

2. Health Care Data: Government Intervention or Private Cooperation?

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OPINIONS ON THE STRUCTURING OF HEALTH CARE markets and the delivery of health care resources fall into two different camps: one side opts for a public sector approach and the other, for a competitive market approach. The former implies a strong government role, and, in its purest sense, the latter implies none at all. In reality, government has been, and will continue to be, a major player in health care markets—especially in promoting and fostering freely competitive market environments.

An important tool in advancing this goal of competitive health care markets is the information required for promoting efficiency and regulating competition. More specifically, health care data can be used for making purchasing decisions and for ensuring that markets are operating competitively. For example, purchasers of health care services—from individual consumers to purchasing coalitions to large, self-funded corporations—need data to make prudent decisions about how to get the best quality care at the lowest possible price. Governments need accurate data to monitor health care markets (e.g., to determine if one provider or provider system has a monopolistic share of a local or regional health care market).

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A population health information system (POPULIS) like the Canadian model described by Noralou Roos and her colleagues, could provide some of these data. Much of the health care data collected now focuses on single, episodic contacts with the health care system. Medical treatment and healing, however, occur over time and require multiple contacts with the health care system. For data to be effective, we must move from tracking individual providers of care to tracking systems of care. If POPULIS was modified to include provider identification, tracking episodes of care across systems and over time, it could provide the information necessary to empower consumers and maintain competitive markets.

Canada's single-payer health care system is well suited to POPULIS. As the single purchaser of health care services, the Canadian government can mandate hospitals, physicians, and nursing homes to collect and submit the necessary data. The government can also regulate uniform data collection and develop data standards.

Acting as the sole data collection receptacle, the Canadian government can gain insight into the performance of all Canadian providers and the health status of patients being served. It can establish benchmarks for comparing facilities and populations. After analyzing its data, the government can make centralized decisions, controlling health care expenditures and addressing the health status needs of certain populations.

The health care marketplace in the United States is vastly different from Canada's, but it, too, needs health care data. Government in the United States may not assume the financing role of the Canadian government, but, at both the state and federal level, it plays a central part in collecting and disseminating data.

In fact, certain data components of POPULIS are already being collected in the United States and, in some cases, the data are being linked. States like Wisconsin are already collecting hospital discharge data sets, similar to the administrative data utilized by POPULIS. The federal government collects myriad demographic data from which socioeconomic status indicators resembling those in POPULIS can be formed. Some states—like New York, Massachusetts, Wisconsin, and others—are linking these data to conduct population-based health status assessments in order to examine rates of hospitalizations for conditions that could be shifted to ambulatory care.

Strengths

State governments and purchasing coalitions, for example, certainly need and use health care data. Data supplied by a system like POPULIS would also be valuable in a competitive health care market. Thus, POPULIS is a system that demonstrates a number of strengths:

- Health plans could assess the health status of populations, both current and future. As HMOs and employers assume increasing responsibility for the health status of their covered lives, population-based assessments of health status become more important.
- Where public clinics and government funding for teaching facilities exist, policy makers can use the data to assess the health status of certain populations. They may want to direct resources to facilities in underserved areas and examine ways to trim costs in areas where health status is good.
- In competitive markets information is the key to making prudent economic choices. In health care markets, purchasers of health care services, mainly employers, want to spend scarce resources in a way that maximizes the quantity and quality of the services.
- Much of the outcomes data being used today focus on single contacts with the health care system. Medical treatment and the healing process, however, occur over time. With POPULIS, tracking episodes of care becomes feasible.
- Individual health plans may now have outcomes, utilization, and access to care information for its covered population. A system that included patient outcomes and health status data for different health plan populations would permit benchmarking and comparisons of health plans. It would search out areas to improve while scrutinizing centers of excellence.
- Such information could help not just employers purchasing health care for employees, but also those individual consumers who must obtain their own care. For example, some Medicare reforms expect the individual to take more responsibility when purchasing care in order to save the program money.
- With the inclusion of physician data, a system like POPULIS can capture the actual experience of the increasingly common out-

patient visits to free-standing ambulatory surgery centers, clinics, physicians' offices, and emergency rooms.

- POPULIS also tracks utilization of nursing homes, including visits by physicians. This could be especially important for examining Medicaid expenditures, a substantial portion of which pays the nursing-home expenses of the elderly.
- A system like POPULIS builds on an existing data structure when, for example, it collects uniform hospital billing data.

Weaknesses

POPULIS also demonstrates some weaknesses that would make implementation in a market-based system difficult:

- With population-based health status information in place, insurers may be tempted to "red-line" less healthy populations, denying them health coverage. Insurance regulators would need to protect consumers from such an occurrence.
- Although more states are collecting hospital discharge data, current political and economic barriers limit the collection of physician and nursing-home data—the provider data utilized by POPULIS. Even these limited data on various providers across geographic regions need to be more standardized.
- Persuading hospitals to standardize coding practices, within the state and across other states that collect similar types of data, is a challenge. HMOs, business coalitions, and other large purchasers of health care can use financial incentives to demand provider data. But because health care purchasing in the United States is so fragmented, there are no performance and health status standards that apply uniformly to providers and purchases.
- To be equivalent to the Canadian plan, a system in the United States would also have to track outcomes by the many individual payers in the health care marketplace.

Conclusion

As we move toward more competitive health care markets, health care data will become increasingly important. We must examine our data sys-

tems and infrastructures to ensure that they are providing the information needed to make the best choices in competitive markets. An examination of the data systems in other countries, adjusted for the differing contexts of data collection, may inspire us to enhance our own health care data.

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