Written Testimony for the May 19, 2021 Meeting of the
State All Payer Claims Databases Advisory Committee
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Thank you, chairperson Mustard and members of the State All Payer Claims Data Advisory Committee (SAPCDAC) for this opportunity to address you today regarding the critically important work of your committee.

For more than a decade, state All-Payer Claims Databases (APCDs) have offered policymakers, public health officials, researchers, and other stakeholders ready access to comprehensive, longitudinal data on healthcare services use and their cost. But their full use has been limited by a variety of circumstances.

The work of this Committee will have a significant impact on improving the data and the benefits of APCDs and will help states realize the full potential of these data sources to support price transparency; track waste and unnecessary procedures in healthcare; track issues related to COVID-19, the opioid epidemic, and other public health concerns; evaluate the quality of doctors and hospitals; measure the market power of high-priced providers; and so much more.

One obstacle to wider use of APCDs is that each state has its own way to collect data, so it is harder and more costly for an insurer that works in many states to produce the data, and it is hard for metro areas that cross state lines to benefit from existing, non-standard, single-state data.

Perhaps the biggest obstacle to APCD data use is the Supreme Court ruling in *Gobeille v Liberty Mutual* that found that states can't force certain private plans to participate in their APCD.

The SAPCDAC can clear a path to fix this restriction and allow states to maximize the value and power of their APCDs to inform health policy, educate stakeholders, undergird research and healthcare reporting, and enable to regional and national benchmarking.

To be successful in improving the collection and use of state APCD data, I respectfully urge the Committee to do the following:

1. Create a standard that looks like the vast majority of state templates. The state data formats currently in use overlap each other enormously, yet each has unique features, because states haven't had a strong reason to conform. Under the new law, they do, and most are likely to adopt the national standard—*your* proposed national standard—if it is robust and broadly aligns with their existing formats.
2. Make the standard open-source and in the public domain. The standard should be based upon the public and publicly-funded work of pioneering states, under the auspices of this committee and the DOL. It must be and stay freely available to all users.

3. In addition to creating a robust format, make a clear recommendation that Congress formally adopt the resulting standard in ERISA, so that the impediment of the *Gobeille* decision may be removed, giving states further incentive to adopt it.
4. Examine other obvious and upcoming data issues for APCDs. For example, alternative payment models (APMs) now account for a significant and growing portion of health care payments. Three state APCDs already collect data on APMs. Before we go much further, a federal standard for APM data collection can help us avoid repeating our situation with varied fee-for service (FFS) data standards. The DOL should use the Committee as needed to address evolving data needs of our health care system.

With the upcoming October 2021 grant funding from the federal government totaling $2.5 million per state to help them launch or expand their APCDs, the opportunity is now to address the obstacles to full use and implementation of APCDs.

We applaud the Committee and its commitment to improving APCDs and making their use more efficient and more widespread.

Dr. John Freedman, MD, MBA, is principal of Freedman HealthCare LLC, which since 2005 has helped states aggregate and apply healthcare data to support cost containment, quality improvement and improved health outcomes. Freedman HealthCare is the leading resource for All-Payer Claims Databases (APCDs), supporting planning, implementation, and management of multi-payer claims databases in more than 20 states nationwide.