2017 Provider Payment Comparisons Methodology

A Publication from Utah's All Payer Claims Database

November 2018

Office of Health Care Statistics
Center for Health Data and Informatics
Utah Department of Health

288 North 1460 West
PO Box 144004
Salt Lake City, UT 84114-4004
Phone: 801-538-6700
http://stats.health.utah.gov/

UTAH DEPARTMENT OF HEALTH
Office of Health Care Statistics

Table of Contents

Table of Contents **1**

Introduction **2**

Utah's All Payer Claims Database 2

Reporting Requirements 2

Methodology **4**

Cost Measures 5

Office Visits (CPT 99201-99215) 5

MS-DRGs 5

Attribution and Clinic Identification 6

Suppression and Aggregation 6

Included Insurance Payers 7

Additional Information **8**

Introduction

Utah's All Payer Claims Database

The Utah Department of Health, Office of Health Care Statistics (OHCS) is responsible managing the All Payer Claims Database (APCD) under authority granted to the Department and the Health Data Committee (HDC).[1] Licensed commercial health insurance carriers and pharmacy benefit managers covering 2,500 or more Utahns are required to submit member eligibility, medical claims, dental claims, and pharmacy claims as well as a health care provider file by administrative rule.[2] In addition to commercial insurance data, the APCD collects data from Medicaid. OHCS contracts with Milliman MedInsight for APCD data collection and processing. Milliman MedInsight also enhances data with risk adjusters, cost calculations, National Committee for Quality Assurance (NCQA) quality measures, and patient-provider attribution before delivering the APCD back to OHCS on a quarterly basis.

Reporting Requirements

These claims and encounter data are intended "to facilitate the promotion and accessibility of quality and cost-effective health care."[3] OHCS is required to produce health care provider comparisons and make the information available to the public free of charge. Comparative information may include generally accepted cost and quality measures.[4]

This publication is the first attempt at releasing information about cost at the provider level, with an initial focus on clinic office visits and inpatient hospital stays. Quality measures by clinic and by geography were published in July 2016 and July 2017 in accordance with this law.

For our purposes, a "clinic" is a physician or group of physicians practicing at a specific location. Clinics with five or more physicians will be identified in public reports. Clinics with fewer than five physicians will be aggregated and reported on by geography.

---

[1] Utah Code 26-33a-104, accessed March 30, 2017, https://le.utah.gov/xcode/Title26/Chapter33A/26-33a-S104.html.
[2] Utah Administrative Rule R428-15, accessed March 30, 2017, https://rules.utah.gov/publicat/code/r428/r428-015.htm.
[3] Utah Code 26-33a-106.5, accessed March 30, 2017, https://le.utah.gov/xcode/Title26/Chapter33A/26-33a-S106.5.html.
[4] ibid.

Methodology

The Transparency Advisory Group (TAG) is a subcommittee of the HDC tasked with convening public meetings of community stakeholders to provide guidance on health care cost and quality transparency. TAG is jointly staffed by OHCS and HealthInsight Utah and was specifically formed to address the reporting requirements in law. Cost measures reported in the clinic and hospital comparison tables were reviewed and selected by the group during public meetings held in 2017 and 2018. Under the direction of the TAG, OHCS held a public hearing focusing solely on the content of the provider payment data tables on November 8, 2018. The HDC voted to move forward with the release process for the provider payment data tables on November 20, 2018.

The methods used for calculating cost measures, identifying clinics, and attributing providers using Utah's 2017 APCD data are the subject of the following subsections.

Cost Measures

The cost measures ultimately approved by the TAG and HDC are fairly simple—25th, 50th, and 75th percentile “total provider payments” and basic counts. A indicator flag for calculations where the top two insurance providers occupy more than 85% of the underlying records is also included.

“Total provider payments” is defined as the sum of all member liability amounts, e.g., deductible, copay, coinsurance, and the insurance plan paid amount.

Office Visits (CPT 99201-99215)

Healthcare providers bill general office visits using CPTs codes in the range 99201-99215. Within this range are two categories:

- New patient office visits, which includes codes 99201-99205, and
- Established patient office visits, which includes codes 99211-99215.

Generally speaking, the lower the CPT code in each category, the less complex the visit. For example, a 99211 is the least complex visit type in the established patient category, while 99215 is the most complex visit type in the established patient category.

The data in the Office Visits table covers CY2017.

MS-DRGs

Inpatient hospital stays are often billed using “diagnosis related groups” or DRGs. The specific methodology for determining the “group” used in this report is called the MS-DRG, or Medicare Severity Diagnosis Related Group. While not all hospitals and insurance payers use this approach for billing, it is well-understood by industry stakeholders and healthcare advocates. Furthermore, the logic is freely available from the Centers for Medicare and Medicaid Services (CMS).

Because CMS updates the logic for the MS-DRGs on a Federal fiscal calendar, the reporting period for the data in the MS-DRG table covers CY2016Q4-CY2017Q3.

Attribution and Clinic Identification

The Center for Medicare and Medicaid Services, National Plan and Provider Enumeration System (NPPES) maintains a registry of National Provider Identifiers (NPI). Individuals and organizations apply for NPIs and self-report names, specialties, and addresses. An NPI is a common data element on claims and OHCS incorporated the NPPES registry into the APCD to help identify clinics and hospitals.

To identify clinics and hospitals subject to reporting requirements, OHCS used *billing group* NPIs and *servicing provider* NPIs associated with claims in the APCD.

Because not all claims with office visits contained an NPI that indicated an “organization” (as opposed to an individual “natural person”), OHCS first constructed a “provider directory” using all claims generated in 2017 contained the in APCD. This “directory” consists of all combinations of *billing group* NPI, *servicing provider* NPI, tax identification numbers, and service provider address where the *billing group* NPI is an organization. The service provider addresses are standardized using state AGRC resources and the combinations are ranked for each grouping of address, tax identification numbers, and *servicing provider* NPI.

In the absence of a valid organization NPI on an office visit claim, an organization was imputed using the most-frequently occurring organization NPI for a given combination of address, tax identification number, and *servicing provider* NPI.

Hospital claims almost always contained an organization NPI and hence no imputation was needed.

The “provider directory” was also used to determine how many providers were associated with given clinic. Organization NPIs with 5 or more unique *servicing provider* NPIs were deemed to have met the threshold outlined in the law for individual reporting.

Suppression and Aggregation

As discussed in the Reporting Requirements section, for our purposes, a “clinic” is a physician or group of physicians practicing at a specific location. Clinics with five or more physicians will be identified in the data tables. Clinics with fewer than five physicians will be aggregated and reported on by geography in future releases. All hospitals in the data are identified in the data tables.

A clinic or hospital is only included in the data tables if it is attributed 11 or more claims in a given category—in this case, for a specific CPT code or MS-DRG. This is consistent with suppression rules used by CMS.[5]

Included Insurance Payers

OHCS only included data from commercial insurance payers that passed a rigorous quality control process. Consequently, data from the following payers was included the tabulations.

- Aetna
- Cigna
- Molina
- PEHP
- Regence
- SelectHealth

[5] "CMS Cell Size Suppression Policy," Research Data Assistance Center, accessed June 5, 2017, https://www.resdac.org/resconnect/articles/26.

Additional Information

Please contact OHCS at healthcarestat@utah.gov or with any questions regarding clinic comparisons.