how to appropriately file claims. The North Carolina snapshot showed that 950 dentists were considered outliers and required focused review. Some outliers may be disqualified from participation in networks, others may have lower reimbursement rates, and others are disclosed to the Board of Examiners for legal action. The initiative helps self-regulate the dental profession and provides quality assurance to individual dental practitioners.[38]

This initiative is an example of how claims data can be analyzed to determine normal and identify abnormal practice patterns. Analyzing claims data to establish baselines allows for the spotting of unusual billing and an opportunity for training, or reporting for fraud or abuse. Payers already do this work, but an individual payer will have data limited to claims from that payer. An APCD could detect abuse or excessive billing distributed across payers that may be more difficult for an individual payer to identify.

> **An APCD requires a governing board to create regulations, determine data submission and release guidelines, and handle the infrastructure and maintenance of the database.**

Claims data can also identify areas of efficiencies within a health system or of a payer. Elimination of waste within a health care system is of tremendous value to all users. In Oregon, claims data is used to ensure that invalid Medicaid claims are not paid, by identifying plan members with unreported third–party insurance. This streamlined method allows the Medicaid Management Information system to stay updated by contacting other insurers or pharmacy benefits managers to obtain the policy information.[17] At the national level, public and private payers are pooling claims data to identify suspicious billing. This initiative, called the National Fraud Prevention Partnership, requires public and private payers to submit claims data and share the tools they use to detect fraud.[39]

As demonstrated above, claims data provide important information on the utilization and cost of health care in a state. It is difficult to manage the costs of health care if there is no readily available way to measure the cost of health care. Collecting claims data in an APCD would provide information for policy makers, employers, health systems, payers and consumers, and researchers.

Recommendation 1: The North Carolina General Assembly should establish an All-Payer Claims Database (APCD). The goal of the database should be to improve the health of North Carolinians. Primary use cases include population health surveillance, research, and public policy analysis. However, the legislation, regulation, and design of the database should allow for flexibility for other uses as appropriate.

APCD Governance

The authority for an APCD is generally created through legislation, and the details of implementation are usually determined by a governing board. An APCD requires a governing board to create regulations, determine data submission and release guidelines, and handle the infrastructure and maintenance of the database.

Governing Board

Governing boards for APCDs vary from state to state, but most boards include representation from health care stakeholders, including providers, consumers, employers, payers, researchers, and government officials. In other states, the governing board is usually appointed by a combination of statute, governor, general assembly, and organizational home. Arkansas, for instance, has four statutorily named members and nine governor appointed members.[40] Colorado has directors of executive agencies, representatives from various private payers, and members appointed by the General Assembly—one appointed by the State Senate and one appointed by the State House of Representatives).[41] Virginia, on the other hand, merely requests balanced representation of all stakeholders and public health experts.[42]

Data Access

In North Carolina, the governing board should be tasked with identifying the organizational home, claims and data submission layout, and supplemental funding. The governing board should create data release rules outlining which users will have access to the claims data. In order to access APCD data, states generally require the requesting entity to submit an application to the governing board. For example, the release of Colorado APCD data requires the multi-stakeholder Data Release Review Committee to review the data request and advise the administrator whether the request meets criteria as outlined in the Colorado Department of Health Care Policy and Financing rules. Two additional requirements include the strict enforcement of HIPAA privacy, and that the purpose of the data request meets the goals of the Triple Aim for Colorado. To receive data in Kansas, the requesting agency has to agree to supply the state with a narrative describing the results of the analysis done on the data provided. Massachusetts has separate applications for government and nongovernment requesting agencies. Their five-step nongovernment requesting agency process includes