

Strategy for Releasing Procedure Price Data

JUNE 2018

Introduction

As required by its enabling statute, the Center for Health Information and Analysis (CHIA) recently launched a health care transparency website. This website, called CompareCare (www.MassCompareCare.Gov), includes a procedure pricing tool, basic quality information about different types of providers, and information to help consumers make better decisions about health care procedures. CHIA intends to update CompareCare on a regular basis, adding more extensive price data, new cost and quality metrics, and better decision support tools.

The CompareCare procedure pricing tool draws from a table of data extracted from the 2015 All-Payer Claims Database (APCD) using a methodology that identified the median amount paid by any of 8 insurers to any provider for any of 295 specific services (all of which are outpatient services, other than maternity). The CompareCare interface allows individuals to search and browse the payment data using a number of filters, and lets users select a specific insurer to see payer-specific paid amounts. Based on choices made by the user, CompareCare shows the relevant data, always paired with a link to some type of quality information, one screen at a time. As used in this document, these paid amounts are referred to as “procedure prices.”

After careful consideration and many discussions with interested stakeholders, CHIA has concluded that releasing all of the data behind CompareCare’s procedure pricing tool as a single, public dataset would further CHIA’s mandate to promote transparency in the Massachusetts health care system. This document summarizes CHIA’s objectives and expectations for this initiative, our immediate plans, our future plans as we understand them at this time, and certain open questions we want to continue exploring with stakeholders.

CHIA’s Objective

With the launch of CompareCare and its procedure pricing tool, CHIA has effectively made public all of the underlying procedure prices, even though the user interface makes the data available only in small quantities. While CompareCare was developed as a transparency website primarily for individual consumers, CHIA believes procedure price information has value for all participants in the health care system, including patients, policymakers, insurers, providers, employers, and researchers, and also the consultants and digital health companies that use data to serve these stakeholders. Accordingly, CHIA has concluded that it should take its price transparency work to the next logical stage by making all of the CompareCare procedure price data available for public download as a single dataset.

CHIA’s fundamental objective in releasing this data is to make more information available to all health care stakeholders so they can make better, more informed decisions. Prices capture and convey important information in their own right, and prices along with utilization are what determine health care spending. By making this data more freely available, stakeholders can benefit both from direct access to the data and also from the products, services, and analyses that will be available from third parties who access the data. This data can also support a more informed public dialogue about health care costs.

While CHIA believes there is value in releasing this procedure price data, we also want to make every effort to prevent confusion, misinterpretations, and unintended consequences. As such, CHIA plans to be deliberate, collaborative with stakeholders, and transparent about our methodologies. The first release of the procedure price dataset will only contain payer-agnostic prices; however, CHIA intends to show payer-specific prices in future releases. This proposed approach recognizes there is value in proceeding deliberately to let stakeholders use the data and provide feedback before initiating the wholesale release of payer-specific prices.

Release Plan

CHIA's proposed release plan includes both the release of the data itself and the launch of a Healthcare Price Transparency Data Challenge to encourage and highlight innovative uses of this new price data.

Data Release. On July 20, 2018, CHIA will post on its website and on CompareCare a spreadsheet containing all of the all-payer median prices rather than payer specific, for the eight Massachusetts payers included on CompareCare. In an effort to gather information on the types of individuals and organizations using the price data, CHIA will create a short form that must be completed before the data file can be downloaded.

Data Challenge. When the procedure price dataset is released, CHIA, the Executive Office of Health and Human Services, and the Massachusetts eHealth Institute will be launching a Healthcare Price Transparency Data Challenge using an online platform designed to host health care data competitions. The goal of the Healthcare Price Transparency Data Challenge is to stimulate interest in the procedure price dataset and to showcase potentially innovative uses of the data. More details about the parameters of the competition, such as evaluation criteria and prizes, will be announced at the launch.

Future Plans

Following this first release of the procedure price dataset, CHIA plans to continue releasing updated and enhanced datasets on a regular basis. In the first two years, the enhancements will be more significant and will occur on a rolling basis, but eventually the enhancements will become more incremental and the releases will settle into an annual cycle. CHIA will work with stakeholders to determine the most valuable information to include in these future releases.

CHIA's work to enhance the procedure price dataset over the next two years will focus on several major areas. First, CHIA will greatly expand the number of included procedures in order to fill some important gaps in this first release, most notably inpatient procedures, complex outpatient procedures, and pharmacy transactions. Second, CHIA will enrich the dataset by adding additional information about providers and procedures, including potentially linking the dataset to other CHIA data, such as provider financial data or system affiliation data, to enhance transparency and create more robust analytic opportunities.

In addition, CHIA will develop a strategy to incorporate data regarding provider efficiency and value by combining price data with other variables reflecting utilization and patient acuity. Integrating these data elements into future iterations is a critical next step in providing the public with a more accurate and complete snapshot of Massachusetts health care spending, a point that was underscored in many of the stakeholder meetings. CHIA already has some

experience with similar measures, such as total medical expenditure and relative price, and will be working with our actuaries and with stakeholders to develop a proposed plan over the next year.

Preliminary Timeframes. As noted above, CHIA plans to enhance and update the price data file on a rolling basis over the next two years (in accordance with the following timeframe), after which the enhancements should become more incremental and the updates more regular. CHIA is currently conducting a procurement to select a vendor to provide ongoing analytic enhancements to the APCD, such as applying inpatient and episode groupers. A number of important additions to the procedure price dataset, such as the inclusion of payments for inpatient DRGs, cannot be done (or even started) until after the new APCD vendor has been selected and their solution has been implemented, tested, and accepted by CHIA.

Fiscal Year 2019 (July, 2018 – July, 2019)

- National health plan prices
- Retail pharmacy prices
- 2016 prices
- More information about included providers and procedures

Fiscal Year 2020 (July, 2019 – July, 2020)

- Inpatient procedure prices
- Complex outpatient procedure prices
- MassHealth claims prices
- Medicare claims prices
- Provider/procedure volume counts

Expanding the Transparency Dialogue. In addition to all the foregoing work to enhance the procedure price dataset and to develop new metrics related to procedures, CHIA also wants to encourage a broader public dialogue around health care transparency. CHIA believes transparency means giving people access to the information they need to make better decisions. In health care, many decisions have already been made by the time an individual is getting a procedure, and so CHIA is interested in understanding if and how our data can shed light on other critical decision points, such as the selection of insurance coverage, choosing a primary care provider, or a specialist. Beyond decision making by individuals, CHIA is interested in learning how our data and metrics can help fully-insured and self-insured employers make better decisions about benefit plans for their employees. Finally, as more emphasis

is placed on value-based payments and accountable care delivery methods, CHIA wants help understanding the type of measures and metrics that can help all stakeholders assess the cost and efficiency of such arrangements.

Issues for Further Consideration

CHIA believes the availability of procedure price data through CompareCare, and soon as a downloadable file, will benefit the citizens of Massachusetts and the health care system as a whole. Having said this, CHIA also believes both initiatives will need iterative improvements for a period of time before they reach full maturity, and we are committed to working closely with all health care stakeholders as we define the path forward. While much of the remaining work is of the type described above (adding more procedure types, developing new metrics, adding more decision support materials), CHIA will also be addressing certain challenges that are inherent in the use of claims data for procedure price analysis:

- The data submitted to the APCD by some national payers is not as standardized and complete as the data from local carriers, and the encounter volumes are also smaller, making it a challenge to accurately determine and represent their prices for certain procedures.
- When CHIA updates from 2015 data to 2016 data there will be a material drop in the number of self-insured claims in the APCD as a result of the Supreme Court's *Gobeille* decision, which will affect the encounter volumes required for the price analysis.
- While claims are still the backbone of the health care payment system, the accelerating shift to value-based payment methods means "off-claim" payments will grow in importance and need to be factored into future procedure price analyses.

CHIA has considered these issues and is confident there are ways to address them through either technical approaches or by using CHIA's non-claims data collection authority. CHIA looks forward to working with all stakeholders on these and other issues, realizing that health care transparency in Massachusetts will require the effort and cooperation of all parties.

Comments

As noted above, CHIA is committed to working with all health care stakeholders to understand the value of CHIA's data, how it can be improved, and how CHIA should pursue its statutory mandate to increase transparency in the Massachusetts health care system. Please send any comments on this document, or on the data once it is released, to the following address: chia.transparency@state.ma.us.



For more information, please contact:

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