



West Health Policy Center and APCD Council Launch New Guide to Create All-Payer Claims Databases and Accelerate Healthcare Price Transparency

Big data approach brings transparency to U.S. state by state to help lower healthcare costs

WASHINGTON, D.C. and DURHAM, NH – Feb. 12, 2015 – The <u>Gary and Mary West Health Policy Center</u> and the <u>APCD Council</u> are launching a manual for states to develop all-payer claims databases (APCDs). These big data systems aggregate claims information to accelerate state-based healthcare price transparency efforts, and can promote comparison shopping for health services based on quality and costs. <u>Twelve states</u> currently have these databases, with six planning to launch them in the near future.

APCDs are large-scale databases that systematically collect and analyze medical and pharmacy claims from private and public payers. They can inform policy discussions and help understand variations in healthcare utilization. They also make cost and quality data available to consumers, employers and insurers so they are more aware of price differences between providers, making lower cost options more visible.



A recent study in the *Journal of the American Medical Association* shows that price transparency can lead to a 14 percent drop in employer and employee spending for common medical services such as lab tests and imaging, proving transparency can help lower healthcare costs.

"Publishing comparative price and quality information based on analysis of comprehensive claims data can have a transformative impact. Without an understanding of where variation exists, it is impossible to design targeted interventions to lower costs and improve care," said Jonathan Mathieu, vice president of research and compliance and chief economist at the Center for Improving Value in Health Care in Denver, Colorado. "This manual brings together

examples of best practices from existing APCDs and will allow other states learn from our journey to improve healthcare price and quality transparency."

The use of state APCDs to report hospital prices was identified as a key method that could save more than \$55 billion over ten years in the West Health Policy Center's transparency analysis.

To date, there has not been a uniform way to guide state officials in the creation of these complicated claims databases. Last fall, the West Health Policy Center funded the APCD

Council's development of the "<u>All-Payer Claims Database Development Manual: Establishing a Foundation for Health Care Transparency and Informed Decision Making</u>," a first-of its-kind resource that provides states with detailed guidance on common data standards, collection, aggregation and analysis involved with establishing these databases.

"Bringing big data to healthcare price transparency through statewide all-payer claims databases with a structured framework is an essential way to drive transparency across the country," said <u>Dr. Joseph Smith</u>, chairman of the West Health Policy Center board of directors. "By making comparative healthcare quality and cost data available, employers and insurers can find the greatest value for their dollars and help cut costs across the system."

"Time and time again, we've seen the need for clearer information to allow for informed healthcare decision making," said Josephine Porter, MPH, deputy director for the Institute for Health Policy and Practice at the University of New Hampshire and co-chair of the APCD Council. "We are excited for new states to develop these databases through this easy-to-use manual, which puts both learnings from the council and many years of working with states on APCD development into one place."

The full manual with an executive summary are available for download at: http://apcdcouncil.org/all-payer-claims-database-development-manual

The West Health Policy Center and APCD Council will be hosting a webinar at 1:00 p.m. EST on Tuesday, March 31, 2015 for more information on developing all-payer claims databases. Please register here for the webinar.

ABOUT THE WEST HEALTH POLICY CENTER

The <u>Gary and Mary West Health Policy Center</u> is a nonprofit, non-partisan resource in Washington, D.C. providing education, expertise and policy proposals to transform the American healthcare experience. We're wholly funded by philanthropists Gary and Mary West as part of West Health, four organizations with a common mission—pioneering new and smarter technologies, policies and practices, to make high-quality healthcare more accessible at a lower cost to all Americans.

Along with the Policy Center, West Health includes the Gary and Mary West Health Institute, a nonprofit medical research organization working to create new, more effective ways of delivering care; and the for-profit Gary and Mary West Health Investment Fund and West Health Incubator, providing investments and expertise to businesses that share our mission. For more information, find us at www.westhealth.org and follow us @westhealth.

ABOUT THE APCD COUNCIL

The 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). 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 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, visit www.apcdcouncil.org and follow us @APCDCouncil.

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