April 17, 2019

Mr. Ted Calvert
California Office of Statewide Health Planning and Development (OSHPD)
2020 West El Camino Avenue, Suite 800
Sacramento, CA 95833

Dear Ted,

On Covered California’s behalf, I am pleased to submit the attached suggested use cases for the Healthcare Cost Transparency Database, often referenced as an All Payer Claims Database or APCD. We expect that OSHPD’s APCD implementation will provide great value to stakeholders and Californians in general, and we anticipate a substantive and ongoing partnership with you during your effort.

These use cases from Covered California are grounded in our role as a public entity interested in past, current, and future enrollees’ access to and utilization of high quality, cost-effective medical care. Nonetheless, almost all our proposed use cases apply broadly to most insurance markets, not just individual and small group. We expect these use cases to have similar applications for a variety of other purchasers and market-organizers broadly (both public and private) who share our commitment to find opportunities to help health care markets deliver increasingly higher-value care.

Like OSHPD, we observe strict requirements emphasizing protection of individuals’ data privacy. Our suggested use cases’ data analyses rely on the prerequisite guarantee of protecting patient confidentiality and information security at all times.

Critical Data Attributes: In addition to providing the attached use cases, Covered California suggests that the OSHPD APCD adopt the following among its foundational data elements:

- **Allowed cost** information comprised of the insurer / payer paid amount and the consumer cost share amounts. Given the California market, a fee-for-service equivalent amount for capitated services also is essential.

- **Provider identification** accomplished via the individual practitioner National Provider Identifier (NPI); a comprehensive facility identifier (e.g., OSHPD...
identifier) encompassing inpatient hospitals, outpatient diagnostic / treatment
centers, and ambulatory surgery centers; the one-to-many roll-up of practitioners
to medical practices; and the organization of facility and practitioner identifiers to
show the composition of delivery system entities like Accountable Care
Organizations (ACOs). To provide detailed analysis in patterns in care, it is
essential to identify the individual (rendering) provider, and not rely only the tax
ID, for example. California is fortunate to have the statewide provider directory
utility, Symphony (being deployed by IHA), that can provide the foundation for
claims data submission standards and APCD data augmentation to support
these provider identification needs.

- **Product identification** distinguishing each carrier’s products and, as
  appropriate, networks. The goal here should also be to distinguish each product
type in single carrier, multiple product arrangements (e.g., carrier provides a
client with HDHP, PPO, EPO, and HMO products). For example, Covered
California currently accomplishes this via the combination of carrier, plan type,
metal tier, metal tier variant, and Health Insurance Oversight System (HIOS) ID.
Regardless, HIOS ID is a necessary product identification component in all
individual and small group health insurance markets.

- **Alternative Payment Model (APM)** non-claims financial payments and penalty
  amounts. APM data templates are available from several other state APCDs that
  include this APM data.

- **Premium amounts and benefit coverage information** are also essential data
  for the commercial market. One approach to capture benefits information would
  be to collect the full HIOS ID for every product in the individual and small group
  markets – on and off-Exchange -- along with each product’s assigned actuarial
  value (AV), or even additional plan design details from SERFF filings. Capturing
  the AV for the large group market (with a standardized methodology, such as
  with the CMS Actuarial Value Calculator) may be the only possible approach to
capture a benefits coverage proxy in the near term given the myriad benefit
designs in the experience-rated market.

- **Payer and provider identifiable records** are essential to perform a wide range
  of expected analyses, but will require data use safeguards to ensure that the
  identities of the payer and provider are not disclosed in ways that reveal a
  contracted fee between the two parties except for special, permitted data uses.
Longer term, the following data elements will enable additional functionality, and the APCD data model should accommodate them:

- **Social determinants of health** beginning with demographic data including age, gender, race, ethnicity, language, income, and location (e.g., street address); expanding to include education, physical environment, etc., as such data become available. Where applicable, OSHPD’s APCD should also consider the inclusion of data / algorithms to construct social determinants’ proxies.

- **Clinical and patient-reported outcomes data**, which are used for performance accountability, as it becomes available through Health Information Exchanges, government/public sponsored registries, Qualified Clinical Data Registries etc.

**Analytic Enhancements**: OSHPD should also equip its APCD with a core set of data / analytic capabilities, including:

- A patient severity of illness / risk adjustment system;
- Mapping of claims to medical services categories (e.g., imaging, lab, preventive care, specialty office visits, etc.);
- A measures engine to produce standard cost and quality measures;
- Episode groupers to organize services into acute and chronic episodes of care;
- Master Patient Index to allow for longitudinal analysis of the same individual across coverage sources (and claims feeds);
- Wasteful / inefficient care measures; and
- ZIP Code to census tract mapping.

**Data Governance Considerations**: Covered California recognizes that various entities, public and private, are likely to be either contributors and consumers of OSHPD APCD data, or both at the same time. We encourage the committee to consider a tiered data user framework with appropriate controls to balance data suppliers’ data sensitivities and the importance of making data available to the public. The use cases attached consider 4 kinds of possible users/audiences (government users, issuers & providers, public use, and researchers) as examples only. Each would require a different level of access and degree of detail in available data. For example, as a prospective data supplier, Covered California will want assurances that submitting data to the APCD will not in any way hamper its ability to certify Qualified Health Plans, consistent with its statutory obligations. Similarly, as a prospective APCD data consumer, we certainly anticipate that the APCD governance will accommodate direct access to APCD data for our own analyses. For both sides of this equation to work, the APCD will need both a
clear user approval and data governance framework, and a rock-solid process to safeguard information security and the privacy of all Californians. If the data safeguards are not clear, data suppliers will resist participation, while if the data access is too limited, users will not be able to derive actionable results.

Thank you again for presenting us with this opportunity to help inform and support your efforts. If you have any questions or issues regarding our submission, please do contact me. All of us on the Covered California team look forward to opportunities to assist you regarding the Healthcare Cost Transparency Database.

Sincerely,

[Signature]

Dr. Lance Lang
Chief Medical Officer

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