# Arnold Ventures

## National Letter in Support of Federal All-Payer Claims Database

As health scholars, leaders of health organizations, and funders of health research, we are writing in support of establishing a federal all-payer claims database (APCD).

APCDs regularly collect data on health insurance claims from all of the payers in a given area (typically a state). Because they include demographic and diagnostic data on patients as well as any treatment or drug paid for by insurance (private or public), APCDs can be immensely valuable for research. APCDs have been used by health scholars to study numerous issues about quality and cost, including the extent of long-term opioid use after surgery, the ability of Medicaid patients to access physicians, the amount of wasted medical spending ending on low-value care, the performance of new models to reduce health spending (such as patient-centered medical home programs), the rate of complications after routine surgeries, and the characteristics of the highest-cost Medicaid patients.

In 2016, however, the Supreme Court rendered it all but impossible for states to establish comprehensive APCDs, on the grounds that the Employee Retirement Income Security Act (ERISA) preempted states from requiring reporting by self-insured health plans. As noted in the Journal of the American Medical Association, this Supreme Court decision has "far-reaching implications for the ability of states to access comprehensive health information to inform policy making."

In May 2019, the Senate Health, Education, Labor and Pensions Committee released a draft of the Lower Health Care Costs Act. Among other things, that Act would amend ERISA to create a federal APCD whose data would be available to "researchers and policymakers."

While we are not all able to take a position on specific federal legislation, we can all agree that a national APCD would be an enormous leap forward for the ability of health researchers to study the cost and quality of medical care across the U.S. As noted above, smaller and more limited APCDs at the state level have been used for a wide variety of health studies that shed light on health care markets and the quality of care received; simultaneously, national studies often rely on Medicare data, which is limited in other ways (i.e., to older populations). A national APCD would enable a new generation of health research that could combine the strengths of Medicare/Medicaid data and state-level data on claims paid by private insurers.

We do have one reservation about the Lower Health Care Costs Act, in its current draft. It requires data to be de-identified pursuant to HIPAA standards, which would mean stripping out useful information on items like locations and birth dates, thus making it much more difficult to research certain questions.

This seems an unnecessary limitation: This type of information is regularly available in Medicare claims data, and given the privacy protections in place, health scholars have successfully used that data with no privacy breaches to date.

That said, we strongly support a national APCD, and would be willing to testify as to its potential merits.

Signed,

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