**NATIONAL ASSOCIATION OF
HEALTH DATA ORGANIZATIONS**

40th Annual Conference:

A Year of Data Integration, Innovation, and Policy Action

The National Association of Health Data Organizations (NAHDO) celebrated its 40th Annual Conference with a focus on maximizing the value of all-payer claims databases (APCDs), advancing data integration, and translating complex analytics into actionable health policy. Across state case studies, regulatory updates, and emerging practice discussions, a clear theme emerged: the future of health data lies in its ability to integrate disparate sources, overcome legal hurdles, and inform objective, evidence-based decision-making.

Themes and Persistent Challenges

A foundational takeaway from the conference was the recognized need to persistently integrate healthcare data to enhance the value of any given source. The utility of APCDs is significantly magnified when linked with hospital encounter data, price transparency information, electronic health record (EHR) data through a health information exchange (HIE), and, increasingly, social determinants of health data. However, legal and regulatory barriers, often stemming from conflicting governance structures between APCDs and HIEs, remain the largest impediment. Operational and governance adjustments were consistently cited as necessary to clear the path for future data integration efforts.

Data is only valuable to the extent it can be used effectively. Presenting complex analytic findings in a way that is grounded in specific policy problems and actionable for non-technical audiences is paramount to ensuring that policy is informed by objective, independent health information.

Unfortunately, a long-standing challenge persists: the gap in claims data due to the exclusion of the commercial self-insured population from state-mandated data collection, a direct result of the *Gobeille v. Liberty Mutual Insurance Company* Supreme Court ruling. States are actively exploring imputation methods, advanced data science techniques, and other novel solutions to address the implications of this gap and ensure their APCDs provide an accurate picture of the healthcare landscape.

States Find Value and Savings

The conference highlighted numerous examples of how state APCDs and linked health data are driving substantial cost savings, improving quality, and informing resource allocation.

Research in Massachusetts demonstrated the economic benefit of shifting surgeries from high-cost inpatient settings to lower-cost outpatient facilities (e.g., ambulatory surgery center, or hospital outpatient departments), resulting in an estimated $126 million in savings for the Commonwealth between 2019 and 2023. Additionally, an early analysis of the state's Hospital at Home program showed that these stays incurred 16% lower total costs, driven primarily by a 21% reduction in facility costs compared to traditional inpatient care.

Green Mountain Care Board is exploring the use of the Medicare Maximum Fair Price (MFP) as a reference-based pricing ceiling, projected to achieve dramatic savings for Vermont, particularly for specialty and popular drugs for chronic conditions like diabetes and cardiovascular disease, illustrating a path toward increased affordability across payer types.

South Carolina's Medicaid program successfully utilized claims, provider, and member files for a granular assessment of provider access and utilization. This allowed the state to rank specialties and regions by level of need, optimizing the distribution and prioritization of Graduate Medical Education (GME) funding to address critical workforce shortages.

The Delaware Health Information Network (DHIN) successfully validated the use of healthcare claims data as a valuable resource for public health surveillance, leading to a published article earlier in the year. DHIN is now focused on extracting clinical data, such as lab values and GLP1 usage, into a structured format to deliver real-time, actionable public health insights.

Washington APCD implemented a rigorous, multi-month review process, allowing providers to examine their quality and cost data via a secure portal before public release. This successful process has not only improved data quality but also fostered greater trust and transparency among the healthcare community.

The Maine Cancer Blueprint successfully used linked health data, including APCD and hospital encounter data, to generate insights that are directly used to drive community action and inform localized cancer prevention and care strategies.

Policy and Regulatory Landscape: Expanding Data Collection and Use

The conference provided a vital update on key policies shaping the future of health data and its use in regulation:

In a major update, the APCD Common Data Layout (APCD-CDL™) was expanded to include three new file layouts: one for collecting non-claims or alternative payment data, one for pharmacy drug prescription rebate data, and one for capitation file data. This expansion reflects the evolving payment landscape and the necessity for APCDs to capture data beyond traditional fee-for-service claims. Virginia is already moving forward with plans to adopt the new non-claims payments (NCP) data layout in its 2026 legislative session.

Federal Transparency in Coverage (TiC) regulations continue to drive transparency, requiring health plans to produce three machine-readable files detailing negotiated rates, historical out-of-network payments, and, pending final legal resolution, prescription drug pricing. This data is critical for providing a comprehensive view of price variation.

Fig. 1. APCD and Transparency in Coverage (TiC) Data Comparison

Data Source	Description	Analogy	Key Use Cases
APCD	Contains historical paid amounts for services actually rendered. Includes patient cost-sharing and utilization data.	"The Receipts"	Analyzing spending trends, utilization patterns, patient pathways, and realized costs.
TiC Data	Contains negotiated rates for all covered services, regardless of whether they were used. Lacks utilization data.	"The Menu"	Analyzing rate variation across payers and providers, benchmarking commercial rates against Medicare, and accessing prices for self-insured plans are often missing from APCDs.

CMS announced a notice of funding opportunity (NOFO) for states to address rural health needs via the Rural Health Transformation Program (RHTP). A key requirement for applications is the submission of quantifiable metrics, with required granularity down to the county or community level, underscoring the demand for localized data from sources like APCDs.

Vermont's Act 134 authorized the Green Mountain Care Board to explore regulating prescription drug costs, specifically analyzing the use of the Medicare maximum fair price (MFP) as a benchmark. The state is also actively pursuing guidance to collect hospital 340B data and is working on collecting pharmacy rebate data.

Innovation and Emerging Practice

Attendees explored cutting-edge methods for making health data more efficient, accurate, and accessible.

Artificial intelligence is being leveraged to make sense of disparate data and quickly translate complex findings into compelling stories. Practical applications include using AI to build keywords from chargemaster data to assist in data review, and leveraging large language models (LLMs) for natural language interactions in public transparency reporting, making complex data accessible beyond traditional dashboards.

The Center for Improving Value in Health Care (CIVHC) implemented Python scripts to automate validation workflows for Colorado's APCD annual files. This crucial process frees analysts from tedious manual checks, allowing them to focus on deeper, more substantive data reviews.

Virginia Health Information (VHI) was highlighted as a rare and powerful model, operating as both the statewide APCD and the statewide HIE. This unique structure inherently creates a mechanism for seamless integration of claims and clinical data.

Price Transparency
- The Health Care Cost Institute (HCCI) developed Health Prices Toolkits, a methodology that groups discrete services into consumer-friendly "bundles." This approach measures and communicates prices in a transparent and replicable way for both patients and policymakers.
- The Massachusetts Health Policy Commission (HPC) developed a "market basket" method using common services to measure hospital prices and monitor year-over-year price growth, helping to disentangle true price changes from shifts in the service mix.

California developed an approach to impute fee-for-service equivalents for capitated services, enabling meaningful cost comparisons within the APCD. Methods were also outlined for imputing missing self-insured (i.e., ERISA) data by using historical figures and growth factors.

Washington state built a real-time alerting infrastructure for disease surveillance, specifically multi-drug resistant organisms (MDROs), by leveraging technology already embedded in clinicians' daily EHR workflows, demonstrating a seamless transition from claims to real-time clinical action.

Shared Resources for the HDO Community

The conference concluded with a detailed review of established and forthcoming resources available to health data organizations, underscoring the collaborative nature of the field:

- **APCD-CDL™ v. 4**: The foundational blueprint for data collection, now including specifications for the new non-claims payment files.
- **HCCI's Health Prices Toolkits**: The public website and methodology for price comparisons using service bundles, with the full methodology expected to be released as a licensable product in 2026.
- **HCCI Chronic Kidney Disease Spotlight** details chronic kidney disease (CKD) trends and disparities across four payer types (commercial, Medicaid, Medicare fee-for-service, and Medicare Advantage), helping identify potential underdiagnosis.
- The **Connecticut Healthcare Cost Estimator Tool**, developed by Mathematica and the Connecticut Office of Health Strategy, is a consumer-facing tool built using APCD data to estimate costs for various procedures in Connecticut.
- Peterson-Milbank *Guide to Understanding Hospital Spending Through Financial Analysis* provides a methodological framework and an Excel-based template to standardize audited hospital financial statements, allowing analysts to calculate key financial metrics across hospitals and systems

- Milbank Memorial Fund's *[Technical Specifications for a Standardized State Methodology to Measure Behavioral Health Clinical Spending](#)*, developed in collaboration with Freedman HealthCare and adopted by states like California.

The 40th Annual Conference confirmed the critical role claims data plays in the healthcare ecosystem. While facing persistent challenges related to data completeness and integration, the year's innovations in data linkage, policy engagement, and the strategic deployment of AI position the health data community to continue driving evidence-based change and greater value for the American healthcare system.

About NAHDO

The National Association of Health Data Organizations (NAHDO) is a national non-profit membership and educational association dedicated to improving health care data collection and use. NAHDO provides leadership in health care information management and promotes the availability of data to guide informed decision-making and health policy.

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