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Published: January 25, 2012

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Danville Regional Medical Center supports insurance database

By Tara Bozick



Danville Regional Medical Center, along with business and physician groups, would like a way to better manage health care costs and want health consumers to get their money's worth.

They support legislation in the General Assembly that would create a statewide database using health plan or insurance claims information to track population and disease trends, spending and use patterns and service costs in relation to quality. Yet, insurers are wary of how their currently private information will be used and question the true value of the database as proposed.

Analyses using such a database could help Danville Regional make critical improvements in health-care quality and in controlling the growth of costs, said DRMC CEO Eric Deaton.

"By comparing ourselves to others we can determine best practices and reduce costs based on that information," Deaton said in an email.

House Bill 343 introduced by Delegate Dr. John O'Bannon, R-Henrico, would create an advisory board to help develop regulations for a database, which would expand upon the hospital and patient care data already

reported through Virginia Health Information.

The intent is to allow consumers, employers and providers to compare health plans, health insurers and providers as relates to the cost and quality of services, according to the bill language.

Yet, it would only present aggregated information and would protect patient privacy by not revealing identifying information, O'Bannon said.

The system could help the state make decisions on what to fund in Medicaid, identify problems like outbreaks and aims to make health care more affordable, but the primary goal is still getting patients better outcomes, he said.

Such a database would expand transparency in health care, but it'll take everyone working together to design a useful tool, said Katharine Webb, senior vice president for the Virginia Hospital and Healthcare Association. Sixteen other states currently have or are implementing "all-payer claims databases."

The system focuses on costs and wouldn't release insurers' negotiated payments, or what a certain company pays out, Webb said.

The business lobbyist group National Federation of Independent Business in Virginia supports creating the database. "From our members' perspective, one of their top frustrations is the rising costs of health care and they don't understand why the cost is going up so much every year," NFIB state director Nicole Riley said.

The hope is accessing information to compare costs and outcomes for different hospitals or physicians, she said. It could help employers choose employee benefits.

"I think a lot of it comes down to not just cost, but value, getting a good value," Riley said.

Any legislation on all-payer claims databases needs to be written carefully and would need to reduce the burden on payers or insurance carriers to submit data, said Executive Director Denise Love of the National Association of Health Data Organizations, who hasn't yet analyzed the bill. The biggest barrier is paying for it as budgets are being slashed.

Most consumers don't realize how costs vary for the same procedure between different facilities, and they should demand information about cost and quality of their healthcare, she added.

The Virginia Association of Health Plans, which represents the health plans and insurers in Virginia, questions whether the bill as written would provide a beneficial database compared to the cost of collecting the data, said Executive Director Doug Gray.

Gray questions if the project coordinates both clinical and cost information. If the database won't identify health plans or providers in relation to specific cost information, Gray isn't sure the database could really help consumers.

The association would like a more coordinated effort to evaluate the creation of such a database, as he believes the current bill protects providers but gives them insurers' proprietary information for their business plans.

Currently, six state health plans, including Anthem, already allow customers to compare costs of specific services at different facilities online, Gray said. They do it to add value for consumers as insurers compete against one another.

"How is it going to offer them more than what we're offering them today?" Gray asked.

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