All-Payer Claims Database (APCD) Fact Sheet 2010

What are All-Payer Claims Databases?

APCDs are large-scale databases that systematically collect health care claims data from a variety of payer sources which include claims from most health care providers. Statewide APCDs are:

Databases, typically created by a state mandate, that generally include data derived from medical claims, pharmacy claims, eligibility files, provider (physician and facility) files, and dental claims from private and public payers. In states without a legislative mandate, there may be voluntary reporting of APCD data.

Payers include insurance carriers, third party administrators (TPAs), pharmacy benefit managers (PBMs), dental benefit administrators, state Medicaid agencies, CMS (Medicare), Federal Employees Health Benefit (FEHB) and TRICARE administrators.

APCD systems collect data from existing claims transaction systems used by health care providers (facility and practitioners) and payers. The information typically collected in an APCD includes patient demographics, provider demographics, clinical, financial, and utilization data. Because of the difficulties involved with the collection of certain information, most states implementing APCD systems have typically excluded a number of data sources, such as denied claims, workers compensation claims, and, because claims do not exist, services provided to the uninsured.

Information Typically Collected in an APCD	Data Elements Typically Excluded in an APCD
• Encrypted SSN or member identification number • Type of product (HMO, POS, Indemnity, etc.) • Type of contract (single person, family, etc.) • Patient demographics (DOB, gender, zip) • Diagnosis, procedure, and NDC codes • Information on service provider • Prescribing physician • Plan payments • Member payment responsibility • Type and date of bill paid • Facility type • Revenue codes • Service dates	• Services provided to uninsured (few exceptions) • Denied claims • Workers' compensation claims • Premium information • Capitation fees • Administrative fees • Back end settlement amounts • Referrals • Test results from lab work, imaging, etc. • Provider affiliation with group practice • Provider networks

"A major advantage to having an APCD is the ability to understand—in ways not otherwise possible – how and where health care dollars are being spent. This understanding of health care expenditure patterns and the performance of the health care system, via quality and access metrics, is vital to develop data-driven health reform efforts resulting in impacts (including increased access to care, reduced costs, and improved quality) that can be effectively measured."

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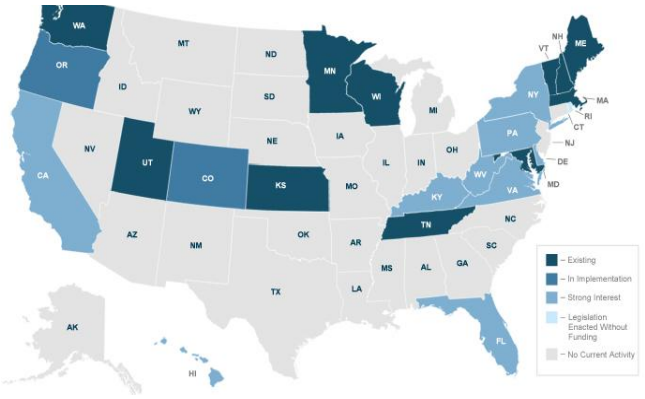
Status of State-based APCD Development

Figure 1 (right) contains a map of the states that have an existing APCD, have one under development, or have strong interest in creating one. Strong interest could range from exploration of funding models or development of legislation. Oregon and Tennessee will have live systems in 2010. Hawaii and Colorado have currently submitted legislation for their 2010 session to authorize development. In the current economic climate, states wishing to develop APCDs are finding budget challenges as it relates to initial and sustaining funding for their future APCD.

Figure 1: Current APCD Activity



Why Should States Develop APCDs?

State Level APCD Uses

Procedure payment web sites
Comparison of individual total payments for selected procedures by provider and payer

Computation of hospital aggregate total costs
Determined using claims data and hospital data

Cost-shift analysis
Hospital specific evaluation of Medicare and Medicaid payments on commercial payments

Establish cost drivers by provider categories
Determination of baseline utilization rates and comparison to specific providers

Qualitative comparative analysis of providers
Establish acceptable practice patterns by facility and practitioner specialty to compare with individual providers.

Evaluation of access issues of public payer population to commercial population
Determine if Medicaid population is receiving substandard care or limited access to care.

Evaluation of dual eligible population Evaluation the best use of public dollars

Creation/evaluation of new treatment/payment mechanisms
Data used to evaluate patient centered medical home projects and resulting payment reform

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Current data sources, such as hospital, vital statistics, and public health data, are insufficient to inform and affect change in our health care delivery system due to: incomplete provider populations or sites; limited patient/member populations; and limited information on payments for services.

The crux of APCDs is having true transparency across the entire spectrum of health care providers and payers. With such transparency comes access, to information that has never before been available, which can be used for a wide variety of uses, thus creating the ability for actionable and accountable measures.

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Agencies of state government are particularly well positioned to utilize in guiding health care policies, including: Medicaid shortfalls; payment reform; and provider accountability.

APCDs and Health Information Exchange (HIE)

APCDs and HIEs will be distinctly separate initiatives as they are developed. Health information technology and health information exchanges (HIEs) have the potential to enhance, but not replace, existing administrative databases (such as APCDs) with clinical information for quality and outcomes reporting. However, both can and must be integrated to build a more robust database to be used for comparative effective research and population health applications, and to improve risk adjustment, clinical studies, and outcomes research. When building both systems, attention must be given to collecting some comparable data in each that will enable linkages to occur between the two sources of data (e.g. – the National Provider Identifier for health care providers and a numeric identifier such as an encrypted SSN for members/patients).

Fact sheet prepared by the All-Payer Claims Database (APCD) Council in collaboration with the National Association of Health Data Organizations (NAHDO). The lead author is Mr. Alan Prysunka, Executive Director of the Maine Health Data Organization (MHDO).

For More Information on APCD's visit the following sites:
All-Payer Claims Database Council: http://www.apcdcouncil.org/
National Association of Health Data Organizations: http://www.nahdo.org/

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