THOMSON HEALTHCARE

Testimony for

National Committee on Vital and Health Statistics

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Event/Meeting Name
Date

Thomson Healthcare at a Glance

Division of Thomson (NYSE: TOC)

2,100 Employees

Customers

3000+ hospitals, physicians, clinicians
140+ employers, 100+ health plans, government, Nearly all pharmaceutical manufacturers

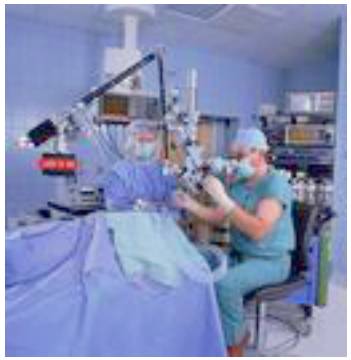
Expertise Brands

- PDR
- Micromedex
- Medstat
- Solucient
- MercuryMD
- CenterWatch
- NexCura

Customer Profile

140+ large employers, e.g., GE, FedEx, GM

100+ health plans, e.g., HCSC, BCBS SC, CareFirst



Nearly 3,000 hospitals, e.g., Triad, Catholic Healthcare West, Ascension Health

25+ state government programs, e.g., Georgia

Federal government, e.g., CMS, AHRQ, CDC, SAMHSA

Virtually all major U.S. pharmaceutical companies

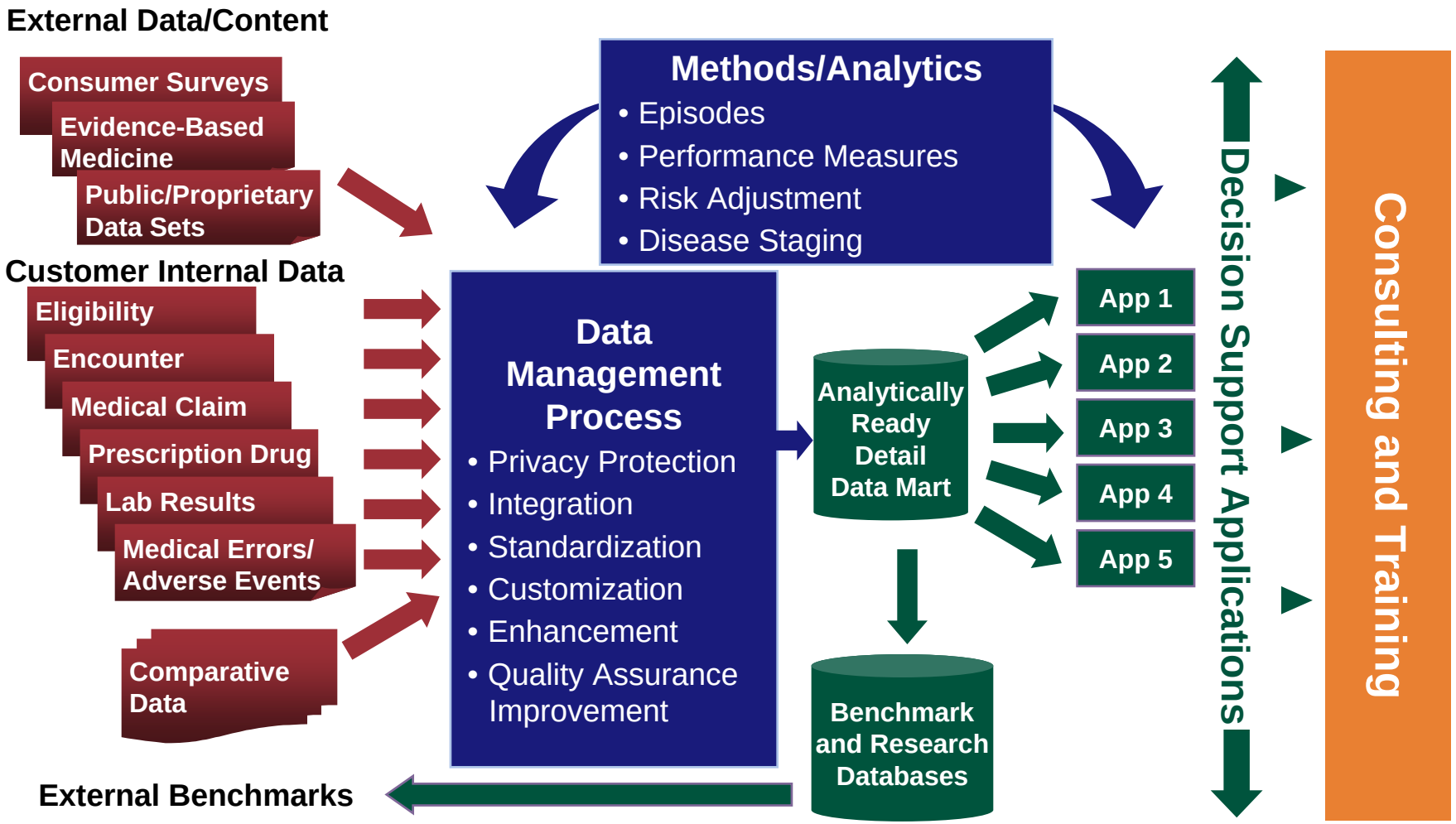
Definition of Quality, Payment, Healthcare operations

- Thomson mission encompasses broad range of services for hospitals, health systems, physicians, employers, insurers, government, researchers and pharmaceutical companies to directly and indirectly improve:
  - the quality of care
  - payment of care
  - efficiency of operations of healthcare providers and payers
- We subscribe to
  - Donabedian definition of Quality: Quality = Efficiency and Effectiveness
  - We enable improvement in the 5 R's
    - Do Right thing at Right time in Right setting at Right cost to get the Right outcomes across the healthcare industry

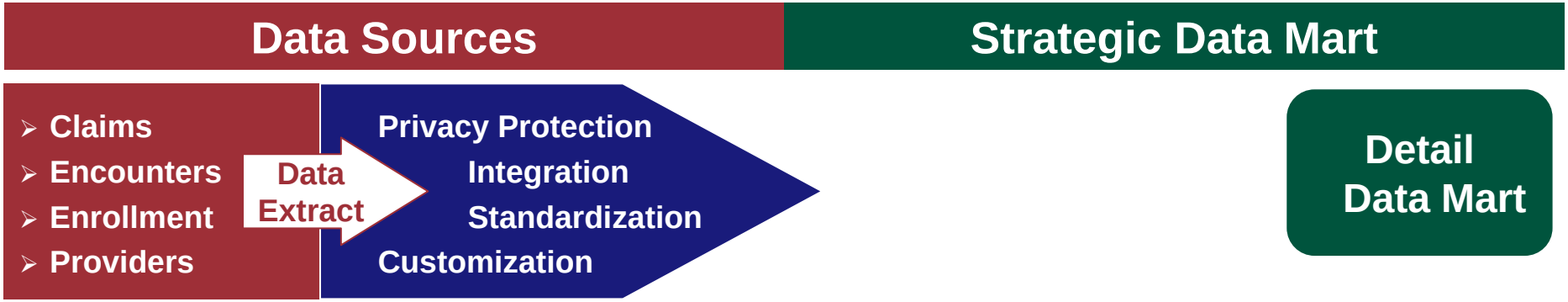
Our Solutions Help Customers improve quality of health care, efficiency of care and payment as well as assist organizations that support those goals …

- Design effective benefit plans
- Target and evaluate preventive medicine programs
- Improve clinical performance and outcomes
- Build effective provider networks
- Target and evaluate disease management programs
- Improve financial and operational performance
- Forecast financial performance
- Evaluate and manage risk
- Develop sound growth plans and more effective marketing

Thomson Healthcare
Data Sources and Information Infrastructure



Building the Analytically Ready Detail Data Mart



Privacy Protection

Ensuring confidentiality and privacy of client data

- Patient identifier encryption
- Access restrictions on need to have basis
- Data center processes and controls

Integration

Combining data from different sources or formats to create the databases

- Multiple claim / encounter systems
- Eligibility data
- Capitation data
- Carve-out vendors: drug, MH, vision, etc.

Standardization

Making key variables consistent across all data sources

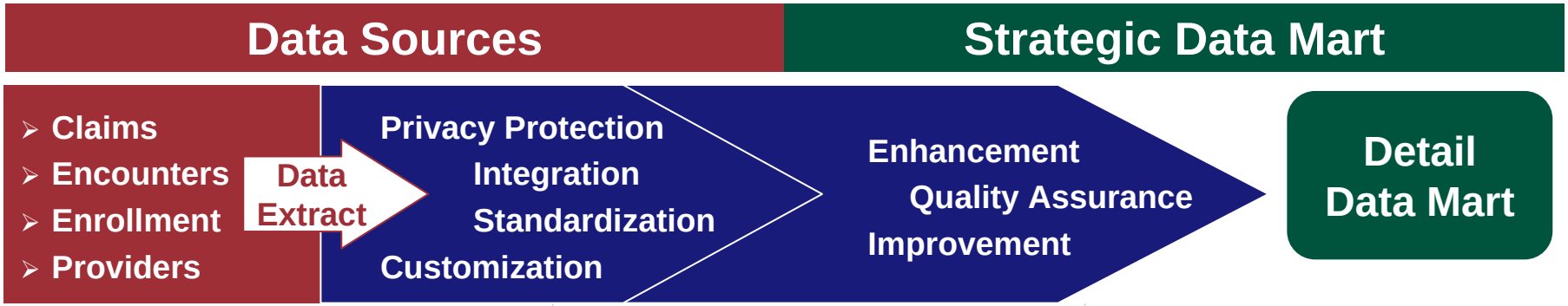
- Financial fields
- Service categories
- Member relationships
- Geographic regions
- Age groups
- Other demographics

Customization

Structuring the databases to meet the client's analytical needs

- Account groups
- Product lines
- Enrollment categories
- Member categories
- Other data enhancement

Building the Analytically Ready Detail Data Mart



Enhancement

Adding value to the data using standardized methodologies

- Admissions and episodes
- Clinical groupings:
  - MDCs and DRGs
  - RVUs
  - Drug Classification
- Risk adjustment
- Norm and benchmark creation
- "Incurred but not Reported" reporting

Quality Assurance

Assuring that the database accurately reflects what occurred

- Financial and record count reconciliation
- Accuracy (valid values, patterns of coding)
- Completeness (missing fields, missing records)
- Reasonableness (admit rates, ages, per capita $)

Improvement

Improving the quality and uses of the data over time

- Specific clinical coding
- Better provider information
- Highlighting data anomalies
- Adding data elements
- Patterns of coding
- Improvement plans with suppliers

Impact of HIPAA Implementation

- Since HIPAA passage, important, legitimate uses of data are no longer possible
- Why?
  - HIPAA law allows more stringent state laws to supersede national law
    - Different standards for same data in different states raises costs
    - National studies are difficult due to holes in data for whole states
  - Different interpretation of law by data collectors themselves
    - CMS example – source of the only all hospital, all provider data in the US
      - Public Limited Data Files (MedPAR, SAF, etc.)
        - limits cells to 11 patients
        - No patient ID nor encrypted ID
        - *No readmit indicator*
        - No DOA (only year) or DOD – (only quarter of discharge - 20064)
        - Days until death measured from the date of admission, not discharge
        - No zip code
        - SAF is the only file with an encrypted patient ID
  - Access to restricted data elements requires major paper work, single project access, IRB review usually grants access to universities or not for profits for single purpose, funded research – not commercial companies that serve thousands of hospitals, employers, payers, etc.

Impact of restrictions on prior data streams to assure equal access, quality, efficiency and cost of care

- No Patient Zip code means reduced availability of epidemiology and demographic data
  - Monitoring hospital and physician service to local and regional populations, eg poor
  - Analyses of distance patients must travel for general and specialty care
  - Market share of hospitals and physicians
  - Identification of pockets of under served populations
  - Identification of pockets of high incidence of disease
  - Variances in readmission rates of patients across geographic areas and payer
- No Dates of Service (DOA, DOD) means no sequencing of care
  - No episodes of illness
  - No comparison of chronic illness outcomes
  - Can't validate some core measures: "pneumonia vaccine given" in physician office versus hospital
    - Can't identify readmissions post hospitalization within 15 days, 30 days, etc
    - Can't identify outpatient surgery complications resulting in antibiotic RX or admission to a hospital
    - Can't identify deaths within 30 days of discharge – now a mandated quality measure
    - Can't create norms and benchmarks for high quality/ cost effective longitudinal treatment of chronic illnesses – diabetes, low back pain, CHF, depression