Washington Health Benefit Exchange

All Payer Claim Database (APCD) Analysis

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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

- The All-Payer Claims Database (APCD) was established in 2015 by the WA Legislature.
- The database is currently managed by OFM (contract manager), through contracts with OHSU (project manager) and Onpoint (database administrator)
- This database includes medical, dental, and pharmacy claims, eligibility and providers from the following:
  - Commercial market
  - Medicaid
  - Medicare Advantage
  - Medicare FFS (~Jan. 2019)
- This database does not include:
  - People who self pay
  - Self-insured claims (unless voluntarily submitted)
- Historical claims data is available back to 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 has 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, Age & Geography

- 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 Gender, Age & 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 matching to further examine utilization and cost by subsidy status and FPL
- Monitor legislative activity related to the APCD
- Further analyses to investigate QHP patterns and trends


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