



POLICY BRIEF

ALASKA
POLICY FORUM

All-Payer Claims Database: Balancing Better Data with Fiscal Restraint

Alaska has incredibly high healthcare costs, and reports show that one of the impediments to addressing these high costs is a lack of price transparency for health care services.ⁱ Without price transparency, consumers have no way of knowing accurate health care costs and are unable to “shop around” for the provider that best fits all of their needs. One solution that many other states have implemented is establishing an all-payer claims database (APCD).

An APCD is a database that includes data from medical, pharmacy, and dental claims, as well as other information from private and public payers.ⁱⁱ The data collected includes information such as patient demographics, service provider, diagnosis, procedure, prescribing physician, service dates, facility type, health plan payments, member payments, and date when a bill was paid.ⁱⁱⁱ The data is collected, either by state mandate or voluntarily, from insurance carriers, third party administrators, pharmacy managers, dental administrators, state Medicaid agencies, and the Centers for Medicare and Medicaid Services (CMS).^{iv} An APCD simply combines and standardizes this deidentified data that separate insurers already have. Currently, at least twenty other states have an APCD, in a variety of formats, including voluntary efforts.^v Alaska does not have one, though there have been bills introduced in the legislature, as well as ongoing community discussions.

Proponents claim the information from APCDs can be used to understand how healthcare services are used across the state and to compare health care costs. However, states do not collect data from those who are uninsured or from federal plans such as TRICARE, and are not allowed to require self-funded plans to submit data. This means that some large groups of payers can be excluded from the data collected for an APCD, making it incomplete.^{vi} A state agency is typically responsible for administering, managing, and maintaining the database, as well as controlling access to the data, although private organizations or non-profits can also be responsible for an APCD. Government run APCDs have been funded through a combination of general appropriations, a Medicaid match, user fees, and federal grants.^{vii}

Proponents of APCDs also argue that they are a solution to a lack of health care price transparency because they collect and standardize data, including billing information that may not otherwise be provided to consumers. However, not all states have made their APCDs freely available to health care consumers for price transparency and comparison purposes because they fund the maintenance of the database through user fees. Instead, those states allow policymakers, insurers, providers, state agencies, and sometimes outside researchers access to the data to track healthcare spending and assess the impacts of policy changes in the state.^{viii} While those are worthwhile endeavors, they do not directly affect price transparency. Additionally, some states, such as Massachusetts and Maryland, have used the data to implement their own cost-containment strategies or rate-setting, which ultimately leads to more obscured costs for consumers.^{ix, x}

While the idea of an APCD is attractive to many states due to the potential valuable research opportunities it can provide, the data provided is not always comprehensive and often lags, making analysis results inconclusive.^{xi} Also, depending on how they are funded, they can add to the state budget through general fund appropriations, enable rate-setting by the government, and can seriously compromise consumers' privacy.^{xii} Establishing a government run APCD is a costly affair and can become an ongoing, annual expense to the state – all for the sake of inconclusive data that may not be made publicly available.

In Alaska, stakeholders have been discussing implementing an APCD since at least 2013.^{xiii} A recent bill to establish an APCD was introduced in the 31st legislature and a new one is being discussed in the 32nd legislature. 2020 legislation at the federal level was passed which incentivizes all states, including Alaska, to establish an APCD by providing up to \$2.5 million in grants to each state over the next three years.^{xiv}

The proposal to establish a government-run APCD has been presented to Alaska's legislature as a

solution to address the lack of price transparency in the state's healthcare market. However, Alaska doesn't need ambitious new projects that would increase the state budget. Instead, an APCD could be established with the recent federal grants and maintained primarily by private and non-profit funds. A free public web interface could allow consumers to compare prices, while other researchers interested in more detailed data could pay a user fee, to help with database maintenance. Alaska needs more comprehensive health care claims data but it also needs more fiscal restraint. If structured the right way, an APCD could meet both of those objectives.

Contact Alaska Policy Forum to Learn More

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- ⁱⁱ "All-Payer Claims Databases," Agency for Healthcare Research and Quality, Last accessed September 15, 2020, <https://www.ahrq.gov/data/apcd/index.html>
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- ^v "Interactive State Report Map," APCD Council, Last accessed March 29, 2021, <https://www.apcdouncil.org/state/map>
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- ^{xii} Linda Gorman, "States Begin Selling Information from their All-Payer Databases," Complete Colorado, June 8, 2013, <https://pagetwo.completecolorado.com/2013/06/08/states-begin-selling-information-from-their-all-payer-databases/>
- ^{xiii} Alaska Health Care Commission, "All-Payer Claims Database," Alaska Department of Health and Social Services, Last accessed March 29, 2021, <https://www.apcdouncil.org/state/alaska>
- ^{xiv} JoAnn Volk and Sabrina Corlette, "The No Surprises Act: Implications for States," State Health and Value Strategies, Princeton University, January 12, 2021, <https://www.shvs.org/the-no-surprises-act-implications-for-states/>