



March 23, 2021

Members of the Senate Health and Social Services Committee
Alaska State Capitol
Juneau, Alaska 99801
Sent via email

Dear Senators Wilson, Hughes, Costello, Reinbold and Begich,

On behalf of the Mat-Su Health Foundation and its Board of Directors, please accept this letter of support for Senate Bill 93 to create an All-Payer Claims Database (APCD) in the State of Alaska.

We support this legislation because even as Alaska leads the nation in having the highest healthcare costs, we are falling behind in implementing innovation that can reverse this trend. It's impossible to solve a problem when you don't have adequate data to understand it, and an APCD provides the data. More than 20 other states either have already implemented or are in the process of implementing an APCD because it is a proven way to reduce healthcare costs. The creation of an APCD has been a key goal of the Alaska Healthcare Transformation Project for years, and the Mat-Su Health Foundation has been committed to that project as both a funder and active participant since it began. We were, in fact, the first dollars in on the project.

APCDs provide a wealth of health care information that stakeholders, including policymakers, payers, and providers, can use to drive down health care costs. States have recognized the value of having substantial health care claims information at their fingertips to support their health reform efforts. For example, participants in the Centers for Medicare & Medicaid Services (CMS) Health Care Innovation Award programs used APCD claims data to cut health care costs by \$150 per beneficiary per quarter. In 2015, Minnesota used payer-submitted information within the state's all-payer database to create a \$2 billion cost-savings opportunity after claims data revealed that 1.3 million hospital and emergency department visits were unnecessary, and that two out of three emergency department visits could have taken place in a less expensive setting.

One perceived obstacle to a creation of an Alaska APCD has always been cost. However, recent Federal legislation, the Consolidated Appropriations Act, provides enough funding for all 50 states to participate effectively and ensures uniform data submission and the privacy and security of the data. Funding for each project, including Alaska's, is \$2.5 million over three years. There is national movement towards standardized data submission requirements, which will ease some of the previous administrative burden--one of the arguments used to waive the mandatory reporting by ERISA funded plans. Specific language in the funding bill states that proprietary financial information cannot be released and that authorized users of the data will be prohibited from attempting to reidentify and disclose protected data.

The time for change is now, and we respectfully ask that you move forward this important legislation as a necessary step in making vital healthcare more affordable for all Alaskans.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Ripley".

President and Chief Executive Officer