ONPOINT Health Data

Issue Brief: Recommendations for Collecting Non-Claims-Based Payments from States

As its name suggests, a statewide all-payer claims database (APCD) collects a full array of healthcare claims from insurance providers – including commercial, Medicaid, and Medicare – providing services to a state's residents. This allows analysts and researchers to follow trends and track costs across geography, sex, age, and other factors. The claims reported to an APCD typically detail the list of services provided and the billed amounts for each service – tests, exams, ultrasounds, prescriptions, and more.

In recent years, claims submitted to APCDs have been reflecting the shift in how healthcare systems are changing their approach – moving toward new payment models that focus more on patient outcomes rather than on the volume of services provided. These alternative payment models (APMs), or non-claims-based-payments, provide financial incentives to providers – whether hospitals, physician organizations, or solo practitioners – to improve the quality of care that they offer to their patients and to reduce their overall costs. Unlike a traditional fee-for-service (FFS) model, which incentivizes providing a high volume of services that may or may not improve outcomes, these newer models encourage appropriate, high-quality care.

As non-claims-based payments become more frequently collected by APCDs, many states are working hard to ensure that these data are integrated with their related claims data so that they can better understand and improve the healthcare being delivered.

This issue brief offers an overview of the leading frameworks used to categorize non-claims payments, existing efforts from states to collect this data, examples of how the data can be used in analytics, and recommendations for the collection of non-claims data.

EXAMPLES OF NON-CLAIMS PAYMENTS IN HEALTHCARE SYSTEMS

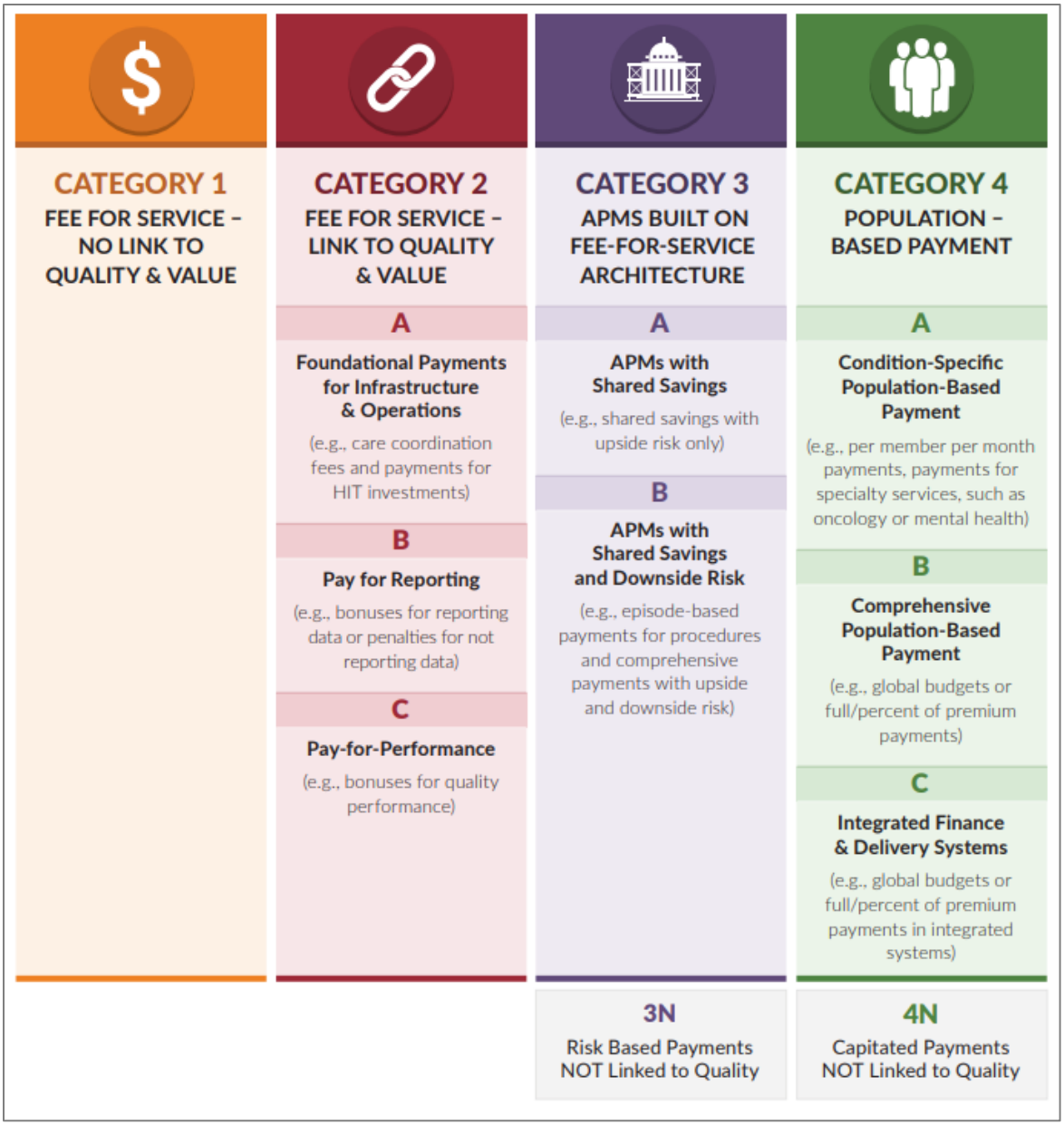
- **Capitated payments.** In a capitated payment arrangement, providers are reimbursed based on the number of patients that they see, not the number of services that they provide.
- **Incentive payments.** These are payments offered to providers if they meet pre-determined quality metrics.
- **Infrastructure payments.** These are payments paid to providers and healthcare organizations to support critical healthcare infrastructure.
- **Risk-based payments.** In risk-sharing arrangements, providers may be paid more if they meet certain metrics. They also may be paid less if they fail to meet those metrics.
- **Pharmacy rebates.** These are rebates offered by drug manufacturers to lower the cost of certain prescriptions to health plans and consumers.

KEY FRAMEWORKS USED TO CATEGORIZE NON-CLAIMS PAYMENTS

Two of the initial and leading models used to categorize non-claims payments were designed by the Health Care Payment Learning & Action Network (HCPLAN) and the Milbank Memorial Fund in collaboration with Bailit Health.

In 2017, the **Health Care Payment Learning & Action Network** (HCPLAN) released its alternative payment arrangement framework. It is designed to capture non-claims categories based on the provider's level of risk. It also identifies subcategories of APMs. The HCPLAN framework includes four major categories based on how a payment aligns with traditional FFS models (see below).

HCPLAN Alternative Payment Arrangement Framework



Source: HCPLAN. "APM Framework." July 2017. Link: https://hcp-lan.org/apm-framework

In 2021, the **Milbank Memorial Fund / Bailit Health** framework was released. This framework focuses on categorizing non-claims payments related to primary care. The Milbank/Bailit framework uses categories such as risk-based reconciliation, patient-centered primary care homes, provider incentives, health information technology (HIT), workforce expenditures, and other expenditures (see below).

Milbank/Bailit Non-Claims Categories

Category	Subcategory
1. Prospective capitated case rate, or episode-based payments	• Capitation payments • Global budget payments • Prospective case rate payments • Prospective episode-based payments
2.Primary care performance incentive payments	• Risk-based payments (shared savings distributions, shared risk recoupments) • Retrospective/prospective incentive payments (pay-for-performance, pay-for-reporting)
3. Payments for primary care provider salaries	• Provider salary payments (physician and nonphysician)
4. Payments to support population health and practice infrastructure	• Care management/care coordination/population health • Electronic health records/health information technology infrastructure and other data analytics payments • Medication reconciliation • Patient-centered medical home recognition payments • Primary care and behavioral health integration
5. Recovery	• Recoveries, or payment received that are later recouped by the payer
6. Other payments	• Other, such as governmental payer shortfall payments, grants, or other surplus payments.

Source: Milbank Memorial Fund. "Measuring Non-Claims-Based Primary Care Spending." April 2021. Link: https://www.milbank.org/wp-content/uploads/2021/04/Measuring_Non-Claims_7-1.pdf

AN EXPANDED FRAMEWORK FOR CATEGORIZING NON-CLAIMS DATA

In 2024, the California Department of Health Care Access and Information (HCAI) released its new Expanded Non-Claims Payment Framework. This Expanded Framework includes more specific categories than the HCPLAN and Millbank/Bailit frameworks and also provides a crosswalk to equivalent HCPLAN categories to make it easier for preceding initiatives to compare their data with the new framework (see below).

HCAI's Expanded Framework

	Expanded Non-Claims Payments Framework	Corresponding HCP-LAN Category*
1	**Population Health and Practice Infrastructure Payments**	
a	Care management/care coordination/population health/ medication reconciliation	2A
b	Primary care and behavioral health integration	2A
c	Social care integration	2A
d	Practice transformation payments	2A
e	EHR/HIT infrastructure and other data analytics payments	2A
2	**Performance Payments**	
a	Pay-for-reporting payment	2B
b	Pay-for-performance payment	2C
3	**Payments with Shared Savings and Recoupments**	
a	Procedure-related, episode-based payments with shared savings	3A
b	Procedure-related, episode-based payments with risk of recoupments	3B
c	Condition-related, episode-based payments with shared savings	3A
d	Condition-related, episode-based payments with risk of recoupments	3B
e	Risk for total cost of care (e.g., ACO) with shared savings	3A
f	Risk for total cost of care (e.g., ACO) with risk of recoupments	3B
4	**Capitation and Full Risk Payments**	
a	Primary Care Capitation	4A
b	Professional Capitation	4A
c	Facility Capitation	4A
d	Behavioral Health Capitation	4A
e	Global Capitation	4B
f	Payments to Integrated, Comprehensive Payment and Delivery Systems	4C
5	**Other Non-Claims Payments**	
6	**Pharmacy Rebates**	

***Descriptions of the corresponding HCP-LAN categories:**

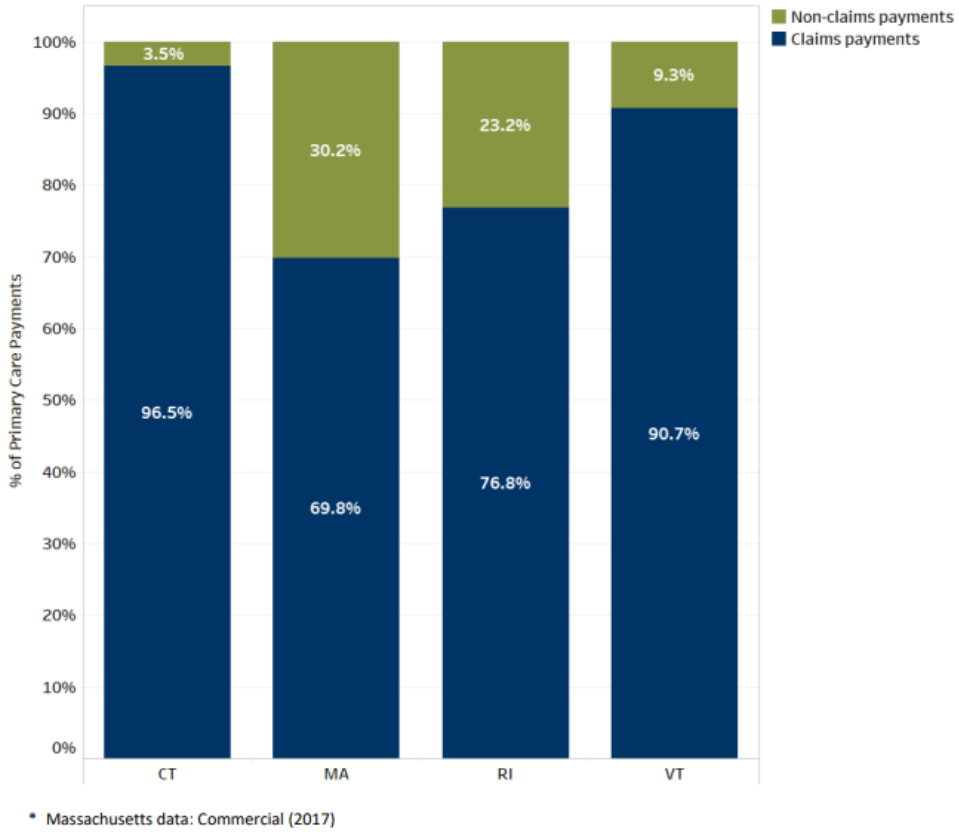
2A	Foundational Payments for Infrastructure and Operations: Care coordination fees, payments for HIT investments
2B	Pay for Reporting: Bonuses for reporting data or penalties for not reporting data
2C	Pay for Performance: Bonuses for quality performance
3A	Shared Savings: Shared savings with upside risk only
3B	Shared Savings and Downside Risk: Episode-based payments for procedures and comprehensive payments with upside and downside risk
4A	Condition-specific Population-based Payment: Per member per month payments, payments for specialty services, such as oncology or mental health
4B	Comprehensive Population-based Payment: Global budgets or full/percent of premium payments
4C	Integrated Finance and Delivery Systems: Global budgets or full/percent of premium payments in integrated systems

Source: Milbank Memorial Fund. "A New Standard for Categorizing and Collecting Non-Claims Payment Data." March 2024. Link: https://www.milbank.org/2024/03/a-new-standard-for-categorizing-and-collecting-non-claims-payment-data

AN EXAMPLE OF USING NON-CLAIMS PAYMENTS IN REPORTING & ANALYTICS – NESCSO

In partnership with the New England States Consortium Systems Organization (NESCSO), Onpoint collected both claims and non-claims data for primary care payments for all six New England states using a standard, collaboratively designed template based on the Milbank/Bailit framework. The data were integrated to examine cross-state differences in spending on primary care.

Our analysis found wide variation in the percentage of primary care services that were reimbursed through non-claims payments, which were collected by four of the six participating states.



Source: NESCSO. "The New England States' All-Payer Report on Primary Care Payments." December 2020. Link: https://nescso.org/wp-content/uploads/2021/02/NESCSO-New-England-States-All-Payer-Report-on-Primary-Care-Payments-2020-12-22.pdf

A NEW FRAMEWORK FROM NAHDO

The National Association of Health Data Organizations (NAHDO) released a national collection standard for non-claims data in April 2024 that builds upon HCAI's Expanded Framework. NAHDO's standard is designed specifically to support analysis using APCD data. The new standard incorporates the non-claims categorizations from HCAI's Expanded Framework as well as other elements related to billing providers for broader integration. This new framework also features three file layouts that separately capture annual payments, capitation, and pharmacy rebates. These layouts, which are designed to standardize data collection processes, will be added to NAHDO's All-Payer Claims Database Common Data Layout (APCD-CDL™) to provide states and healthcare data submitters with clear and consistent guidance.

EXISTING STATE COLLECTION EFFORTS

Several states already are collecting non-claims data, including APCDs in Colorado, Maine, Massachusetts, Oregon, and Rhode Island. While there are many similarities in these efforts, there also is significant variation in how their efforts are structured. The following table provides an overview of these states' collection efforts.

Item Reviewed	Colorado [i]	Maine [ii]	Massachusetts [iii]	Oregon [iv]	Rhode Island [v]
Membership based on residence of member or situs of insurance company?	Residence	Residence	Residence	Situs	Situs
Frequency of collection	Annual	Annual	Annual	Annual	Annual
Payment classification model	Modified HCPLAN	Custom	Custom	Modified HCPLAN	Modified HCPLAN
Is primary care collected specifically?	✓	✓	✗	✓	✗
Is behavioral health collected specifically?	✗	✓	✗	✗	✗
Are pharmacy rebates collected?	✓	✓	✓	✗	✗
Are FFS totals collected within the non-claims file?	✓	✗	✓	✓	✓

i. *Colorado All-Payer Claims Database Data Submission Guide. Colorado Center for Improving Value in Health Care (CIVHC). October 2022. https://civhc.org/wp-content/uploads/2022/12/Data-Submission-Guide-DSG-v-14_10.5.2022_FINAL.pdf*

ii. *Chapter 247 Non-Claims Supplemental Data. Maine Health Data Organization (MHDO). (Undated.) https://mhdo.maine.gov/rules.htm*

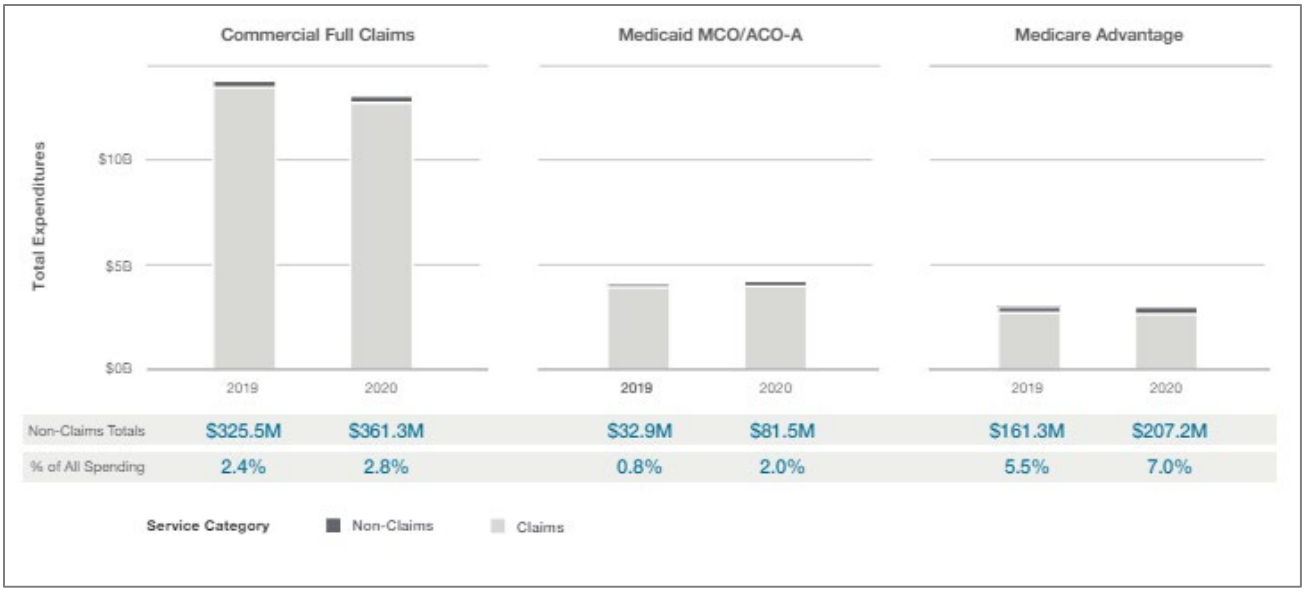
iii. *Data Specification Manual. Massachusetts Center for Health Information and Analysis (CHIA). July 2021. https://www.chiamass.gov/assets/docs/p/tme-rp/2021-TME-APM-Data-Specification-Manual.pdf*

iv. *All Payer All Claims Data Submissions. Oregon Health Authority. July 2023. https://www.oregon.gov/oha/hpa/analytics/pages/apac-data-submissions.aspx*

v. *Rhode Island Alternative Payment Model File Technical Specification. State of Rhode Island Department of Health. December 2022. https://health.ri.gov/materialbyothers/RI-APM-File-Technical-Specification.pdf*

AN EXAMPLE OF USING NON-CLAIMS PAYMENTS IN REPORTING & ANALYTICS – MASSACHUSETTTS CHIA

The Massachusetts Center for Health Care Information and Analysis (CHIA) collects non-claims payment data and incorporates these data into its annual reporting. The example below shows spending by insurance category and the percentage of all spending that is from non-claims payments.



Source: Massachusetts Center for Health Care Information and Analysis. September 2022.
Link: https://www.chiamass.gov/assets/docs/r/pubs/2022/PCBH-Report.pdf

RECOMMENDATIONS FOR THE COLLECTION OF NON-CLAIMS PAYMENTS

For states and organizations that would like to begin collecting non-claims payment data, Onpoint offers the following recommendations for best practices based on our review of existing state efforts, a consideration of potential analytic use cases, and the evaluation of available collection frameworks:

1. Focus on annual collection efforts. All five states noted above collect data based on calendar year. While a more frequent collection cadence (e.g., quarterly) might be preferable, many non-claims payments – incentive payments, for example – are paid only on an annual basis. Thus, an annual collection schedule is the simplest.
2. Collect data based on the member's state of residence. Three of the five states detailed above use the member's residence as the basis for data collection instead of the situs of the insurance company. When data are collected based on the situs of the insurance company, it is difficult to match non-claims payment data to the state population for members who work for an out-of-state employer. While the data can be parsed by patient address during analyses to remove out-of-state members, this becomes much more challenging when non-claims payment data are collected at the aggregate level.
3. Collect pharmacy rebates, if possible. Colorado, Maine, and Massachusetts collect pharmacy rebate information. Colorado's data submission guide is the most detailed, collecting rebates by drug manufacturer, firm name, and therapeutic class instead of simply by annual totals. Additionally, Colorado's collected dollar amounts are stratified by brand-name and generic drug. As pharmacy rebates continue to be an important aspect of healthcare spending, we encourage the collection of these data.

4. Collect non-claims payments for primary care separately from behavioral health spending. While these data are not consistently collected, states are expanding programs in these areas to ensure that lower healthcare cost growth does not result in reduced spending for critical preventive services. We encourage states to consider separately reporting these categories of care for more focused analyses.
5. Collect fee-for-service totals in the non-claims payment file. Most states require the submission of FFS totals in their non-claims payment files, even if they have the benefit of utilizing an APCD. We encourage states to collect a full membership count and total FFS expenditures for each submitter along with the non-claims payment data to help validate the data and ensure alignment with their APCD.
6. Consider the reporting and analytic use cases of the data during the development of reporting templates and protocols. When establishing any data collection effort, there should be a clear and deliberate use case for the data being collected – whether informing policy analysis, research, program evaluation, or other needs. When developing templates and reporting standards, states should ensure that the requirements-gathering process takes into account the needs of follow-on analytics and reporting.
7. Leverage national standards when available. Onpoint's analysis found that there was significant variation in states' current data collection approaches – intaking different values, fields, and other information. For example, some states used modified HCPLAN categories, while others used custom methods. As non-claims data collection continues to expand, states will have the benefit of lessons learned in this area and can employ the national standard released by NAHDO, which will continue to evolve

MOVING FORWARD

Non-claims payments are an important and growing part of the healthcare system. As new healthcare payment models emerge and providers and payers shift away from existing fee-for-service models, it will be critical for states to collect non-claims payments and integrate them into their databases, including APCDs. While non-claims payment data are complex, states considering non-claims data collection have the opportunity to leverage the strong work already under way when building their frameworks and leverage NAHDO'S new national standard, which was developed specifically for this type of data collection to stay aligned with other reporting initiatives.

ABOUT THE AUTHORS

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ABOUT ONPOINT HEALTH DATA

Onpoint Health Data is a nonprofit organization that specializes in collecting, integrating, and analyzing health data to provide our clients with enriched data sets and innovative analytic solutions tailored to their specific needs. We are an independent, nonpartisan organization supporting federal, state, and regional health improvement initiatives for more than 40 years.

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