



Understanding Cost Drivers & Enabling Performance Improvement: **Implementation of the Healthcare Payments Data Program**

Improving Health Care Data Sharing and Exchange –
California Association of Health Plans Conference

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Michael Valle, Deputy Director, Office of Information Services

Jill Yegian, Consultant



**The Office of Statewide Health Planning & Development (OSHPD)
is now...**

The Department of Health Care Access & Information (HCAI)!

Our mission is to expand **equitable access** to health care for all Californians—ensuring every community has the health workforce they need, safe and reliable health care facilities, and **health information** that can help make care more effective and affordable.

We have over 40 years of experience supporting informed decisions in health care with data, transparency, and evidence-based analysis.



HCAI Program Areas

- **Facilities:** monitor the construction, renovation, and seismic safety of California's hospitals and skilled nursing facilities
- **Financing:** provide loan insurance for non-profit healthcare facilities to develop or expand services
- **Workforce:** promote a culturally competent and diverse healthcare workforce.
- **Affordability:** analyze health care cost trends and drivers of spending, enforce health care cost targets, and conduct cost and market impact reviews of proposed health care consolidations
- **Data:** collect, manage, analyze and report information about California's healthcare infrastructure and patient outcomes

HCAI's Healthcare Data Programs

Cost Transparency

Hospital and long-term care financials, Chargemasters, prescription drug costs, and more to support and advance healthcare cost transparency.

[EXPLORE THIS TOPIC](#)

Healthcare Utilization

Patient-level administrative data abstracted from individual patient records and facility-level utilization data on healthcare services from hospitals and healthcare facilities.

[EXPLORE THIS TOPIC](#)

Healthcare Quality

Reports based on healthcare utilization data to support higher quality, more efficient, and cost-effective patient care.

[EXPLORE THIS TOPIC](#)

Healthcare Facility Attributes

Summary, license, safety, and construction information about California hospitals and healthcare facilities.

[EXPLORE THIS TOPIC](#)

Healthcare Workforce

Information about healthcare professionals and colleges, California shortage areas, and HCAI programs to improve access to care.

[EXPLORE THIS TOPIC](#)

Data Resources

Resources that help consumers navigate, use, and interpret HCAI and other related healthcare data.

[EXPLORE THIS TOPIC](#)

Healthcare Payments Data Program

HPD Program Overview

- The HPD will be a large research database of healthcare administrative data
- The HPD will begin with collecting four core file types:
 1. Medical claims and encounters
 2. Pharmacy claims
 3. Member eligibility
 4. Provider
- The HPD will begin with collecting data from:
 1. Commercial and Medicare Advantage health plans and insurers
 2. Department of Health Care Services (Medi-Cal)
 3. Centers for Medicare and Medicaid Services (Medicare Fee-For Service)
- HPD uses the NAHDO [APCD Common Data Layout](#) for data file formats

The HPD Program will establish:

- Approach to incorporate other data (beyond claims)
- Approach to accept data from voluntary submitters
- A master person index to support longitudinal and population level analysis
- Public information portfolio of public reports
- Procedures for special access to non-public research data
- Long-term funding plan

HPD Program Goals

1. Provide **public benefit** for Californians and the state **while protecting individual privacy**.
2. Increase **transparency** about health care costs, utilization, quality, and equity.
3. Inform **policy decisions** on topics including the provision of quality health care, improving public health, reducing disparities, advancing health coverage, reducing health care costs, and oversight of the health care system and health care companies.
4. Support the development of **approaches, services and programs** that deliver health care that is cost effective, responsive to the needs of Californians, and recognizes the diversity of California and the impacts of social determinants of health.
5. Support a **sustainable health care system** and more **equitable access** to affordable and quality health care for all.

What is the value proposition for the HPD Program?

Provides a window to California's \$400 billion healthcare spend

- Explore variation in price and out-of-pocket cost by condition, service, or procedures
- Compare payers (e.g. commercial, Medicare, Medi-Cal)
- Identify cost drivers, e.g. prescription drug costs, by setting of care

Allows users to identify and act on opportunities to improve California's healthcare system

- Assess the results of health initiatives, tracking changes in utilization, cost and quality
- Learn from the success of high-performing regions, plans, models of care
- Streamline access to cross-payer health care data across CHHS and other California agencies

Supports healthcare research, including research that directly benefits Californians

- Create one of the largest research databases of its kind, supporting a wide range of projects that align with the HPD's purpose
- Facilitate linkages with other datasets (clinical, economic, environmental, social)

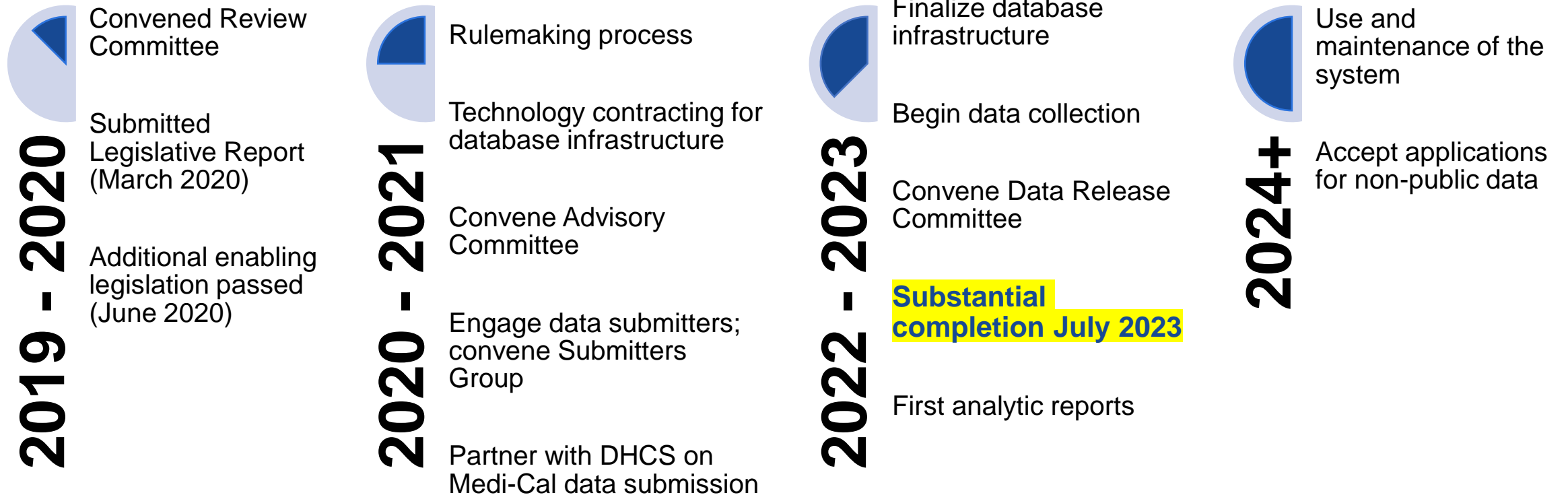
Enormous Potential to Answer Important Questions . . .

USE CASE CATEGORY		EXAMPLE 1	EXAMPLE 2
1	Cost and Utilization	Utilization, Spending, and Total Cost of Care	Identify and Reduce Low-Value Care
2	Quality	Quality Comparisons	Quality and Continuity of Care Through Coverage Transitions
3	Coverage and Access	Coverage Trends by Region and Payer	Regulatory Oversight of Insurance
4	Population and Public Health	Prevalence, Management, and Cost of Chronic Conditions	Understanding the Opioid Epidemic
5	California Health System Performance	Report on Statewide System Performance	Effect of Consolidation on Quality and Cost

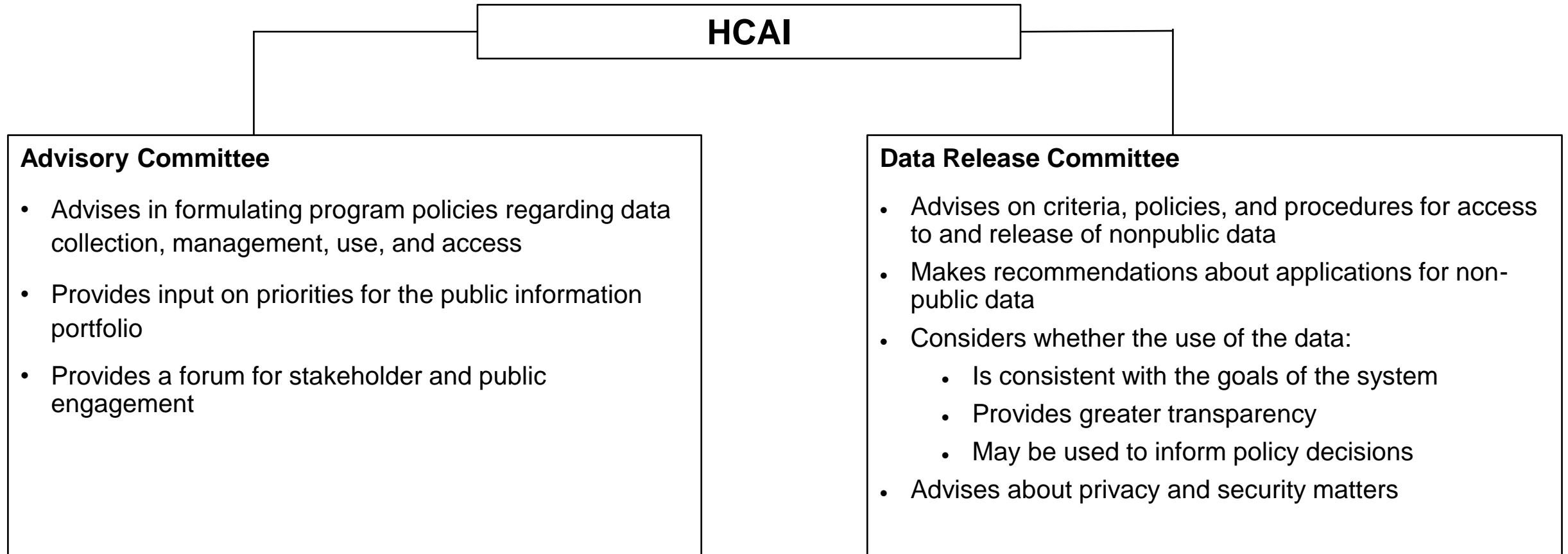
. . . with Notable Limitations and Challenges

- Excluded populations and plans not in the data (Self-insured private plans, uninsured, etc.)
- Lag in reporting / timeliness
- Data quality and completeness
- Linkage with other datasets
- Technical challenges of processing massive amounts of data
- Balancing patient privacy, and release of other sensitive data

HPD Timeline



HPD Stakeholder Governance: Advisory Committee & Data Release Committee



Thank you for
your support,
HPD Advisory
Committee!



California Association of
Health Plans



California
Hospital
Association



**CALIFORNIA
MEDICAL
ASSOCIATION**

**SEIU-
UHW**

United Healthcare
Workers West



AMERICA'S
PHYSICIAN
GROUPS 



Thank you for
your support,
partners!



Public Reporting

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Public Reporting Principles for HPD

1. Protect Patient and Consumer Privacy
2. Inform Policy and Practice
3. Engage Stakeholders in the Process
4. Adopt Methods that Ensure Credibility
5. Align with Existing Efforts
6. Provide Information to Support User Understanding

Public Reporting Anticipated Topics

Early Topics

- Initial Utilization Statistics
- Initial Cost Reporting
- Chronic Condition Prevalence
- Component Utilization and Cost (e.g., ED, Inpatient)
- Trends in Utilization

Later Topics

- Cost and Utilization Statistics
- Low Value Care
- Costs for Episodes of Care
- Health Disparities
- Chronic Condition Cost
- Prescription Drug Spending
- Primary Care Spending
- Behavioral Health Utilization

Public Reporting Timeline

- HPD Snapshot: July 2023
 - Availability of data: individuals, records, member months
 - Summary counts for most frequent services, procedures, prescriptions
- “Measures” Dashboard: Q3 2023
 - Chronic Condition Prevalence (e.g., asthma, diabetes, breast cancer)
 - Utilization (inpatient stay, emergency room visit)
 - By age group, gender, payer type, geography, reporting year
- Pharmaceutical Cost: Q4 2023
 - Starting point for reporting cost

Sample Dashboards

Examples from Washington APCD / from fictional data

Select a Date Range

January 2014

March 2021

34

Total Payers

87

Available Months of Data

1,937,803,059

Total Claims

Top 10 Insurance Plans by Unique Members

Preferred Provider Organization (PPO)	2,350,926 / 28.49%
Point Of Service (POS)	2,265,891 / 27.46%
Medicaid	1,768,769 / 21.43%
Health Maintenance Organization (HMO)	540,633 / 6.55%
Medicare	402,439 / 4.88%
Medicare Advantage	382,831 / 4.64%
Medicare Drug Coverage	282,917 / 3.43%
Exclusive Provider Organization (EPO)	152,986 / 1.85%
Indemnity	85,793 / 1.04%
<i>Note: Simulated Data for Illustrative Purposes</i>	15,448 / 0.19%

[Data Overview](#)

[Data Availability](#)

[Medical Procedures](#)

[Drug Prescriptions](#)

[Terms & Measures](#)

Most Common Drug Prescriptions

Note: Simulated Data for Illustrative Purposes

Rank	Drug Name	Drug Class	Claim Count	Total Allowed Amount	Allowed Amount per Claim
1	Atorvastatin Calcium	Cardiovascular agents	3,212,233		
2	Lisinopril	Cardiovascular agents	3,044,555		
3	Amlodipine Besylate	Cardiovascular agents	2,557,166		
4	Gabapentin	Neurological agents	2,455,050		
5	Metformin	Diabetes agents	2,259,237		
6	Losartan	Cardiovascular agents	1,960,137		
7	Omeprazole	Gastrointestinal agents	1,909,643		
8	Sertraline	Antidepressants	1,905,000		
9	Metoprolol	Cardiovascular agents	1,726,000		
10	Simvastatin	Cardiovascular agents	1,383,204		

In 2019, the most commonly paid drug claim was for atorvastatin calcium, commonly known by its brand name, Lipitor.

Depending on quality of pharmacy data, columns for Allowed Amount and Allowed Amount per Claim may be added later in 2023.

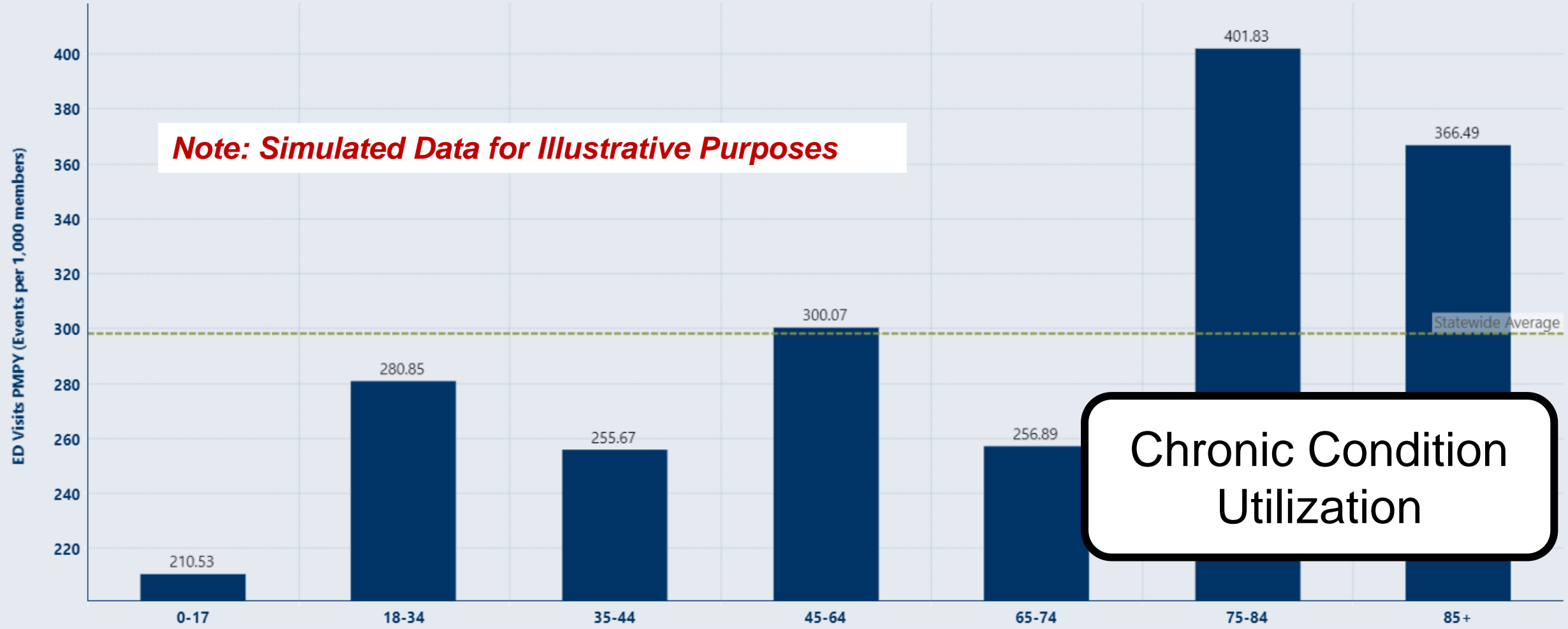
Statewide Comparison

This dashboard is intended for demonstration purposes only. All data displayed have been simulated.



Choose a Measure to Display: Utilization: ED Visits
Choose a Grouping Dimension: Age Band
Filter by Reporting Year: (All)
Filter by Age Band: (All)
Filter by Gender: (All)
Filter by Product Type: (All)
Filter by Attributed Provider: 1,2,3,4,5

The following graph shows **ED Visits PMPY** grouped by **Age Band** compared to the statewide average. Use the menu above to select from additional measures, change the grouping dimension, or filter the eligible population.



Informing HPD's Pathway

Public Reporting – What Comes Next?

- State APCDs have developed an array of public reporting products and visualizations
- HCAI is interested in feedback on which topics and products are of greatest interest for HPD public reporting, and how they might be most useful
- Areas of interest include:
 - Topics
 - Features
 - Use cases
 - Audiences

California Purchasers: Perspectives on High-Value Use Cases

- Data to identify **price variation** to inform network, benefit design
- Data on excess provision of **low-value care**
- **Benchmarking** information for comparative evaluation
- **Total cost of care** for high-volume procedures
- Assigning a cost to **capitated encounters**
- Detailed cost data on **prescription drugs**
- **Site of service** analysis, incorporating quality outcomes
- **Provider-level cost** data, comparisons
- Ability to compare against **Medicare prices** for inpatient claims
- **Quality** of care at the provider level
- “**Value index**” to support provider-level comparisons
- **Data granularity** that supports actionable information, e.g. facility-specific, sub-county geography
- Integrating data on race/ethnicity and language to illuminate disparities, **increase health equity**

2020 Healthcare Pricing Transparency Report

Service

Arthroscopic Knee Surgery



Arthroscopic knee surgery is done with the help of a miniature camera, inserted into a small incision or cut. The doctor can see images from the camera on a monitor and can thread tiny surgical tools through other small incisions. Arthroscopic knee surgery is used to treat and repair knee injuries. It can also be used to relieve some symptoms of arthritis.

CPT Code(s)- 29881

Drop-down list includes office visits, ER visits, surgical and diagnostic procedures, imaging.

Place of Service

Statewide Median:
Statewide Range:

Ambulatory Surgical Center

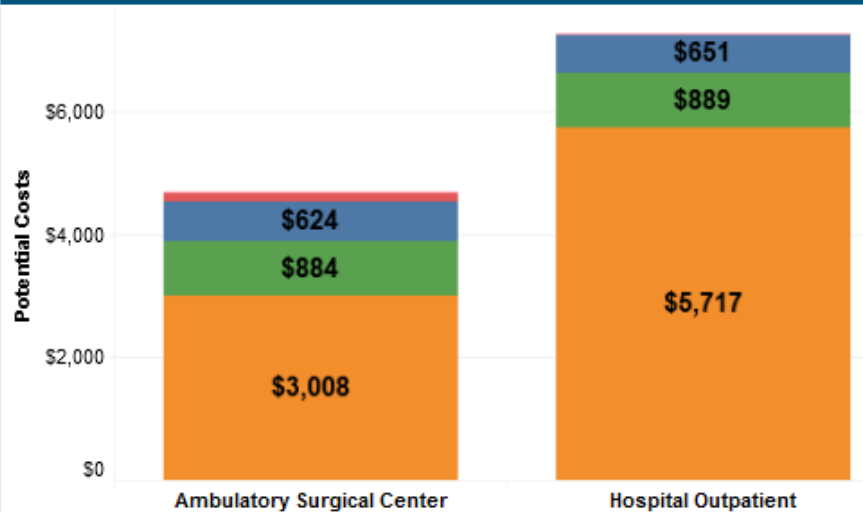
\$4,558
(\$3,509 - \$6,126)

Hospital Outpatient

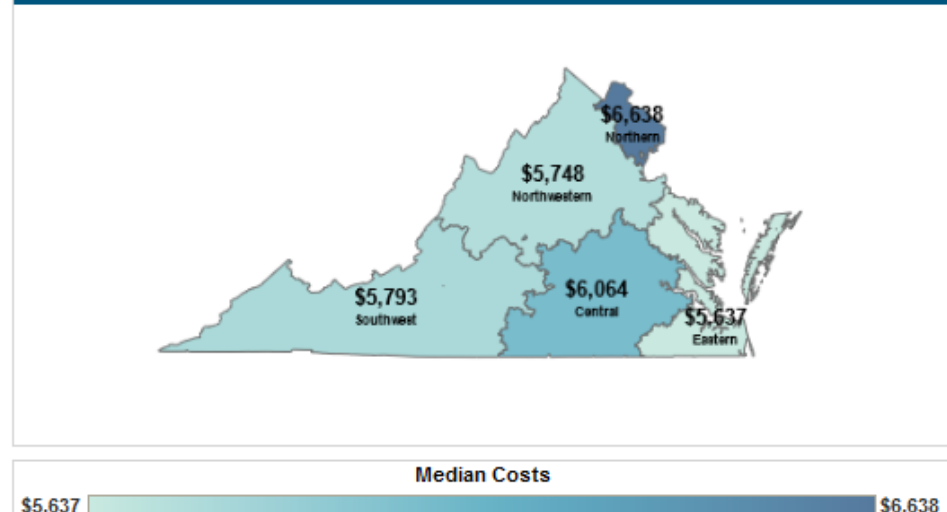
\$7,270
(\$5,373 - \$9,690)

- Cost Category**
- Prescription Drug
 - Other
 - Anesthesiologist
 - Surgeon
 - Facility

Potential Costs by Cost Category



Median Costs by Region



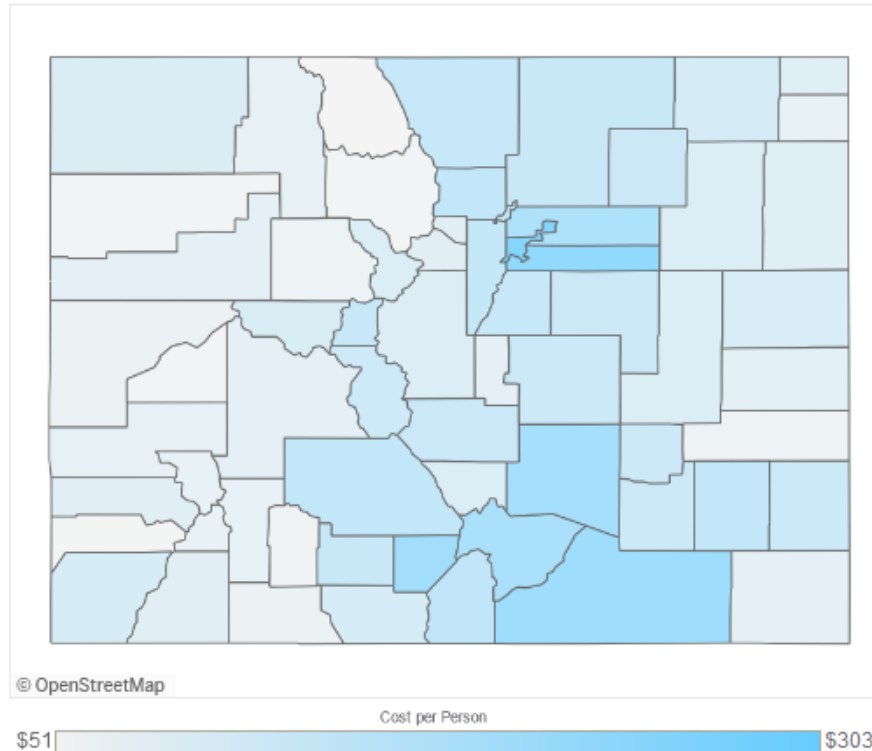
Source: [Healthcare Pricing Transparency Report \(2020\)](#)

Telehealth Services Analysis



Where do patients receiving telehealth live?

Click on any county to filter by geography.



Why are patients accessing telehealth?

Top Diagnosis Categories by Cost

Mental Health Conditions	57%
Endocrine/Nutritional Conditions	6%
Other	5%
Nervous System Conditions	5%

What services are being provided?

Top Service Categories by Cost

Office or Other Outpatient E&M Services - Established Patient	33%
Psychiatry Services and Procedures	33%
Other	13%
Telephone Services	4%

Who is providing telehealth?

Top Service Provider Types by Cost

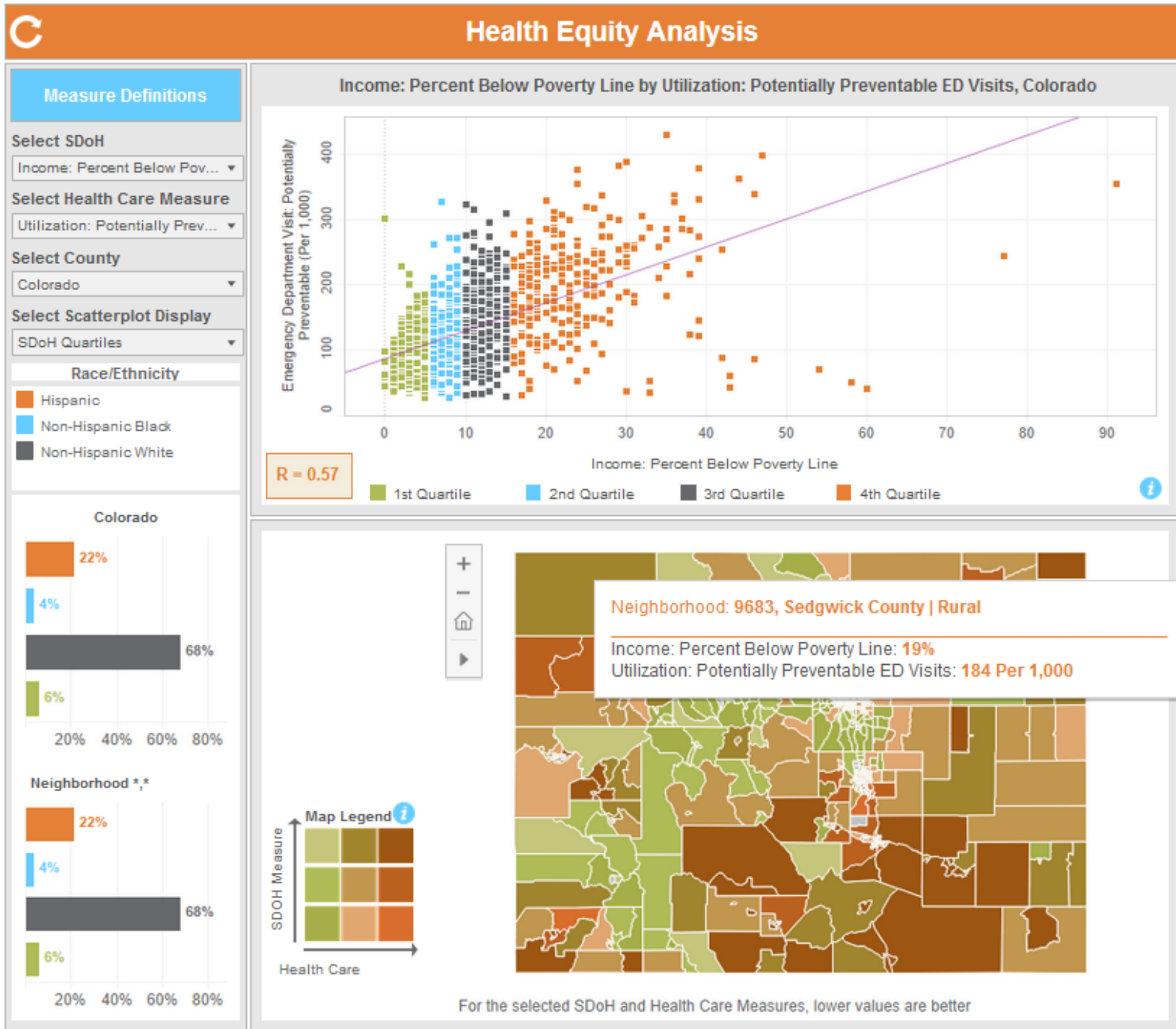
Behavioral Health	43%
Other	23%
Primary Care	18%
FQHC/RHC	7%



Source: [Telehealth Services Analysis](#), CIVHC (November 2022)

Health Equity Analysis

Source: [Health Equity Analysis](#), CIVHC (April 2023)





- ## CIVHC Employer Reports
1. Reference Based Price Report
 2. Low Value Care
 3. Potentially Avoidable ED Visits
 4. Top 5 Procedure Cost Savings Analysis
 5. Chronic Condition and Avoidable Complications
 6. Prescription Drugs and Generic Alternatives Analysis
 7. Cost Driver Analysis

EMPLOYER SUMMARY

Percent of Spending by Category, 2016-2019



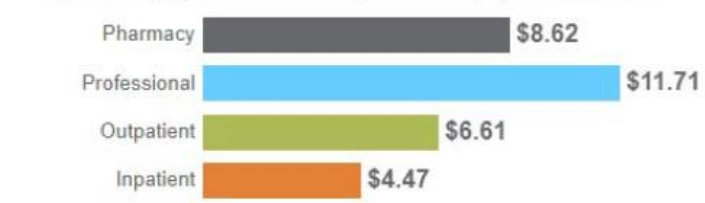
Percent of Spending by Category Over Time



Total Spending by Category, 2016-2019



Spending per Member per Month, 2016-2019

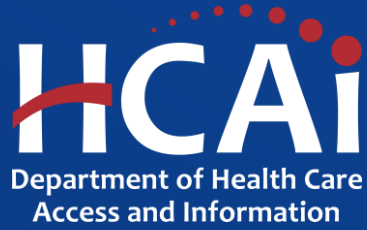


Discussion Questions

- What input do you have for HCAI in developing HPD public reporting?
 - Visualizations for the website?
 - Tailored reports?
- Considering potential topics and reports, what are your top priorities?

How Can We Partner?

- Visit hcai.ca.gov/hpd to learn more
- Send feedback and ideas: hpd@hcai.ca.gov
- Check out the current HCAI data visualizations from our existing hospitalization and other data: hcai.ca.gov/visualizations
- Join the public discussion on HPD: hcai.ca.gov/hpd/hpd-program-advisory-committee



Thank You!
Questions?

Michael D. Valle

Deputy Director, Information Services
Department of Health Care Access & Information

michael.valle@hcai.ca.gov

[linkedin.com/in/mvalle916](https://www.linkedin.com/in/mvalle916)

[@mvalle916](https://www.linkedin.com/in/mvalle916)

Jill Yegian

Principal

Yegian Health Insights

jill@yegianhealthinsights.com

[linkedin.com/in/jillyegian](https://www.linkedin.com/in/jillyegian)

[@jyegian](https://www.linkedin.com/in/jillyegian)