

During the 2015 legislative session, the 90th General Assembly took a major step toward making the state's healthcare system more transparent. With the passage of the Arkansas Healthcare Transparency Initiative Act of 2015 ("Act"), Arkansas has an opportunity to be a leader in yet another area of healthcare transformation. The Act supports the efforts of the Arkansas all-payer claims database (APCD) project currently under development by the Arkansas Center for Health Improvement, in partnership with the Arkansas Insurance Department, by establishing a mandate for certain entities to submit claims data. The Act recognizes that greater transparency of healthcare utilization, quality, and price information leads to more informed, engaged, activated consumers. It further recognizes the need for a data infrastructure to support research, quality improvement activities, and program development and evaluation. This fact sheet provides information about the Arkansas Healthcare Transparency Initiative ("Initiative"), the Initiative's relationship to the APCD project, the Initiative's governance structure, and data submission and use under the Initiative.

ARKANSAS HEALTHCARE TRANSPARENCY INITIATIVE

The Arkansas Center for Health Improvement (ACHI), in partnership with Arkansas Insurance Department (AID), has developed an all-payer claims database (APCD) that provides an infrastructure to collect healthcare claims data. As part of that project, ACHI engaged with public and private payers over the past year to develop the necessary partnerships to enable collection and use of claims data on a voluntary basis. Understandably, payers have been reluctant to participate without a requirement of law that provided for adequate privacy and security safeguards, data use and disclosure requirements, and a formal governance structure. The Arkansas Healthcare Transparency Initiative Act of 2015 supports these needs. The Act authorizes AID to establish rules to collect claims data and create a board to advise AID on matters concerning the Initiative. ACHI is the statutorily-designated administrator of the APCD and will develop and implement a sustainability plan for the APCD. The Act and its implementing rules will provide the needed guidance for the APCD to optimally fulfill its mission to serve as a trusted and timely source of dynamic information to guide meaningful action to improve health, enhance quality, and lower costs.

Legislative Purpose

Empower Arkansans to drive, deliver, and seek out value in the health system

Create the Arkansas Healthcare Transparency Initiative

Establish governance of the Arkansas Healthcare Transparency Initiative

Provide authority to collect healthcare information from insurance carriers and other entities

Establish appropriate methods for collecting, maintaining, and reporting healthcare information, including privacy and security safeguards

WHAT IS AN APCD?

An APCD is a large-scale database that systematically collects healthcare data from a variety of payer sources. APCD functionality varies from state to state due to state-specific considerations (e.g., technical capacity, funding, and authority to collect, use, and release data), but all share similar goals. APCDs are tools used to increase healthcare transparency, better understand and address healthcare cost, quality, and utilization, and support state health system transformation efforts. Fifteen states currently have an APCD, and several more are working to implement one.¹ Twelve of these states mandate data submission. For more information on nationwide progress, visit the APCD Council website at www.apcdouncil.org.

Initiative Data Uses

Provide information about healthcare utilization, quality, and pricing

Monitor the success and efficiency of efforts to improve health care and population health

Integrate and provide information for research

Study the evolving landscape of the state's health and healthcare system

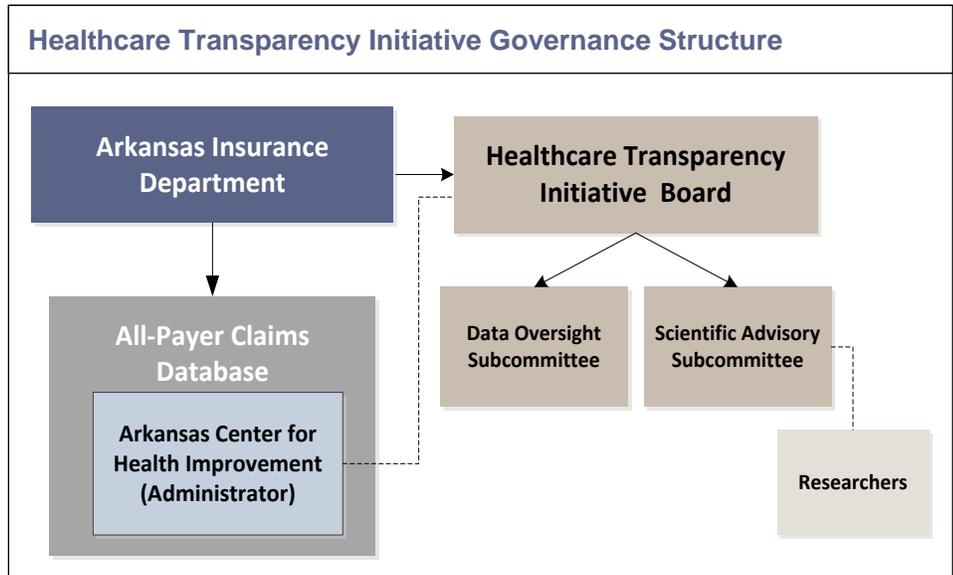
Support quality improvement initiatives and efforts to compare provider performance with that of other provider peers

¹ The APCD Council. "Interactive State Reports Map." UNH, The APCD Council, and NAHDO; <http://www.apcdouncil.org/state/map>; accessed May 12, 2015.

GOVERNANCE

AID, with input from the Initiative board, will oversee the Arkansas Healthcare Transparency Initiative. The Act authorizes AID to:

- Collect, validate, analyze, and present health data;
- Assess penalties for noncompliance with the Initiative;
- Establish and convene additional subcommittees;
- Adopt rules for the administration and oversight of the APCD; and
- Establish and convene data oversight and scientific advisory subcommittees.



The data oversight subcommittee will review and make recommendations to the Initiative board and AID regarding data requests. The scientific advisory subcommittee will serve in a peer review role for academic researchers and provide advice regarding data requests for academic proposals. The Initiative board and the subcommittees will advise AID on all data use and release matters.

DATA SUBMISSION

The Act mandates collection of medical, dental, and pharmacy claims as well as provider files, unique identifiers, and geographic and demographic information from various entities. These entities include issuers of health or dental insurance plans, Medicaid, Medicare (with agreement from the federal government), the Arkansas Workers' Compensation Commission, third-party administrators, entities providing medical services under contract with the state prison system, and self-funded plans. AID will promulgate rules in the fall of 2015 that will further define the data submission process, including data format and submission timelines. Select data submitters will be required to submit data to support the deliberations of the Arkansas Health Reform Legislative Task Force convening throughout the remainder of 2015 and 2016.

DATA PROTECTION

All data collected under the Act are treated as confidential and exempt from the Freedom of Information Act and not subject to subpoena except under AID authority. The data cannot be used to disclose trade secrets, re-identify individuals, or create a national APCD. Direct personal identifiers (e.g., name, address, Social Security number, and date of birth) cannot be publicly disclosed. ACHI ensures data within the APCD are protected to prevent access by unauthorized individuals through encryption, meaning the information is unreadable and controlled by codes that unlock data so that it can be used. These codes are only available to authorized individuals. Physical barriers, such as housing the data in a high-security space with no public access, are in place to provide additional safeguards to the data.

CONCLUSION

Arkansas has in recent years received failing grades relative to other states with respect to healthcare price and quality transparency. With the advent of the Arkansas Healthcare Transparency Initiative, however, the state is poised to make significant advancement in yet another sphere of healthcare system transformation. Input from consumers, healthcare industry leaders, researchers, and other stakeholders will be critical to optimize the data collected by the Initiative and to ensure data use that provides value to Arkansas and a sustainable model for the Initiative over time.