



Washington Health Benefit Exchange

All Payer Claim Database (APCD) Analysis

Leah Hole-Marshall, General Counsel-Chief Strategist
Kara Nester, Sr. Policy Analysis

HBE APCD Team

- Joan Altman. Associate Director, Legislative & External Affairs
- Leah Hole-Marshall, General Counsel-Chief Strategist
- Kara Nester, Sr. Policy Analysis
- Thuy Ha, Data & Reporting Manager
- Kendra Jennings, Sr. Data Analyst



Overview of All-Payer Claims Databases (APCDs)

- All-payer claims databases (APCDs) are large State databases that include medical claims, pharmacy claims, dental claims, and eligibility and provider files collected from private and public payers
- This data is often used by states to advance the goal of improving health care affordability, efficiency, quality, and cost transparency
- To date, 18 States have legislation mandating the creation and use of APCDs or are actively establishing APCDs, and more than 30 States maintain, are developing, or have a strong interest in developing an APCD.
 - A handful of states, such as New Hampshire, Maine, and Massachusetts, are using APCD data to launch public Web sites with price and cost information for consumers

More background information available at:

https://www.rwjf.org/content/dam/farm/reports/issue_briefs/2014/rwjf409988



Overview of APCD in WA

WA-APCD was established in 2015 by the WA Legislature. It is managed by OFM with a contracted database that went live in 2018.

This database includes required participants:

- Commercial market
- Medicaid
- Medicare
- PEBB
- Labor and Industries
- Individual Market

The WA Health Alliance was formed in 2004 to address rising cost of health coverage for public employees. Focus on reduce the misuse of care, improve quality and reduce cost trends.

This database includes voluntary participants:

- Commercial market, including self-funded
- Medicaid
- PEBB

Historical claims data from 2004

Historical claims data from 1/1/14



How is the Exchange using this data?

- The Exchange is an ‘early adopter’
 - Received free 1-year license from OFM
 - Presenting initial findings at an upcoming OFM symposium
- Several other state agencies have applied for/been granted access to the database
- 3 main areas of focus for Exchange
 1. Exchange v. other markets
 2. Variability within the Exchange Market
 3. Longitudinal Analysis of Exchange Enrollees/Examining Continuity of Coverage



(1) Exchange v. other markets

Areas of Interest:

- How does the risk profile of the on-Exchange market compare to the off-Exchange market and other relevant markets?
- What is driving costs in the individual market (on and off-Exchange)? Utilization or price (medical and pharmaceutical and other relevant factors)?
- What are the monthly and yearly claims costs (PMPM), and how do they compare across market segments?
- How does the PMPM vary across populations within the various market segments? (I.e. age, gender, county, etc.)



(2) Variability within the Exchange Market

Areas of Interest:

- Are there patterns of which populations are bringing in more risk to the market? Controlling for various predictive elements like age and condition, do certain market segments have higher utilization (e.g., subsidy status, FPL levels, geography, etc.)?
 - *Note: study of certain metrics would require data matching*
- Is the market at risk in certain geographic regions due to high claims (examining both utilization and the price of services)?
- How much does provider pricing practice contribute to the overall costs of the market?
- How does utilization vary based on plan design?
- Where does utilization occur in relation to their residence (e.g., how far traveling for services)?



(3) Longitudinal Analysis of Exchange Enrollees/Examining Continuity of Coverage

Areas of Interest:

- Where do Exchange enrollees come from? Where do they go? When are they leaving?
- Does utilization vary as individuals move into and out of the Exchange/individual market? Do utilization patterns change when consumers enter or leave the Exchange market? Do utilization patterns vary based on the type of prior coverage or lack of prior coverage?



First Deliverable: Upcoming OFM Symposium

- Compiled high level findings related to (2) Variability within the Exchange Market
- Initial Focus: Utilization rates and medical claim costs for QHP enrollees (pharmacy claims not included)
- Timeframe: 2017 claims only
- Initial findings being used to inform discussion of policy options that could help address cost drivers in the individual market



Summary of Initial Findings (2017)

Total Utilization in Exchange Market

- 53% of QHP enrollees had a service encounter that resulted in a medical claim
 - 47% of QHP enrollees did not have any medical claims
- Average cost for a medical claim among QHP enrollees that had at least 1 claim: \$524
 - Total QHP enrollees with at least 1 claim: 131K
 - Total medical claims cost: \$608,532,974



Summary of Initial Findings (2017)

High Utilizers in the Exchange Market

- A relatively small number of enrollees can account for a large percent of total medical costs.
- About 5% of QHP enrollees accounted for **72%** of total medical claim costs
 - Total QHP enrollees in the 5%: ~12,500
 - Median annual medical claims cost for the 5%: \$19,000
- Approx. 2,000 QHP enrollees had an annual medical claims cost of over \$50,000



Summary of Initial Findings (2017)

Cost & Utilization by Gender and Age

- Female QHP enrollees had a higher utilization rate (57%) compared to male QHP enrollees (47%), but males had a higher average cost per claim (\$570 v. \$500)
- Predictably, the 55-64 age group had the highest utilization rate and highest average cost per claim, while the 18-34 age group had a lower utilization rate and the lowest cost per claim

Age Group	Utilization Rate	Average Cost per claim
18-34	44%	\$439
35-54	51%	\$475
55-64	61%	\$599



Summary of Initial Findings (2017)

Cost & Utilization by Geography

- Utilization varied the most by geographic region – rates vary significantly among the counties with the highest average costs per claim
- The table below compares findings from five counties with the highest average cost per claim, to the statewide average of \$524

County	Utilization Rate	Average Cost per claim
Statewide Average	53%	\$524
Franklin	29%	\$849
Pacific	64%	\$825
Lewis	21%	\$800
Cowlitz	71%	\$762
Grays Harbor	69%	\$724



Next Steps

- Presentation at OFM data symposium
- Data analysis to further examine utilization and cost by subsidy status and FPL
- Work with other public purchasers on common reporting
- Monitor legislative activity related to the APCD
- Further analyses to investigate QHP patterns and trends





washington
healthplanfinder

powered by the **Washington Health Benefit Exchange**