NEW MEXICO
Department of Health
Office of the Secretary

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State to launch healthcare price transparency tool

SANTA FE – The New Mexico Department of Health (DOH) is a step closer to its goal of establishing an extensive new health insurance claims database designed to help monitor the growth of costs, improve quality, and make healthcare prices charged by providers and insurers across the state more accessible and transparent.

When fully operational in late 2023, the state's All Payer Claims Database (APCD) will include cost, quality and other data that's never before been available to the public.

DOH selected Milliman MedInsight, a nationally recognized health data and analytics company, to work side-by-side with the state to collect paid medical and pharmacy claims information from private insurance companies as well as Medicare and Medicaid. More than 20 other states have established similar databases over the past two decades, creating important tools that are now being used to better understand and address factors driving up the cost and utilization of healthcare services and improve quality. For example,

- A 2019 study using Virginia APCD data revealing potential undertreatment of pain related to cancer.
- Washington found through use of its APCD data $282 million was unnecessarily spent on low-value care. (Examples of low-value care include inappropriately prescribing antibiotics, running lab tests for low-risk patients before low-risk medical procedures or performing surgeries when physical therapy would be equally effective.)
- A May 2022 report using APCD data from four states uncovered $630 million spent on low-value care in those states combined.

New Mexico will join other states that have used their APCDs to create public-facing websites and other resources for consumers to compare prices and quality of care from one provider to another.

"Creating this database will allow New Mexicans to make better informed decisions about their health care and help patients and their families choose where to receive care based on cost and quality," said Acting Department of Health **Secretary David R. Scrase, M.D**. "It will also allow researchers, policymakers

and others to examine and work to reduce the tremendous variations that exist in health costs and quality from one community to another across our state."

New Mexico's APCD will be designed from the ground up to protect individual patient privacy by "de-identifying" and aggregating data it will collect from a wide range of medical and pharmacy insurance claims provided by nearly every commercial and public insurers operating within the state.

"Having this database will enable better informed health policy," said **Russell Toal**, New Mexico Superintendent of Insurance. "Our Office is excited to be part of this venture.

Milliman MedInsight, the data management company selected for New Mexico's APCD, has performed similar work in Utah, Virginia, and New Hampshire. More than 300 healthcare organizations, including accountable care organizations, payers, and employers, rely upon MedInsight for deep analysis, patient health improvement, cost management, and organizational improvement.

For more information on how All-Payers Claims Databases work nationwide, visit https://www.apcdcouncil.org/.

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NMDOH

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The Department of Health works to promote health and wellness, improve health outcomes, and deliver services to all New Mexicans. As New Mexico's largest state agency, DOH offers public health services in all 33 counties and collaborates with 23 Native American tribes, Pueblos and nations.