

TESTIMONY OF

Karynlee Harrington, Executive Director, Maine Health Data Organization

Before the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Health Coverage, Insurance and Financial Services

Hearing Date: March 1, 2023

**LD 258 "An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2023, June 30, 2024 and June 30, 2025"**

Senators Rotundo and Bailey, Representatives Sachs and Perry, and members of the Joint Standing Committees on Appropriations and Financial Affairs and Health Coverage, Insurance and Financial Services, my name is Karynlee Harrington. I am the Executive Director of the Maine Health Data Organization (MHDO), and I am here today to present testimony in support of those items presented in the Governor's proposed Biennial Budget for the MHDO.

**Overview of the Maine Health Data Organization (MHDO)**

The MHDO was established as an independent executive agency in 1996 because of the recommendations of the Hospital Deregulation Task Force, that the Maine Health Care Finance Commission be abolished but that its data collection functions be retained, expanded, and transformed into what is the Maine Health Data Organization.

The MHDO is governed by a multi stakeholder board of directors that are appointed by the Governor and represent consumers, employers, payers, providers, hospitals, and government.

The purpose of the MHDO as defined in Title 22, Chapter 1683, is to create and maintain a useful, objective, reliable, and comprehensive health information database. This data is accessed by a broad group of authorized data users to improve health care costs, quality, and access for Maine people; and used to promote the transparency of the cost and quality of the most costly and highest utilized healthcare services in Maine, including the costs associated with prescription

drugs. MHDO in partnership with the Maine Quality Forum created a website that shows the average payment for commercial insurance for over 300 common health care procedures at different facilities in the State of Maine as well as several health care quality measures including preventing falls with injury and preventing healthcare-associated infections. This website is [www.CompareMaine.org](http://www.CompareMaine.org). For over ten years MHDO's data has been one of the most timely and complete sources of health care data in the State of Maine for the analysis of health care costs, utilization, and outcomes. Specifically, MHDO's data supports policy discussions and legislation in areas including Transparency of Health Care Costs and Quality, Surprise Billing, Workers Compensation, MaineCare Rate Setting, Opioid Analyses, Insulin Costs, Primary Care and Behavioral Health Care Spending in Maine, Ambulance Costs, Prescription Drug Costs, Right to Shop, Maine's Reinsurance Program, and the Office of Affordable HealthCare. I am pleased to report that because of legislation that was enacted a few years ago requiring the data from the cancer registry and vital statistics to be linked to MHDO's data sets, the Maine Cancer Foundation, is able to create Maine's first Cancer Blueprint, a comprehensive, interactive, data-driven tool designed to, increase knowledge and awareness of issues related to cancer, expand access to care, and support lifestyle changes to reduce cancer risk.

**MHDO collects the following data sets:**

- **claims data** (medical and pharmacy) is submitted monthly from over 40 licensed commercial insurance companies in Maine, MaineCare and Medicare; this data set represents over 90% of Maine's population.
- **hospital encounter data** is submitted quarterly from all licensed hospitals in the State of Maine for all encounters (inpatient, outpatient, emergency department and physician practice data from practices owned by the hospitals).
- **hospital and nursing home quality measures** including rates of healthcare associated

infections including MRSA, *C. diff*, central line catheter-associated blood stream infections.

- **Pharmaceutical pricing component data** from manufacturers, wholesale distributors and pharmacy benefit managers.
- **hospital financial information** (audited financial statements and a standardized financial template that includes Profitability, Liquidity, Capital Structure, Asset Efficiency, and other common financial ratios).
- **hospital organizational data** that identifies the health care system, the hospital and physicians and practices affiliated with the hospital.

MHDO's database holds over 1 billion records, and that number grows each year with the addition of new data. Attachment A in my testimony is a list of links to various reports where MHDO data was used to develop the reports.

The MHDO is not funded by the state's general fund but rather it derives its revenue from two sources as described in Title 22, Chapter 1683: an annual assessment on health care providers payers, pharmaceutical manufacturers, wholesale distributors and pharmacy benefits managers; and user fees from authorized MHDO data users accessing data pursuant to the criteria defined in Rule Chapter 120, *Release of Data to the Public*. The amount of the MHDO annual assessment is contingent on the budget you approve minus any unallocated funds remaining from the prior fiscal year.

#### **FY24-25 Proposed Budget**

The Governor's proposed budget for MHDO is on page A-301 of your budget document. As mentioned earlier in my testimony there are no general funds for the Maine Health Data Organization. The proposed budget contains no initiatives for FY24-25; however, we are requesting that the committee add language to continue the authorization approved in the

FY22-23 biennial budget to transfer available Personal Services balances up to a specified amount to the All-Other category by financial order. A copy of the proposed language is contained in Attachment B.

That concludes my testimony on items for the Maine Health Data Organization. I am happy to answer questions.

## **Attachment A**

- **MHDO and MQF's Health Care Costs and Quality Transparency Website:**  
<https://www.comparemaine.org/>
- **Annual Prescription Drug Pricing Transparency Report**
- **Data Availability Tableau Reports** for both MHDO claims and hospital data
- **Health Care Expenditures and Health Care Quality in Maine: Baseline Report:**  
<https://mhdo.maine.gov/tableau/baselineHealthcareExpQuality.cshtml>
- **Top 25 costliest and most utilized prescription drugs in Maine**  
<https://mhdo.maine.gov/tableau/prescriptionReports.cshtml>
- **MHDO Healthcare Procedure Cost Drivers:**  
<https://mhdo.maine.gov/tableau/healthcareProcCostDrivers.cshtml>
- **MHDO's Standardized Hospital Financial Reports:**  
[https://mhdo.maine.gov/hospital\\_financials.htm](https://mhdo.maine.gov/hospital_financials.htm)
- **Best Methods and Definitions to Use in Collecting Data to Better Understand Racial and Ethnic Disparities in the Provision of Health Care in Maine**

## **Attachment B**

### **Proposed Language**

#### **Personal Services balances; Maine Health Data Organization; transfers authorized.**

Notwithstanding any other provision of law, in the 2024-2025 biennium, the Maine Health Data Organization is authorized to transfer up to \$310,000 in each fiscal year, available balances of Personal Services allocations, after all salary, benefit and other obligations are met, to the "All Other" line category in the Maine Health Data Organization, Other Special Revenue Funds account.