

Investing in Texas' All-Payor Claims Database

TX 2036

An Investment in Health Care Price Transparency and Improved Health Care Value

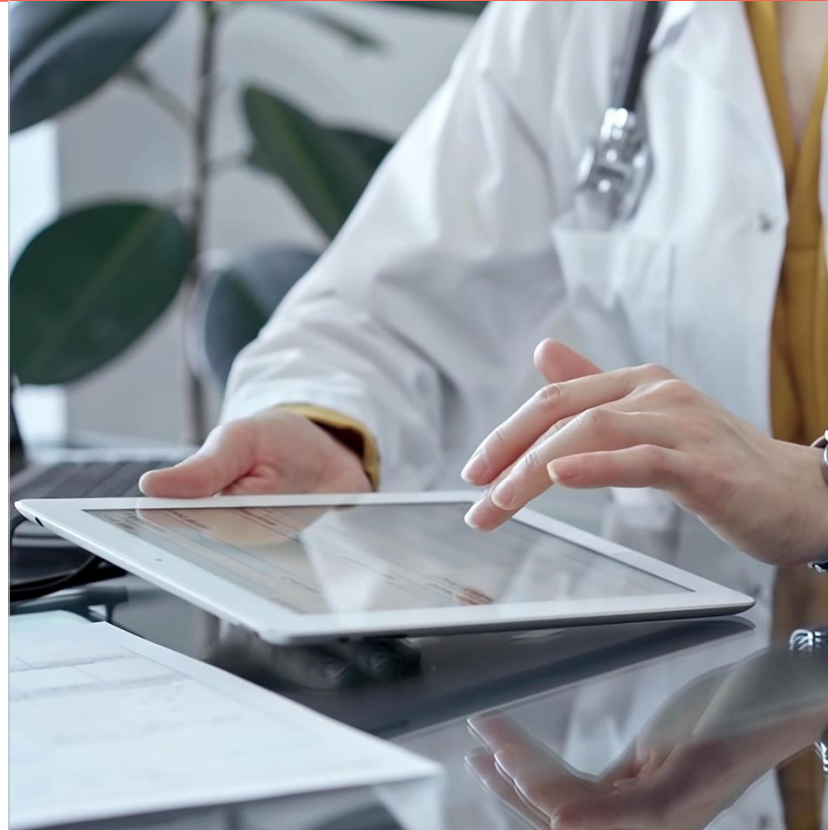
January 2025

Background on the APCD

Established in 2021 by House Bill 2090 (87R), filed by now-Speaker Burrows and sponsored by Sen. Hancock, the Texas All-Payor Claims Database (APCD) was created to allow researchers, policymakers, and even potentially employers to collect and analyze healthcare claims data to control rising health care costs by improving price transparency and identify market inefficiencies – ultimately allowing employers to make informed decisions on how to identify high-value health care providers, and design intelligent benefit plans to incentivize the use of high-value care. Over time, the insights and findings from Texas APCD data are contemplated to drive toward broad improvements in health care quality and outcomes.

The Center for Health Care Data (CHCD) at UTHealth Houston, which established and operates the Texas APCD, collects and analyzes healthcare claims and payment data from across the state. While the database will not collect all claims (most notably, large, self-funded ERISA employers are not required – but are permitted -- to submit claims) the APCD is expected to house nearly two-thirds of claims filed in the state.

Since 2021, subsequent legislation was passed in 2023 to unlock the potential of the APCD with House Bill 3414 that gave researchers access to a wealth of anonymized health care claims data for groundbreaking research and insights, and gave them permission to publish useful findings. Unfortunately, federal funding that was anticipated to support and help launch the database in 2021 fell through. Despite this, the CHCD has been able to begin collecting and storing claim files, though researcher access has been limited.



Key Takeaways



Funding UTHealth Houston Exception Item #2 (APCD) will create the possibility for our state health benefit plans to identify hundreds of millions in potential taxpayers savings, while improving net pay for teachers. Strategies evaluated and identified can also benefit private employers and employees.



UTHealth Houston has requested \$4.5 million per fiscal year to fully fund the database.

Use Cases

Study & identify cost-effective improvement to state & teacher employee health benefit plans

Identify high-value (low-price, high quality) health care providers

Evaluate impact of health benefit plan design on health outcomes

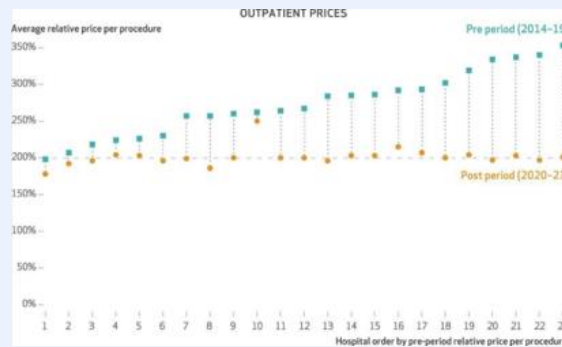
Reduce litigation over the reasonableness of medical bills by serving as an evidentiary database

Example Use Case

Reference-based pricing saves money

- Oregon public employees and teachers
- 200% of Medicare reference-based price
- \$54 million in savings / year
- **Equivalent to \$102 million / year savings in Indiana**

Source: Hospital Facility Prices Declined As A Result Of Oregon's Hospital Payment Cap. Roslyn C. Murray, et al. Health Affairs 2024



ERS/TRS Benefit Reform

A fully funded APCD could be used to evaluate the trade-offs involved in plans to reform ERS and TRS benefit plans, like the reference- pricing plan that Oregon implemented for their employees.

Hospital Price Transparency Study — Round 5



Obtain claims data from

- Self-funded employers
- APCDs
- Health plans



Measure prices in two ways

- Relative to a Medicare benchmark
- Price per case-mix weight



Create a public hospital price report

- Posted online, downloadable
- Named facilities & systems
- Inpatient prices & outpatient prices
- Sage Transparency dashboard



Create private hospital price reports for self-funded employers

RAND Price Study

RAND currently issues reports on commercial health care prices pulling data from other state APCDs. If Texas' APCD is funded, they could include Texas data in their next analysis.

⚠ Problem

Due to this insufficient funding, researcher access to the database has been **virtually non-existent**, and potential plans to enable researcher access would place significant **financial barriers** in the way of researcher access.

In addition, the public access portal – designed to give the public **access to certain public-use datasets** – has been **substantially curtailed**.

✓ Solution

To address this funding gap, **UTHealth Houston's Exceptional Item #2 requests \$4.5 million per fiscal year** to provide for the additional staff and salary support and related expenses needed to continue the APCD, maintain and secure data, add new data monthly, verify that new data, build and maintain the web portals, and store the billions of records of the APCD.

With the resources to fully establish and maintain the database and public access portal, the **CHCD will be able to carry out the research necessary** to produce its required reports on health care pricing, resource use, and quality information for policy makers, purchasers, and consumers. With the **APCD fully functional, other qualified researchers will also be able to conduct research** that could improve the cost, quality, and delivery of health care in Texas.