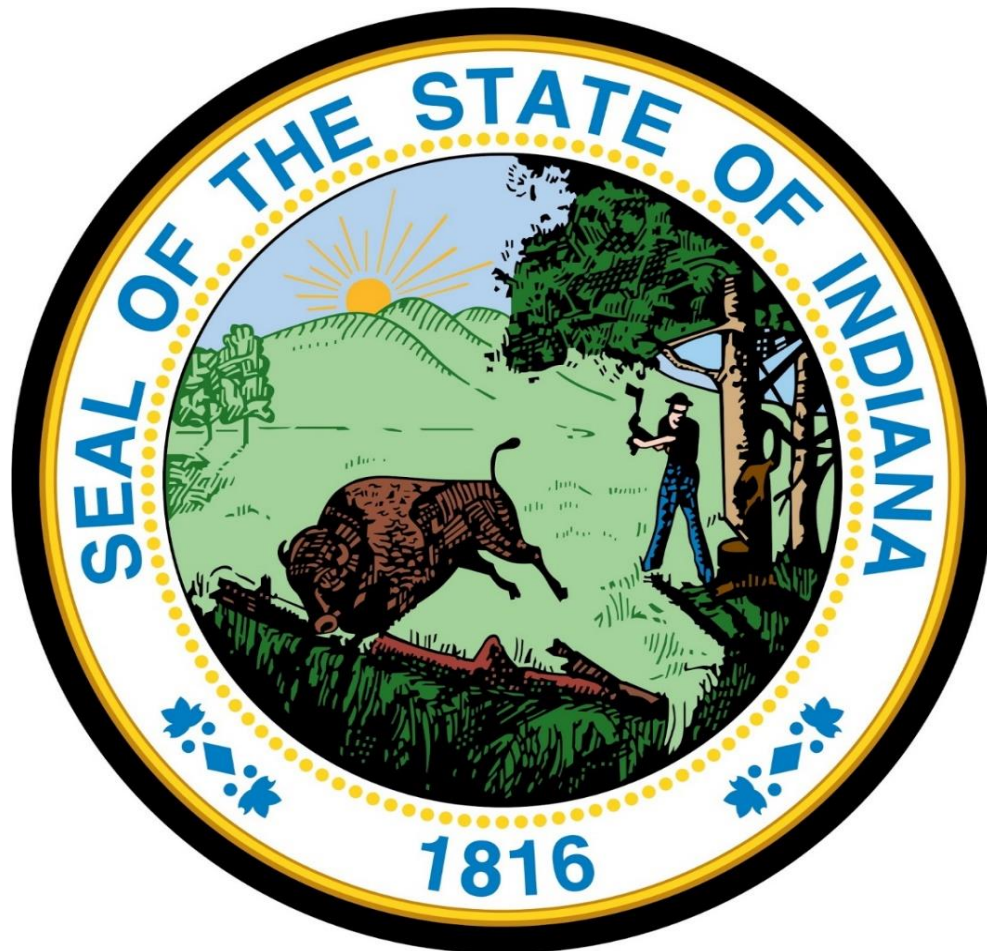


Indiana

All Payer Claims Database

Annual Report 2022



Prepared for the Governor and Indiana General Assembly
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Introduction and Background

Indiana Code § 27-1-44.5-9(a)(1), as passed by HEA 1402 (P.L.195-2021), requires the Indiana Department of Insurance’s (“IDOI”) Executive Director of the All Payer Claims Database (“APCD”) to submit a report concerning the Indiana APCD to Governor Eric J. Holcomb and the Indiana General Assembly by September 1 of each year. The report must include the following:

- The status of the operations of the APCD Database.
- The financial stability of the APCD Database.
- The status of efforts to obtain funding for the APCD Database.

This report presents the background on the legislation enabling the Indiana APCD; the status of the procurement of an Administrator; the budget and cost for creating, operating, and maintaining an APCD; efforts to obtain funding for the Indiana APCD; details on the processes, policies, and procedures for implementation; and current project efforts and milestones.

The Indiana APCD will be a database of health care claims data on Indiana residents. The APCD database will be maintained by the Indiana Department of Insurance (IDOI) and an Administrator under contract with IDOI to create, operate, and maintain the Indiana APCD and collect and process the data.

What is An All-Payer Claims Database?

An APCD is a large state database system that collects medical claims, pharmacy claims, and eligibility and provider files from private and public payers. These private and public payers usually include insurance carriers, health plan third-party administrators, pharmacy benefit managers, Medicaid, and Medicare. The APCD data is reported directly by the private and public payers to the states, usually as required by state law.

The Nation’s first APCD was developed in Maryland in 1998. Maine followed with the second APCD in 2003, followed by New Hampshire and Vermont. By 2011, thirteen (13) states had APCDs implemented. Today, thirty (30) states have APCDs and several other states, including Indiana, are currently in the implementation phase.¹ Today, most states start the construction of their databases utilizing commercial claims data from their insurers. Thereafter, states often negotiate agreements with state and federal offices to obtain access to Medicare and Medicaid claims data. Indiana plans to take the same proven approach.

Self-insured claims represent a large proportion of processed claims in Indiana. Under federal law, states are preempted from directly regulating employer self-insured plans. Indiana law does not require employers with self-funded plans to submit claims to the APCD in accordance with federal law; however, employer-payors of self-insured plans may voluntarily participate and submit self-funded plan claims to the APCD. The APCD Executive Director will seek to establish agreements for voluntary reporting of health care claims data from the employer health payers that are not subject to mandatory reporting requirements in order to ensure availability of the most comprehensive and systemwide data on health care cost and quality.

¹ See APCD Council Interactive State Report Map at <https://www.apcdouncil.org/state/map>

Indiana's APCD

The Indiana APCD will be an essential health care cost tool for every Hoosier throughout the State of Indiana. While there have been various efforts to aggregate health care data in the past, data aggregation in the magnitude and scale of the Indiana APCD provides an unprecedented opportunity for the State. The Indiana APCD will do the following:

- a) Provide an online, public web portal that is free to use and allows the public to view the average negotiated charges by each health carrier for specific health care services provided by an individual health care provider, as well as the quality metrics for facilities and providers for specific health care services. Facilities and providers include hospitals, physician groups, ambulatory outpatient surgical centers, physical therapy offices, imaging centers, laboratories, infusion clinics, pharmacies, and any other location providing health care services.
- b) Be available to the public as a resource to insurers, consumers, employers, providers, purchasers of health care, and state agencies to allow for continuous review of health care utilization, expenditures, and quality and safety performance in the state.
- c) Be available to state agencies and private entities in the state that are engaged in efforts to improve health care, subject to rules adopted by the department.
- d) Be presented to allow for comparisons of geographic, demographic, and economic factors and institutional size.
- e) Present data in a consumer-friendly manner.

Reports from the Indiana APCD and information on its consumer facing website will aid consumers, businesses, employers, purchasers of health care, state agencies, lawmakers, researchers, health care providers, insurers, and other stakeholders in making informed decisions regarding health care costs for specific services, expenditures, utilization, and quality and safety performance in the State.

Data is necessary to make informed decisions to adequately evaluate the total cost of health care and patient health care quality. Having access to health care claims data on a Statewide level improves transparency by using the data to better understand of health care costs for Indiana.

Indiana APCD Advisory Board Appointments and Responsibilities

The Advisory Board was established to make recommendations to the Executive Director and Administrator regarding the Indiana APCD under IC 27-1-44.6 that:

- a) include specific strategies to measure and collect data related to health care safety and quality, utilization, health outcomes, and cost;
- b) focus on data elements that foster quality improvement and peer group comparisons;
- c) facilitate value-based, cost-effective purchasing of health care services by public and private purchasers and consumers;
- d) result in usable and comparable information that allows public and private health care purchasers, consumers, and data analysts to identify and compare health plans, health insurers, health care facilities, and health care providers regarding the provision of safe, cost-effective, high-quality health care services;
- e) use and build upon existing data collection standards and methods to establish and maintain the database in a cost effective and efficient manner;
- f) are designed to measure the following performance domains: safety, timeliness, effectiveness, efficiency, equity, and patient centeredness;

- g) incorporate and utilize claims, eligibility, and other publicly available data to the extent it is the most cost-effective method of collecting data to minimize the cost and administrative burden on data sources;
- h) include recommendations about whether to include data on the uninsured;
- i) discuss the harmonization of the database with other state, regional, and federal efforts concerning all-payer claims databases;
- j) discuss the harmonization of the database with federal legislation concerning all-payer claims databases;
- k) discuss a limit on the number of times the Executive Director and Administrator may require submission of the required data elements;
- l) discuss a limit on the number of times the Executive Director and Administrator may change the required data elements for submission in a calendar year considering administrative costs, resources, and time required to fulfill the requests; and
- m) discuss compliance with the federal Health Insurance Portability and Accountability Act (42 U.S.C. 201 et seq.), as amended, and other proprietary information related to collection and release of data; and
- n) The Advisory Board shall make recommendations to the Executive Director regarding how the ongoing oversight of the operations of the database should function, including where the database should be housed.
- o) Any recommendations or actions by the advisory board are subject to the approval of the commissioner.

During the review period the Advisory Board met on the following days.

- Tuesday, September 28, 2021
- Wednesday, December 8, 2021
- Tuesday, March 15, 2022
- Tuesday, August 23, 2022

Status of the Operations of the APCD

In 2020, the Indiana General Assembly enacted SEA 5 to explore an APCD and directed the IDOI to issue a request for information (RFI) concerning the creation, operation, and maintenance of an APCD. In 2021, the Indiana General Assembly passed HEA 1402, which established the All-Payer Claims Database (“Indiana APCD”) under Title 27 of the Indiana Code and tasked the IDOI with issuing a Request for Proposals (“RFP”) to contract with an Administrator to create, operate, and maintain the Indiana APCD.

Pursuant to IC 27-1-44.5-4, the IDOI issued its RFI and RFP to contract with an Administrator to create, operate, and maintain the Indiana APCD. The IDOI through the Indiana Department of Administration issued an RFI on July 8, 2020. Potential RFI responders submitted questions by August 31, 2020. The IDOA received over seventy (70) questions, which were forwarded to the IDOI to answer. The IDOI provided answers to all of the questions by the deadline on September 30, 2020. Final RFI responses from respondents were due on November 30, 2020. The RFI contained sixteen (16) questions with all of the requirements set forth in statute. The IDOI received twenty-two (22) responses to the RFI. Responses to the RFI are confidential until after the RFP process is complete.

Additionally, the IDOI released the RFP on January 6, 2022. The RFP included all of the required RFI considerations as well as the database’s purpose as set forth in statute. Two

rounds of questions and answers were held. Questions from respondents were due on February 1, 2022. The IDOI answered all questions by the deadline on February 15, 2022. The second round of questions were due from respondents on February 22, 2022. The IDOI answered the questions by the deadline on March 7, 2022. The RFP proposals from respondents were due to IDOA by April 8, 2022. The APCD RFP evaluation team is in the process of reviewing submitted bid proposals and selecting an Administrator. The IDOI must publish its decision concerning the submissions on its website no later than November 30, 2022.

Several major milestone dates are soon approaching, including the projected publication of the Indiana APCD vendor award letter and contract date. Other noteworthy milestone approaching in the coming months include the registration and onboarding for submitters, historical source data received, initial data collection for submitters, implementation of the consumer-facing website, and execution of the maintenance and operations plan.

Hoosier confidentiality, data integrity, data protection and privacy will continue to be an APCD-team top priority as we design, develop, fund, and maintain the Indiana APCD.

APCD Administrator Duties and Expectations

There are several requirements imposed on the future Administrator of the APCD. To protect the security, capacity, and integrity of the Indiana APCD, the selected Administrator must meet the below requirements, at a minimum:

- a) The Administrator must have a minimum of five (5) years of company experience providing data collection, management, or reporting services using health care claims or encounters for a large data system.
- b) The Administrator must have a minimum of five (5) years of company experience providing analytic services to either an APCD or other large health care data collection and reporting system.
- c) The Administrator must have a minimum of five (5) years of experience in meeting the following mandates regarding data collection and storage: HIPAA and Health Information Technology for Economic and Clinical Health Act (“HITECH”).
- d) Staff assigned to this project by the Administrator must have a minimum of fifteen (15) total years of experience combined in data collection, data management, reporting services using health care claims, encounters for a large data system, or meeting HIPAA/HITECH mandates.
- e) Administrator must currently be, or agree to become, a Center for Medicare and Medicaid Services (“CMS”) approved custodian under a data use agreement and data management plan. The Administrator must agree to be responsible for accepting, storing, and processing Medicare claims and eligibility data containing PHI. Administrator must agree to the non-negotiable terms and conditions required by CMS to act as a data custodian.
- f) The Administrator must currently be or agree to become CMS Qualified Entity (“QE”).
- g) The Administrator must furnish a copy of its most recent SOC 2 report or provide proof that it is currently HITRUST CSF validated and have a valid HITRUST CSF certification.

Furthermore, the Administrator will have expertise in the design, development, testing, project management, implementation, and operations of a large claims database. The Administrator will

also have the technical infrastructure to collect, create, and receive insurance and plan claims data and other non-fee-for-service information from all submitters into a statewide information repository. This experience will include a proven track record for performing consumer price transparency and other consumer-oriented information as a product. The Administrator will also have robust data encryption and member anonymization capability in accordance with the Health Insurance Portability and Accountability Act, as amended (“HIPAA”).

The APCD Executive Director will ensure the selected Administrator designs, develops, and implements the Indiana APCD as outlined in the RFP’s Scope of Work. In order to design, develop, and implement the system, the Administrator will utilize State-approved project management methodologies implementing a blended approach to include strategies such as Waterfall and Agile to best meet the needs and resources of the State. Additionally, the Administrator will ensure the Indiana APCD has adequate storage technology and size to sustain all data and will provide technical assistance and expertise to the IDOI during the planning process for development of the database. This will involve gathering of requirements, which consists of defining, reviewing, confirming, validating, elaborating, and understanding the State’s requirements, along with adding any other necessary solution requirements. Throughout design, development, and implementation, the APCD Executive Director, the Advisory Board, and the Administrator will ensure the Indiana APCD prioritizes security and protection of personal identifiable information (“PII”) and protected health information (“PHI”) data.

Project Management

Once contracted with the IDOI, the APCD Administrator will develop a Project Management Plan (“PMP”). Delivered within the first thirty (30) calendar days of the project start date, the PMP will define how the project will be executed, monitored, controlled, and closed. The actions to define, prepare, integrate, and coordinate all subsidiary plans will be integrated into the PMP.

All subsidiary plans are subject to State review. The subsidiary plans are listed and briefly defined below:

- Communication Management Plan – documents communication expectations
- Organizational Change Management (OCM) Plan – manages the processes of organizational structure or cultural changes
- Schedule Management Plan – defines project schedule
- Resource Management Plan – describes estimated physical resources and resource management
- Scope Change Management Plan – defines procedures typically used for requested project deliverable changes
- Configuration Management Plan – defines the items that require formal change control
- Issue Management Plan – defines the issues that may derail the project
- Risk Management Plan – identifies and examines risk factors associated with the plan
- Quality Management Plan – defines quality requirements

The Administrator will also be responsible for providing ongoing progress reports and developing and executing testing and training plans prior to and during implementation. After implementation, the Administrator will provide maintenance & operations services to support

the processes of the system's infrastructure and ensure availability to stakeholders and collaborate with the IDOI to develop an Analytics Plan with regular data refresh.

APCD Financial Stability and Status of Funding Efforts

The total projected cost for the Indiana APCD is between \$15 - \$20 million for design, development, and implementation and approximately \$4 to 5 million annually for maintenance of operations. There are no commercial off-the-shelf options available, and custom development would be inefficient when there are seasoned vendors with solutions ready for implementation. The primary source of funding for the Indiana APCD will be the Department of Insurance Fund (IC 27-1-3-28). The Indiana General Assembly allocated \$4.3 million in FY2022 and \$1 million in FY2023. Other potential funding sources are being explored and will include federal grants, local grants, private grants, fees from data users, Medicaid matching funds, and general appropriations. IC 27-1-44.5-9(a)(3) requires the Executive Director to maximize funding opportunities and sources. A specific position on the IDOI team was developed to assist the Executive Director in maximizing available funding opportunities by overseeing the timely submission of private, local, and federal grant applications for the Indiana APCD.