

TESTIMONY PRESENTED TO THE PUBLIC HEALTH COMMITTEE
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Testimony Supporting House Bill No. 5038

**AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS
CONCERNING AN ALL-PAYER CLAIMS DATABASE PROGRAM**

Senator Gerratana, Representative Ritter and distinguished members of the Public Health Committee, thank you for the opportunity to offer testimony on House Bill No. 5038, An Act Implementing the Governor's Budget Recommendations Concerning An All-Payer Claims Database Program.

I appreciate the opportunity to testify in support of the development of an All-payer Claims Database (APCD), a resource that is critical to the state's ability to transform its health care system and to improve the health outcomes of our citizens. Our health reform strategy seeks to improve the quality of healthcare; to reduce healthcare spending that continues to increase at rates that are unsustainable over the near and distant future; to make care more accessible, safe and patient-centered; and to significantly reduce health disparities. For these reasons and many more, we must have comprehensive information on disease incidence, treatment costs, and health outcomes. The absence of this information hinders our ability to inform and evaluate state health policies and to provide the transparency needed to ensure people have the information they need to make healthcare decisions. We want our state to join other states in the establishment of an All-payer Claims Database. While there have been various efforts to aggregate health care data in the past, data aggregation in the magnitude and scale of an APCD are unprecedented in Connecticut. For the first time, we have the inter-agency and community support, health reform leadership, and technical readiness to accomplish an initiative of this size and significance. The establishment of an APCD is a critical component of the state's health reform strategy and necessary to achieve its goals.

What is an APCD?

Every visit to a healthcare provider generates a claim for payment. Both public and private insurance plans routinely aggregate these claims into their own databases. APCDs combine data from all payers in a state. This gives policymakers statewide information on costs, quality, utilization patterns, and other healthcare measures. In the simplest of terms, an APCD will allow us to know—how care is delivered, where it is delivered, and how much it costs. Publicly available data will give consumers and purchasers the tools they need to compare prices and quality as they make healthcare decisions. These databases include administrative data from medical insurance, dental and pharmacy claims, and information about enrollment and eligibility. These data are collected from public and private payers, ideally from insured and self-insured plans, as well as Medicare and Medicaid. The information typically includes patient demographics, diagnostic and procedure codes, and costs. This

information can be used by policy makers, state agencies, researchers and consumers to improve decision-making and healthcare delivery.

Other States

Other states have made considerable progress toward establishing APCDs. The Office of Health Reform & Innovation is working directly with APCD leaders in other states to benefit from their experience in developing robust APCDs that will serve the needs of Connecticut citizens now and in the future. There are currently more than a dozen active efforts underway to establish APCDs with mandated reporting. Four New England states have existing APCDs, including New Hampshire, Vermont, Maine, and Massachusetts. In addition, New York and Rhode Island are currently implementing APCDs.

Already we have benefited greatly from the experience of these states in identifying best practices to streamline data submission. Efforts are being made to standardize common data elements that will improve the comparability of data from state to state. Standardization makes reporting easier for insurers and is critical if we are to join in multi-state collaborations in the future.

Fundamental Principles

The protection of personal privacy and the security of these data will be paramount as we design database architecture and the policies and procedures under which it will operate. Our need for information, no matter how great, must never compromise individual privacy. We will strictly adhere to federal and state confidentiality laws. It is critical that the APCD serve a broad range of functions including but not limited to health plan and provider performance report cards, public health surveillance, state utilization patterns and increased transparency to the consumer on cost and quality. It must be flexible enough to support changing needs and respond to technological opportunities that emerge over time. In addition to being secure, the system will be interoperable, flexible and scalable to fit with other HIT initiatives. Finally, we will incorporate analytics that result in actionable information that improves the delivery and affordability of healthcare in Connecticut.

While states differ in their approach to managing protected health information, the highest level of privacy and security can be achieved in a variety of ways. Several states have recommended that we include social security numbers because they promote greater accuracy and access. Important decisions about the management of protected health information will be considered and made in consultation with the workgroup and subject to public rule making. Through that process, we will determine the best way to make the database as powerful as possible while ensuring that personal data is strictly protected.

Health Insurance Exchange

The APCD will provide needed information to the new Health Insurance Exchange that will begin operations in January 2014. The target date for the first release of data from the APCD is set to coincide with the start-up of the Exchange. It is critical that the legislation be enacted this session if

we are to meet the needs of the Exchange and to successfully achieve other aspects of Connecticut's comprehensive health reform strategy.

Health reform provides an unprecedented opportunity to make lasting and effective policy decisions. An All-payer Claims Database will give us comparable, transparent information that has historically been unavailable in making policy and market decisions. We can change that by passing this legislation and moving quickly to implement an APCD in Connecticut.

I thank you and I respectfully urge the Committee to pass this bill.