

# THINK NEW MEXICO

*A Results-Oriented Think Tank Serving New Mexicans*

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Dear Mr. Geter,

Think New Mexico appreciates the opportunity to submit the following comments on the proposed rule 7.1.31 NMAC – “Statewide Health Care Claims Database.” In brief, we urge you to include language in the proposed rule specifically stating that an authorized use and purpose of the database is to provide aggregate data for the state’s health care transparency website, which is required by NMSA 24-14A-6.1.

## **Background**

Think New Mexico is an independent, nonpartisan, results-oriented think tank whose mission is to improve the lives of all New Mexicans, especially those who lack a strong voice in the political process. In 2014, Think New Mexico published a research report calling for the creation of a user-friendly health care transparency website where New Mexicans could find information about the prices and quality of common medical procedures. In that report, we discussed the need for New Mexico to create an All-Payer Claims Database (APCD) in order to collect the data needed to populate the health care transparency website.

During the 2015 legislative session, Think New Mexico worked with other stakeholders to develop and advocate for the bill that became the Senate Judiciary Committee Substitute for Senate Bills 323 and 474. This legislation amended the existing Health Information System Act to allow for the release of hospital-specific cost and quality data, and added a new section to the law requiring the Department to create and regularly update a user-friendly and easily accessible website with hospital costs and quality information.

Specifically, the law required that: “By January 1, 2018, the department shall ensure that the public is provided with access, free of charge, to a user-friendly, searchable and easily accessible web site on which the department shall post and update on a regular basis cost, quality and such other information it publishes pursuant to the Health Information System Act.” (NMSA 24-14A-6.1)

The Department launched an initial website by the January 1, 2018 date mandated by the statute, but unfortunately, since the state had not yet established an APCD, the only data available to the Department at that time was Medicaid data. The initial health care transparency website is

available at: <http://nmhealthcarecompare.com>. Because it only includes Medicaid data, this website fails to fulfill the purpose of giving New Mexicans the information they need to make informed decisions about their health care. As the Department has long recognized, creating a website that satisfies its statutory mandate will require the sort of data that can only be provided by an APCD.

Think New Mexico applauds the Department for the progress it has made over the past five years toward establishing an APCD for New Mexico, and we are very pleased that the Department has put forward this rule, which is necessary in order to make the APCD a reality. This database will provide many benefits to the state and to stakeholders, illuminating opportunities to lower costs and improve care.

However, Think New Mexico would like to be certain that a core use of the APCD will be to support a truly effective and useful public-facing health care transparency website, comparable to those in effect in states like Maine (<https://www.comparemaine.org/>) and New Hampshire (<https://nhhealthcost.nh.gov>). **Therefore, it is concerning to us that this use of the data is not specifically stated in the proposed rule.**

### **Providing Aggregate Data for the Health Care Transparency Website Should Be Specifically Listed As One Use of the Health Care Claims Database**

Since the objective of the proposed rule is to “govern the ... usage” of New Mexico’s APCD, it is important that the rule specifically state that one purpose of the database is to populate the health care transparency website with regularly updated information about the cost and quality of common medical procedures at different health care providers across the state.

The health care transparency website directly furthers the stated objectives of the database to “improve health care cost and quality.” Research by the University of Chicago found that states with transparency websites see the price of common, elective medical procedures drop by an average of 7% as a result of price competition. For example, hip transplants cost an average of \$2,800 less in states with price disclosure websites than in states without them.

Similarly, states that publicize health care quality data, like rates of hospital-acquired infections and readmissions, have seen hospitals compete to improve quality. For example, the statewide hospital-acquired infection rate in Pennsylvania fell by 7.8% after that state began publishing the data.

**We recommend revising the draft rule to add one additional subsection to either 7.1.31.11 (“General Provisions on Access to the Claims Database Data”) or 7.1.31.12 (“Access to Health Care Data Reports”), reading:**

**“Health Care Transparency Website:** Data from the claims database shall be used to fulfill the requirement of the HIS Act that the department provide a free, user-friendly public website with regularly updated information about the cost and quality of health care.”

This addition is needed because the default is that the information in the database is shielded from disclosure and not released to the public; the rule lays out specific circumstances and procedures under which it may be released. It should be clear and unambiguous that providing the data needed to support the health care transparency website is a permitted – even required – use of the data so that this use is not open to challenge. Specifically listing the website as an authorized use of the data ensures that there will be no obstacles to that use.

We appreciate your consideration of these comments and we welcome the opportunity to answer any questions you may have or discuss this recommendation further with you or other Department of Health personnel.

Sincerely,



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*\*Since 2016, Think New Mexico Associate Director Kristina Fisher has served as a member of the Health Information System Act advisory committee.*