



NATIONAL ASSOCIATION OF HEALTH DATA ORGANIZATIONS

Improving Health Care Data Collection and Use Since 1986

September 1, 2009

The Honorable Max Baucus
511 Hart Senate Office Bldg.
Washington, D.C. 20510

Dear Senator:

As the data stewards of statewide health care reporting programs, the members of the National Association of Health Data Organizations (NAHDO) recognize that Medicare data have a great deal of value and could be used more effectively to inform health care improvement initiatives. States also understand the tension between controlled use and unregulated access that has limited the broad release of Medicare data. Acquisition of Medicare data by states currently requires following a cumbersome and relatively expensive process that can be a barrier for states seeking Medicare data for policy and research purposes. Therefore, NAHDO and the states we represent propose a reasonable alternative approach to Medicare data release.

NAHDO proposes that Congress permit Medicare data access to states with legislatively created All Payer Claims Databases. Legislatively created All Payer Claims Database systems are governed by strict privacy provisions that are at least as, and often more, stringent than federal privacy law. Currently, there are nine states with legislatively-created All Payer Claims Databases, and these states are generally using claims databases to support population-based analyses across payers. The information from these analyses supplements other health care data sets for health care market and policy decisions. The inclusion of Medicare data in All Payer Claims Databases is essential for the states, because it provides information about health care use and costs for a large population segment and completes the picture of health care costs and quality at the state level. With Medicare data, states can analyze patient utilization patterns, inform payment reform policies, and measure disease prevalence to facilitate quality improvement efforts.

NAHDO believes that the approach of systematically providing Medicare data access to states with All Payer Claims Database legislation is a compromise that facilitates the use of Medicare data for the public good and also ensures the protection of enrollee privacy and confidentiality. States with legislative authority to collect All Payer Claims Data do so to improve the health of the citizens in each state, and these states have an exemplary track record for protecting the information and assuring appropriate use and aggregation. NAHDO, along with its state members, believes that providing access to Medicare claims data to those states with legislatively created All Payer Claims Databases is an appropriate approach that will result in administrative cost savings to the Centers for Medicare and Medicaid Services (CMS) and provide a means of disseminating Medicare data with proper and stringent data oversight and control. In addition, Medicare will have the opportunity to enter into data sharing agreements with the states that have

the combined commercial, Medicaid, and Medicare claims data sets. This provides an opportunity for benchmarking and health services research of Medicare with other payers.

The current process for acquiring Medicare data can be a cumbersome and labor-intensive one for both states and CMS. As more states implement All Payer Claims Databases, the individual state review process will compound the data review process and associated costs to CMS. If every state in the U.S. were to eventually approach CMS for state-specific Medicare data, given the current review process, CMS could be overwhelmed.

By way of this letter, we suggest an alternative approach for states with All Payer Claims Database reporting legislation. In order to streamline the Medicare data release process for All Payer Claims Database states, we are recommending a single, uniform data request versus specialized state-specific requests. We estimate the cost savings for this streamlined approach to be on a magnitude of ten times the state-by-state cost (accounting for staff resources currently expended in state-based requests for each state, as the current Medicare data acquisition process takes about 12 months).

We believe that there are additional potential savings to the Medicare program beyond administrative costs savings. As states aggregate and incorporate commercial market benchmarks, CMS will be able compare the Medicare population's utilization, cost, and outcomes with the commercial populations across the states for the first time. This will provide CMS an additional mechanism to identify the opportunities to reduce variation and costs, and evaluate policies that can benefit the Medicare program and its beneficiaries.

Since 1986, the National Association of Health Data Organizations (NAHDO) has represented state health data organizations to promote health information policies that balance privacy protections with appropriate use that benefits the public good. Our state members maintain statewide health care reporting programs that provide information for market, research, public health, and policy applications.

NAHDO and its state members will be pleased to meet with your staff to discuss this issue and our members' activities related to health care data essential to health care reform in states.

Sincerely,



Executive Director
National Association of Health Data Organizations (NAHDO)

And the following States:

Maine Health Data Organization
Massachusetts Division of Health Care Finance
Minnesota Department of Health
New Hampshire Department of Insurance
Oregon Health Authority, Office for Oregon Health Policy & Research
Tennessee Department of Finance and Administration
Utah Department of Health, Office of Health Care Statistics