

It is an honor to testify about HB 229 All Claims Database. I am a Family Physician in private practice in Valdez, Alaska and I am also the immediate past president of the American Academy of Family Physicians and the current Board Chair. I and my fellow family physicians are strongly motivated to reduce medical costs for our patients and our country. Nationally, medical costs consume 18% of our GDP and if current trends continue the United States will be spending over 20% by 2024. As Family Physicians we feel this deeply. Each family physician is responsible for over \$12 million dollars in health care decisions in terms of who we refer to and for what procedures.

The problem is that the provision of health care and health care financing is complicated, especially in a state as large and diverse as ours. Cutting Medicaid expansion, for example, would increase the amount of uncompensated care that is born by clinics like mine and hospitals like our community hospital. Many rural hospitals in particular are on life support now. Uncompensated care could cause many Rural hospitals and the necessary safety net to close. The costs from uncompensated care can be passed onto those with insurance, but that drives up the cost of insurance so fewer can afford it. Increasing deductibles result in delays in care that end up costing much more

An All Payer Claims Database would allow greater understanding of how our health care dollars are being spent. Ultimately, this information could be used to develop state based alternative payment methodologies and increases in Primary Care investment. A recent study in Oregon found that for every dollar spent on advanced primary care, there is a savings of \$13 overall. There is similar data out of Rhode Island

Many states are pursuing a policy of mandatory primary care investment or have already passed legislation, specifically Rhode Island, Oregon, Missouri, Nebraska, Washington, and Colorado. Rhode Island has had such a policy for over 5 years and has seen its health care costs increase at a much slower rate than the states that surround it.

As I said earlier, Family Physicians are responsible for \$12 million dollars in health care decisions. We are hampered in that decision process by not knowing the cost of care charged by those whom we refer to. Is surgeon A much more expensive than Surgeon B? Is he worth more in terms of quality of care. Just having the cost of care at family physician fingertips could decrease the cost of care by millions of dollars. This has been demonstrated in Rhode Island. This information is also essential for creating accountable care organizations, a way for physicians to reduce total cost of care.

There are currently 24 states that have created All Payer Claims Databases. The reason is simple. This is a necessary first step to reducing the total cost of health care.

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