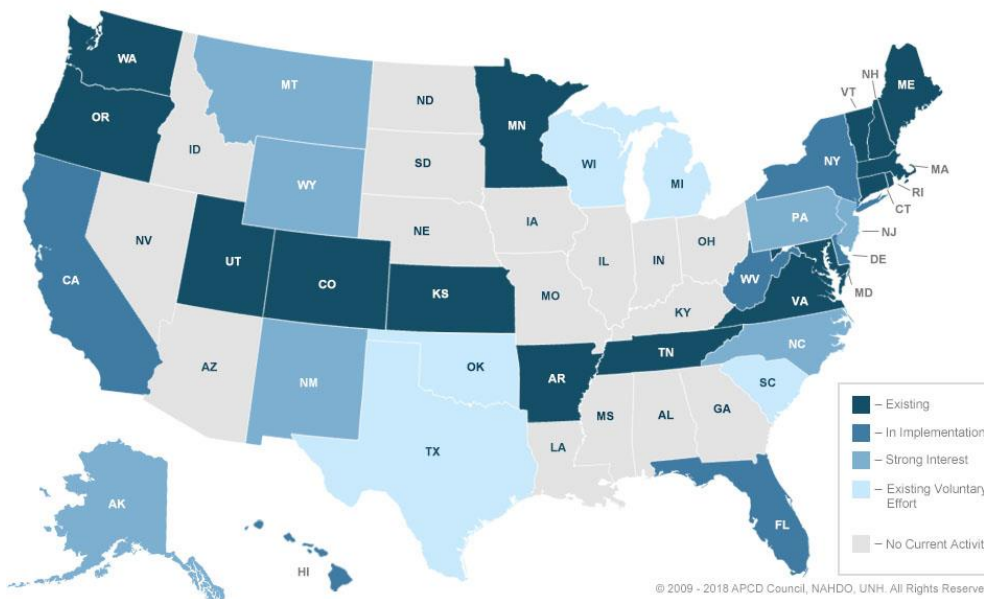October 24, 2018

Dear Senators Bill Cassidy, M.D. (R-LA), Michael Bennet (D-CO), Chuck Grassley (R-IA), Tom Carper (D-DE), Todd Young (R-IN), and Claire McCaskill (D-MO),

The issue of receiving surprise medical bills, which are often beyond the capacity of a person to pay, is a critical issue for millions of Americans. Difficulty paying medical bills and having medical debt is a common problem. In a recent study of working age adults, over a quarter of the respondents reported having problems paying medical bills[i]. For these reasons, we appreciate your willingness to consider how to address this issue, and your work on the "Protecting Patients from Surprise Medical Bills Act."
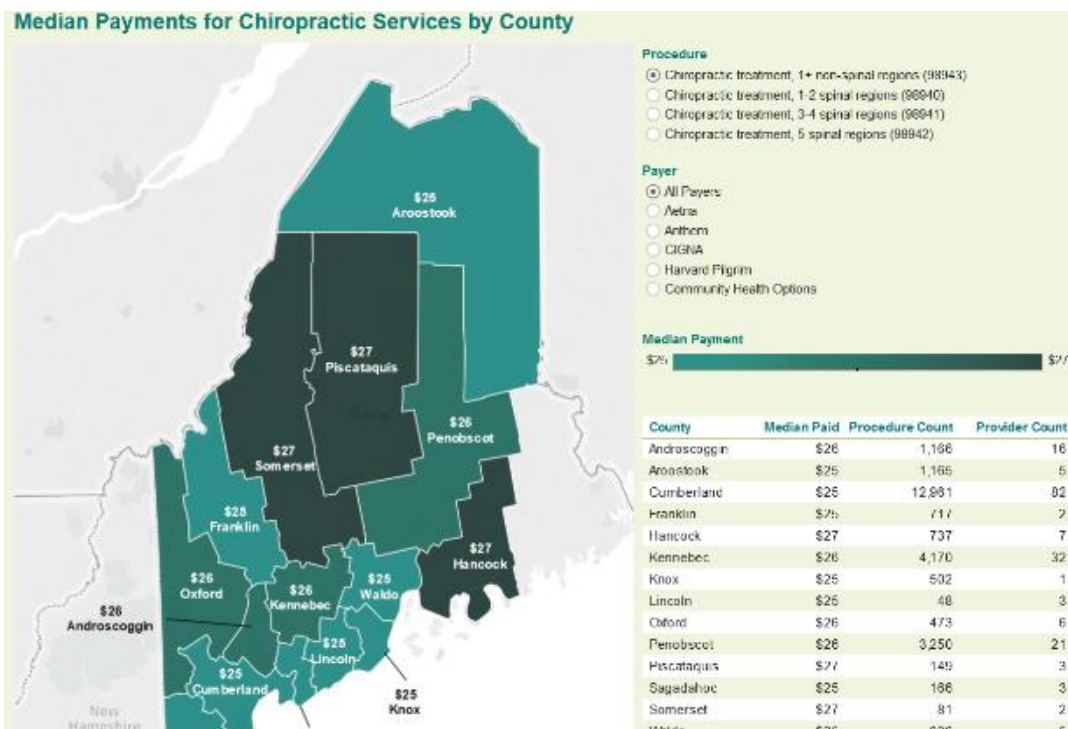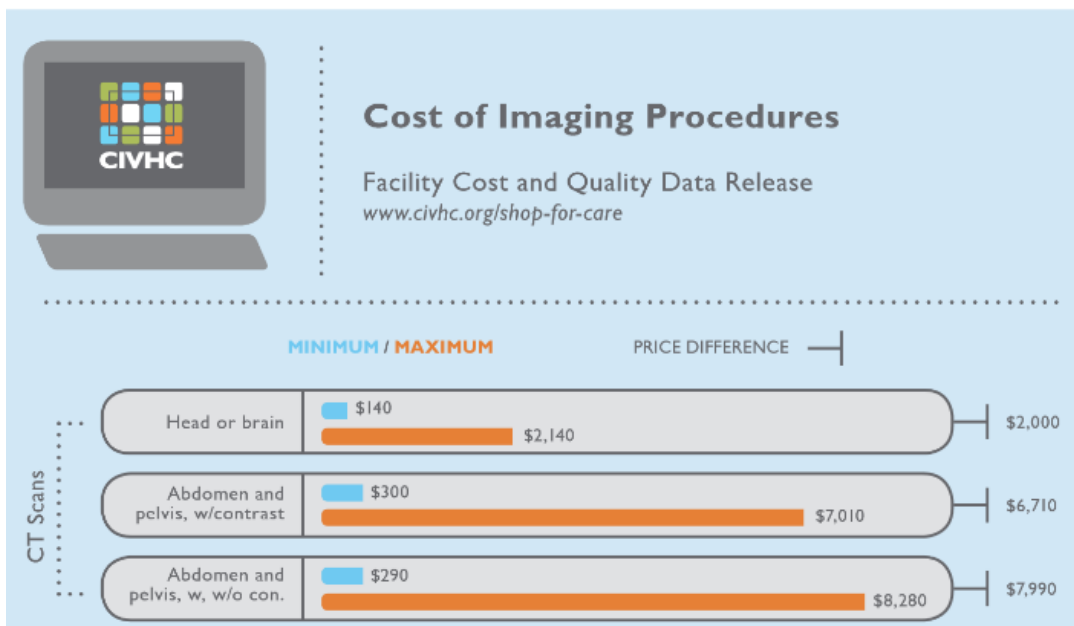
Your emphasis in the legislation for the need for independent, valid data to "support the identification of usual, customary, and reasonable rates" is critically important. States have a long history in the development and use of databases exactly of this nature, and we are writing to make sure you and your staff are aware of these efforts. State All-Payer Claims Database (APCD) systems are uniquely positioned to meet the needs articulated in the Protecting Patients from Surprise Medical Bills Act, because they are independent from any payer and they capture system-wide financial information necessary to understand usual, customary, and reasonable rates.

The All-Payer Claims Database (APCD) Council, a collaboration between the National Association of Health Data Organizations and Institute for Health Policy and Practice at the University of New Hampshire, is working with the more than 20 states that have developed statewide data systems to support a range of efforts to bring greater transparency to health care. APCDs are large-scale databases that systematically collect health care claims data from commercial and public payer sources and therefore include claims from most health care providers. The map below summarizes the current status of APCD implementation. Contact information for each state can be found at:
https://www.apcdcouncil.org/state/map.

State entities that run these databases are well-positioned to respond to the need for independent, validated data to support consumer-oriented transparency efforts, as well as other policy and market information needs. In fact, states have direct experience developing the cost estimates referred to in your bill. The examples below, from Colorado's Center for Improving the Value in Health Care (CIVHC)[ii] and the Maine Health Data Organization[iii] are publicly available reports that address the issue of needing system-wide, cross-payer reference costs for the surprise medical bill legislation.

With the Protecting Patients from Surprise Medical Bills Act and other healthcare cost transparency efforts that may follow, we encourage leveraging the significant investments that have been made at the state level. The Federal government and Congress can support states in the effective use of these data, including by addressing some barriers to data collection efforts that states have encountered.

We commend your efforts to help consumers with this proposed legislation and we welcome the opportunity to further discuss with your staff.

Sincerely,

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[i] https://kaiserfamilyfoundation.files.wordpress.com/2016/01/8806-the-burden-of-medical-debt-results-from-the-kaiser-family-foundation-new-york-times-medical-bills-survey.pdf

[ii] https://www.civhc.org/shop-for-care/

[iii] https://www.comparemaine.org/?page=chiro