

Massachusetts Division of Health Care Finance and Policy Application for All-Payer Claims Database (APCD) Data

Applications for APCD data must meet the requirements set forth in regulation **114.5 CMR 22.00: Health Care Claims Data Release** and any Administrative Bulletins promulgated under this regulation. The regulation and bulletins are available online at <http://www.mass.gov/eohhs/gov/departments/hcf/regulations.html>. Information provided on pages 1-4 of this application will be posted on the internet for public comment.

A. APPLICANT INFORMATION	
Applicant Name:	Jean Yang
Title:	Chief Financial Officer
Organization:	The Health Connector
Project Title:	Risk Adjustment per Affordable Care Act
Date of Application:	June 30, 2012
Brief Description of Project (240 character limit)	The Health Connector has been designated by Chapter 118 of the Acts of 2012 as the entity to conduct risk adjustment across the small/non-group commercial market, as envisioned by the ACA.

B. DATA REQUESTED

1. PUBLIC USE			
File	SINGLE USE '08 – '09 – '10	LIMITED USE '08 – '09 – '10	MULTIPLE USE '08 – '09 – '10
Medical Claims	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> X	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Pharmacy Claims	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> X	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Dental Claims	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> X	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Membership Eligibility	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> X	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Provider	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Product	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> X	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

2. RESTRICTED USE			
File	SINGLE USE '08 – '09 – '10	LIMITED USE '08 – '09 – '10	MULTIPLE USE '08 – '09 – '10
Medical Claims	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> X	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Pharmacy Claims	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> X	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Dental Claims	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> X	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Membership Eligibility	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> X	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Provider	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Product	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> X	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

3. If you are requesting a Restricted Use dataset, please check each restricted data element you are requesting on the attached Data Element List and explain why you need access to EACH Restricted Use data element for your project. Limit your request to the minimum data necessary to complete the project.

The Health Connector intends to develop a state-specific risk adjustment model in accordance with requirements by the ACA. Public User datasets do not have the right level of detail for us to develop the model, and as such, we are requesting the Restricted Use dataset in order to develop the risk adjustment model.

Regression analysis for risk adjustment modeling and actuarial analysis for establishing the AVs and estimating the interface adjustment factor will require fairly detailed data, including claims, membership (age, gender, geography, coverage months, and product ID to link to the product file), and product information. We had consulted with the staff members at the DHCFP who suggested that restricted data need to be used to meet the modeling requirements. Thus, we are applying for the restricted use data.

Requested data fields are listed below:

Product Elements	Rationale for Need
Product ID	PR001 - Element required to link to eligibilities for group population and to claims for financial calculations into the correct groups.
Payer	HD002 - Element required to uniquely identify submitters of health care data. Necessary to identify Payers required for the Risk Adjustment model from those that are not required.
Product Name	PR002 - Element will aid with validating Product Line of Business.
Carrier License Type	PR003 - Element provides primary sorting criteria by known DOI values. This identification is required to insure that products are defined for the correct Risk Model.
Product Line of Business Model	PR004 - Element required so that additional filtering can be performed to eliminate eligibilities that do not apply to the Risk Model project.
Insurance Plan Market	PR005 - Element provides identification of types of group and individual markets that are the basis of this particular Risk focus. It aids with additional filtering to remove large groups and obtain anticipated volume counts.
Other Product Benefit Description	PR007 - Element required to describe Product Benefit Types equal to OTHER. This is also a filtering element.

Product Start Date	PR009 - Element required to parse products into appropriate reporting date span. The Risk Model project is focused on Products with a date span of 01/01/2010 through 12/31/2010.
Product End Date	PR010 - Element required to parse products into appropriate reporting date span. The Risk Model project is focused on Products with a date span of 01/01/2010 through 12/31/2010.

Member Eligibility Elements	Rationale for Need
Payer	ME001 – Element required to link lines of eligibility to the correct payer. This element insures that the eligibilities selected in the Eligibility Extract are appropriate for Products identified for the selected Payers identified in the Product extract
Individual Relationship Code	ME012 – Element required to define Dependent Status, used in tandem with Carrier Specific Unique Subscriber ID to obtain family size necessary for assessing total member risk.
Member Birth Month	ME014 – Element required to define Member's age at time of enrollment by Birth Month and Birth Year combination. Age is a primary element for Risk Modeling and assessing utilization; used in tandem with Zip Code.
Member ZIP code (first 3 digits)	ME017 - Element required to group members into appropriate county level for geographic attribute of Risk Scoring.
Product ID Number	ME040 - Element required to link Product detail to Eligibility. This is required to insure that the eligibilities selected from the Eligibility Extract are appropriate for the selected Products identified in the Product extract.
Product Enrollment Start Date	ME041 - Element required for Per Member Per Month calculation. The Risk Model project is focused on eligibilities within the date span of 01/01/2010 through 12/31/2010.
Product Enrollment End Date	ME042 - Element required for Per Member Per Month calculation. The Risk Model project is focused on eligibilities within the date span of 01/01/2010 through 12/31/2010.
Member PCP ID	ME046 - Element required and used in tandem with PCP start/end dates to identify multiple lines of eligibility that need to be rolled up into a single eligibility segment.
CarrierSpecificUniqueMemberID	ME107 - Element required to identify unique members within a payer's system for Per Member Per Month Calculations and to link to Claims data for financial calculations.
CarrierSpecificUniqueSubscriberID	ME117 - Element is used in tandem with Individual Relationship Code to validate Dependent status

Medical Claim Elements	Rationale for Need
Payer	MC001 – Element needed to link claims lines to unique Payer IDs as selected by the Product and Eligibility extracts.
Payer Claim Control Number	MC004 – Element required to link all related claims lines together to create claim as payer processed. The Risk Model project needs to identify how payers adjudicate various types of claims to adjust for capitation payments.
Admission Date	MC018 – Element required for Inpatient claims to anchor start of care in setting.
Admission Month	MC018 – Element required for Inpatient claims to anchor start of care in setting.
Admission Year	MC018 – Element required for Inpatient claims to anchor start of care in setting.
Date of Service - From	MC059 – Element required to anchor claims for start of care. This date element aids in defining outpatient claims or periods of time prior to an Admit. When used for outpatient claims it will aid with overall utilization for the Risk Model. This element will be used in tandem with Type of Bill and Place of Service codes.
Date of Service - From Month	MC059 – Element required to anchor claims for start of care. This date element aids in defining outpatient claims or periods of time prior to an Admit. When used for outpatient claims it will aid with overall utilization for the Risk Model. This element will be used in tandem with Type of Bill and Place of Service codes.
Date of Service - From Year	MC059 – Element required to anchor claims for start of care. This date element aids in defining outpatient claims or periods of time prior to an Admit. When used for outpatient claims it will aid with overall utilization for the Risk Model. This element will be used in tandem with Type of Bill and Place of Service codes.
Date of Service - To	MC060 – Element required to terminate care and calculate date span.
Date of Service - To Month	MC060 – Element required to terminate care and calculate date span.
Date of Service - To Year	MC060 – Element required to terminate care and calculate date span.
Patient Control Number	MC068 – Element required for Inpatient claims to insure revenue inclusion for cost and reimbursement calculation for the Risk Model.
Discharge Date	MC069 – Element required for Inpatient claims to terminate care in setting.
Discharge Month	MC069 – Element required for Inpatient claims to terminate care in setting.
Discharge Year	MC069 – Element required for Inpatient claims to terminate care in setting.

Product ID Number	MC079 – Element required to link claims to selected Products in the Product extract to insure that the correct claims are being utilized in the Risk Model calculations.
Allowed amount	MC098 – Element required to calculate allowed charges for the Risk Model. This is a primary element necessary to account for overall coverage.
Delegated Benefit Administrator Organization ID	MC100 – Element required to identify relationships between payers, third party administrators, vendors. This element will provide linking information to necessary details maintained by the TPA or vendor.
Claim Processed Date	MC110 – Element required for validating usage of Claim Paid Date.
Plan Rendering Provider Identifier	MC134 - Element required to identify the Rendering Provider and validate against other Provider elements, i.e., Taxonomy to insure level of licensure and services.
CarrierSpecificUniqueMemberID	MC137 – Element required to link claim lines to selected eligibilities in the Eligibility extract.

Pharmacy Claim Elements	Rationale for Need
Payer	PC001 – Element needed to link claims lines to unique Payer IDs as selected by the Product/Eligibility extracts.
Payer Claim Control Number	PC004 – Element required to link all related claims lines together to create claim as payer processed. The Risk Model project needs to identify how payers adjudicate various types of claims to adjust for capitation payments and/or recurring prescriptions. Will aid with claim rollup.
Date Prescription Filled	PC032 – Element required to identify date patient received prescription. This date will perform as the Date of Service for the Risk Model.
Date Prescription Filled Month	PC032 – Element required to identify date patient received prescription. This date will perform as the Date of Service for the Risk Model.
Date Prescription Filled Year	PC032 – Element required to identify date patient received prescription. This date will perform as the Date of Service for the Risk Model.
Prescribing Provider ID	PC043 - Element required to identify Prescribing Provider and validate against other Provider elements, i.e., Taxonomy to insure level of licensure and services.
Product ID Number	PC056 – Element required to link claims to selected Products in the Product extract to insure that the correct claims are being utilized in the Risk Model calculations.
Script number	PC058 - Element required to validate prescription counts and recurring prescriptions. This identifier will perform as the anchor ID for the Risk Model on prescription claims to identify recurring prescriptions.
Allowed amount	PC068 – Element required to calculate allowed charges for the Risk Model. This is a primary element necessary to account for overall coverage.

Delegated Benefit Administrator Organization ID	PC072 – Element required to identify relationships between payers, third party administrators, vendors. This element will provide linking information to necessary details maintained by the TPA or vendor.
CarrierSpecificUniqueMemberID	PC107 Element required to link claim lines to selected eligibilities in the Eligibility extract.

Provider Elements	Rationale for Need
Payer	PV001 - Element needed to link Provider lines to unique Payer IDs for the Claims selected by the Product and Eligibility extracts.
Plan Provider ID	PV002 - Element required to link Providers to Claims. The Risk Model project requires this element to insure that PCP assignment is exact so that the multiple lines of eligibilities in the Eligibility extract can be combined correctly.

C. PURPOSE AND INTENDED USE

1. Please describe the purpose of your project and how you will use the APCD Data.

The purpose of our project is to develop a state risk adjustment model using claims experience that best reflects the actual market to which the risk adjustment program will be applied. We plan to only use the membership and claims data on the Massachusetts merged market to conduct modeling work.

2. Please explain why completing your project is in the public interest.

Risk adjustment is a permanent risk mitigation program required by the Affordable Care Act. Due to the unique features of the Massachusetts healthcare market, namely, merged market, lowest rate of uninsured, and progress in provider payment reform, we think it is in the best interest of all stakeholders in the State to explore a Massachusetts risk adjustment methodology instead of adopting the federal model, and that the preferred approach to developing such a state-specific model is by leveraging experience from our own market. To this end, we plan to develop the model using data from the APCD.

3. Attach a brief (1-2 pages) description of your research methodology:

Our research methodology follows the Hierarchical Condition Category (HCC) risk adjustment modeling principles and methodology. HCC is currently used in Medicare Advantage, the MassHealth MCO program, as well as Commonwealth Care. It is also widely used by commercial and Medicaid managed care carriers in Massachusetts and many other states. Finally, it is expected

to be the methodology that HHS will adopt to develop the federal risk adjustment model based on its recent announcement.

We plan to start by extracting only the merged market membership and corresponding claims data in 2010. Diagnosis information in claims will be mapped into the HCCs. From the product file, we will calculate the actuarial values and match them to the benefit tiers as in the Affordable Care Act. We will apply regression techniques to develop the risk weights. Model development is an iterative process. We will produce statistics on model performance in each iteration and select the model best fit the Commonwealth.

Timelines

We expect to begin working on the data as soon as possible, and complete risk adjustment model and other actuarial analyses before HHS announces its federal risk adjustment methodology, which is scheduled for October 15, 2012. Between October 2012 and March 2013, we expect to be using the restricted use data for the following activities and other ad hoc analysis and reporting:

- (1) Compare State risk adjustment model to Federal model (October and November 2012);
- (2) Evaluate the data collection requirements and identify gaps in the current APCD with respect to data quality thresholds and other operational processes (October and December 2012);
- (3) Develop a blueprint for risk adjustment data validation, audit standards and operational requirements (October 2012 and March 2013).

D. APPLICANT QUALIFICATIONS

1. Describe your qualifications to perform the research described or accomplish the intended use.

The Health Connector has been designated in Chapter 118 of the Acts of 2012 to conduct risk adjustment for the Massachusetts merged market, as envisioned under the Affordable Care Act (ACA). The ACA requires that a market-wide risk adjustment program be implemented in the small and non-group health insurance market come 2014 (part of the ACA “3R”). The federal government will implement a “one-size-fits-all” risk adjustment program for states that do not elect to operate an Exchange. States that operate their own Exchanges can choose between defaulting to the federal program and developing and administering their own programs, subject to HHS certification.

There are important reasons for Massachusetts to pursue a state-based risk adjustment program: (1) Our market is distinctive from most states (minimal inflow of newly insured, merged market, adjusted community rating, etc.) and can benefit from a custom designed and calibrated risk adjustment model; and (2) Through the APCD, we have the opportunity to adopt a centralized data collection and validation approach that leverages infrastructure that is by and large already in place, which will likely lead to a more streamlined administrative process.

The Health Connector needs to obtain the required data extract from the APCD according to the

timeline below:

- **To custom-develop the risk adjustment model and methodology--- by late July/early Aug 2012.**
- **To simulate and test the risk adjustment process --- by early 2013.**
- **To administer the actual risk adjustment program --- starting in May/June of 2014 and on a quarterly basis.**

2. Submit the résumé or curriculum vitae of the applicant/principal investigator, key contributors, and of all individuals who will have access to the data.

E. DATA LINKAGE AND FURTHER DATA ABSTRACTION

1. Does your project require linking the APCD data to another dataset?
YES NO
2. If yes, will the APCD data be linked to other patient level data, other databases, or vital statistics data?
YES NO
3. If yes, please identify all linkages proposed and explain the reasons(s) that the linkage is necessary to accomplish the purpose of the project. Specify the specific steps you will take to prevent the identification of individual patients.

F. RE-RELEASE OF DATA

Applicants must obtain prior approval from the Division to publish reports that use APCD files. Applicants must provide the Division with a copy of any report at least 30 days prior to release to outside parties, including peer review and prepublication analysis by anyone other than the individuals named in this Application. The Division will review the report to ensure that the publication will not permit identification of an individual patient or permit identification of a specific payment by individual payer. The Division may prohibit release of reports that may permit identification of individual patients or specific payment by individual payer.

1. Describe your plans to publish or otherwise disclose any APCD data elements, or any data derived or extracted from such data, in any paper, report, website, statistical tabulation, or similar document.

We will not publish individual data from the APCD. To seek federal certification of the risk adjustment methodology, we will be required to publish summary statistics and model performance statistics, subject to confirmation by the forthcoming HHS guideline and requirement for federal certification. However, we envision the following summary statistics may be required – average age, average total cost and plan liability by major service categories (inpatient, outpatient, pharmacy, physician and other), distribution by eligible month, distribution by benefit tiers (as in the ACA), and model coefficients resulting from the risk adjustment model.

2. Will the results of your analysis be publicly available to any interested party? Will you charge a fee for the reports or analysis? Please describe how an interested party will obtain your analysis and, if applicable, the amount of the fee.

Once certified by the HHS, the summary statistics and model specifications (classification and risk weights) will be made available to the general public. We will not charge a fee to others to use this information.

3. Will you use the data for consulting purposes?

YES NO

4. Will you be selling standard report products using the data?

YES NO

5. Will you be selling a software product using the data?

YES NO

6. If you have answered “yes” to questions 3, 4 or 5, please (i) describe the types of products, services or studies; (ii) estimate the number and types of clients for which the data will be used and (iii) describe any rerelease of data by your clients.

G. USE OF AGENTS OR CONTRACTORS

Third-Party Vendors. Provide the following information for all agents and contractors who will work with the APCD data.

Company Name:	Milliman, Inc.
Contact Person:	Rong Yi

Title:	Director, Risk Adjustment and Predictive Modeling Practice; Senior Consultant
Address:	One Penn Plaza, 38 th Floor, New York, NY 10119
Telephone Number:	646 473 3210
Fax Number:	646 473 3428
E-mail Address:	rong.yi@milliman.com
Organization Website:	www.milliman.com

1. Describe the tasks and products assigned to this agent or contractor for this project.

Extract membership and claims data for the merged market for 2010, create cost summary by benefit plan and by market segment (e.g., individual vs. small group), identify gaps between the current APCD data elements and what will be needed for risk adjustment operations, calibrate a risk adjustment model using Massachusetts data, compare to the federal model when it is available in October 2010, and assist the Connector in the federal certification process.

2. Describe the qualifications of this agent or contractor to perform such tasks or deliver such products.

Milliman has risk adjustment and APCD expertise. They have worked on similar projects for other clients and have been consulting to the Connector on risk adjustment since 2009.

3. Describe your oversight and monitoring of the activity and actions of this agent or subcontractor.

Connector assigns Audrey Gasteier to oversee the process. Ms. Gasteier is a senior member on the Connector's staff. She is responsible for monitoring the progress, timeline, data security requirement and vendor compliance. Her counterpart is Diane Walsh, who serves as the project coordinator between the Connector and DHCFP.