the adoption of a common Claim-based database and APCD reporting standard for the payer and the APCD entities is the economy of reporting claims data the same way to every APCD or Claims-based databases across geographies. With a uniform model, claims-based APCD databases could be utilized across states. States may decide to regionalize and share the cost for the implementation and maintenance of their claims-based APCD databases, which will ultimately drive down their long-term costs. A more regional based APCD solution greatly benefits researchers that often want to see data stratified across a larger geographical area. To summarize the steps necessary to achieve harmonization of APCD data, technical architecture, and data specifications, stakeholders should:

- Agree upon a set of core data elements including a data definition and format for each data element.
- Agree upon the format including headers and trailers for the data extract.
- Agree upon the pre-processing requirements, data thresholds and data quality checks
- Agree upon which data elements are required vs. optional
- Agree upon the inclusion/exclusion criteria for reporting APCD data

¹ *Gobeille v. Liberty Mutual Insurance Company*. No. 14 Civ. 181 (U.S. Mar. 1, 2016). Available at http://www.supremecourt.gov/opinions/15pdf/14-181_5426.pdf.

Aligning process requirements

There is also an opportunity to harmonize APCD processes. In our experience, the timeframes for submitting APCD data – often in response to new guidance from APCD entities – are compressed. Changing guidance and compressed timeframes make it very difficult for data submitters to submit complete, high-quality data to each APCD. This is exacerbated by the fact that many Health Information Exchanges (HIEs) are also now requesting the submission of claims data to be combined with clinical data for reporting, analysis and resale to third parties. These HIE data repositories each have unique requirements.

A well-established, vetted schedule for submitting APCD data would increase predictability for data submitters, researchers, and APCD entities, and would complement efforts to harmonize data elements and technical features.

Outlining common expectations for reporting

With respect to data reporting, Anthem understands and appreciates the potential value of APCD data to researchers. As researchers and other third parties gain access to APCD data, data protection – particularly for data that are personally or commercially sensitive – must be of utmost focus and importance.

Most APCD or claims based entities make claims based data available to third parties for research. Data requests go through a process to determine whether the data requester meets the requirements the APCD entity has put in place for data stewardship and data use. The data elements available and the data governance process for these data requests differ from entity to entity. Currently, claims database entities do not use a common data model or standard framework, which severely limits the ability to combine data sets from multiple state APCD entities for research purposes.

We also see an opportunity for greater transparency and engagement on when and how APCD data are used. There is a lack of transparency with APCD data uses. To highlight a few of the specific issues we have encountered:

- Each state is using and funding complex programs, algorithms and logic to ensure patient and subscriber verifiability, increasing costs for APCD entities and data submitters;
- Some states are attempting to use the health care claims data to provide reports back to employer groups which may result in anti-competitive behavior. There need to be parameters around allowed uses of the data that supports public health concerns without the threat of anti-competitive behavior.
- Claims database entities vary in their rules and practices related to making data available to the payers (data suppliers). Some states, like Virginia- where APCD participation is voluntary – have made the APCD data available to all data submitters through a tool provided by their vendors. Data submitters pay a fee to participate in the Virginia Health Information APCD and receive the public APCD data as a benefit. (VHI masks the Protected Health Information (PHI) data as well as other defined proprietary data elements.) Other states, like Colorado, charge data submitters to receive data from the APCD and the data

request must align with specific “acceptable uses.” In our experience, the costs of supplying data to an APCD typically outweigh any benefits derived from receipt of APCD outputs.

In our experience, there is a lack of standards for APCD data use and claims-based database governance of data requests and data dissemination. Data use challenges include:

- Many APCD entities do not consult with data submitters when evaluating APCD data use.
- Many APCD entities lack transparency to with respect to their data subscribers and data uses, despite the fact that these databases are intended to promote transparency.
- Some APCD entities have developed reports, analysis and measures with proprietary methodologies and algorithms, which results in a lack of transparency in the APCD analysis. This lack of transparency with the reporting methods of APCD data reports impacts the ability of researchers, payers, population health, providers and others to willingly collaborate. Collaboration is a very important component to successfully engaging a cross-functional healthcare team to use the data to accomplish the quality, cost and access objectives of the state APCDs.

The health care landscape is changing rapidly. Anthem is addressing federal and state initiatives that are introducing changes to risk adjustment models, variable payment models, quality measure reporting and population health reporting. All of these transformational reforms require updated reporting requirements. Current claims based APCD reporting data is insufficient to support data requirements. As I have described, all of these transformation reforms require data that are currently not collected by the APCDs to properly analyze and measure progress against these new models. The cost of expanding these claims-based databases in their present form would greatly challenge their ability to achieve sustainability, driving more greatly the need to regionalize these APCD databases to spread the cost across a greater population and increase affordability and efficiencies.

We recognize that there have been multiple efforts to harmonize APCD standards over the past several years. However, efforts to date have not yielded a truly coherent approach. Therefore, we believe that there remains a substantial and critical opportunity to rationalize, harmonize, and streamline the substantial efforts necessary to maintain APCDs, and we thank the Subcommittee for its interest in and leadership on this important topic.

Given its role as an advisory body to the Secretary, NCVHS’s endorsement of a common APCD technical framework, infrastructure and data model for APCD data reporting would go a long way toward addressing many of the challenges posed by the current lack of standardization. NCVHS can also recommend that adoption of a common APCD technical and data framework be a condition of receiving federal funding to establish/maintain state APCDs (i.e. SIM grants).

Thank you again for the opportunity to testify today. I would be happy to take any questions at the end of the session.