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*Alaska Health Care Strategies Planning*

*Council*

Report to State Health

Commission, February 27, 2009

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# Council Overview

- Fourteen Members
    - Chaired by Commissioner of Health and Social Services-Karleen Jackson
    - Legislative liaisons-Senator Bettye Davis and Representative Peggy Wilson
  - Characteristics of Members
    - Gender
      - Ten men
      - Four women
    - Residence
      - Five Anchorage
      - Two Fairbanks
      - Two Juneau
      - Two Mat Valley
      - Two Kenai Peninsula
      - One Cordova
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# Council Characteristics

- Thirteen work in health care industry
    - Four physicians
    - Three nurses
    - Two health care provider associations
    - One tribal health system
    - One medical clinic director
    - One assisted living facility owner
    - One insurance industry executive
  - One mayor
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# Issues of Interests

- Access to health care
  - Quality of health care
  - Cost of health care-efficiencies-who pays
  - Prevention-public health
  - Provider recruitment/retention
  - Care for very young
  - Care for elders
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# Outcomes Desired by Members

- “We have plenty of studies. What we need to do is review those studies and recommend strategies to the Governor.”
  - Strategies with measurable outcomes.
  - A short, concise plan of action.
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# Administrative Order 232

- Established by Governor

- Purpose

- Review, not duplicate existing studies and reports
  - Develop a statewide plan
  - Identify short and long term strategies
    - Access to health care
    - Cost and quality of health care
  - Educate the public about health care public policy choices
  - Engage governmental agencies and private sector in finding solutions.
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# Duties of Council

- Description of current health care system
  - Analyze existing plans, reports and initiatives
  - Develop short-term/long-term plan to improve:
    - Access, cost and quality
  - Identify performance measures
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# Suggested meeting structure

- Modified Roberts Rules
  - Expert presentation
  - Discussion supported by facts
  - Use existing studies
  - No additional research
  - Less time spent listening maximum time discussing
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# Suggested meeting structure

- Decisions through consensus
  - When consensus not reached, Council provides majority/minority options
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# Facts-Most Consensus

- Access to primary care is fundamental to a high performance health care system and plays an important role in health care quality, costs, and outcomes
- The biggest jump in insurance expenses in Alaska are prescription drugs, which are 25% higher in cost than the national average
- To effectively lower costs, incentives in the healthcare system must focus on keeping people well rather than treating people after they get sick.)
- Community Health Centers (CHC) increase access to primary care, are cost-effective primary care givers in medically underserved, target low income and are open to all Alaskans.
- Better lifestyle habits can help prevent 80% of heart disease and 90% of type-2 diabetes
- The purpose of healthcare insurance is not to provide access to healthcare but to protect assets from unforeseen medical costs.
- To effectively lower costs, incentives in the healthcare system must focus on keeping people well rather than treating people after they get sick.
- Community Health Centers (CHC) increase access to primary care, are cost-effective primary care givers in medically underserved, target low income and are open to all Alaskans.
- The purpose of healthcare insurance is not to provide access to healthcare but to protect assets from unforeseen medical costs.
- Basic needs such as adequate water and sanitation are still not met in many rural Alaskan communities
- Alaska has significant health care provider shortages
- Portability of insurance is an important fact in being able to provide insurance in a labor market with a high percentage of seasonal workers
- There is no shared understanding of a “baseline” insurance coverage – “not all insurance is created equal”
- Not everyone who has insurance can afford to go to the doctor
- Only two percent of patients requiring extensive care were uninsured

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# More Consensus Facts

- Most “low cost” patients are young – the same people who don’t have insurance, 10,000 children of working Alaskan parents are uninsured
  - In terms of the number of physicians per-capita, Alaska ranks 6th lowest among the states – when Anchorage is removed from the equation Alaska is the lowest
  - Alaskans spend more per-capita on health care than any other state
  - In order for people to make rational health care choices, they need information on services and providers (price, quality, information); they also need to be empowered to make those choices, or have people around them who can make those decisions.
  - The chronically ill receive only 50% of recommended preventative medical services
  - Medical claims count for 82% of health insurance premiums
  - In 2005, the US spent almost \$2 trillion dollars on health care, and for every dollar spent, 75 cents went towards treating chronic disease.
  - Among people who seek care, RAND researchers found virtually no difference in the quality of care received by the insured and uninsured, or based on type of insurance – Medicaid, managed care, fee-for-service, etc.
  - Alaska ranks 49th in US in quality of health system performance
  - A “catastrophic” or high deductible policy with a \$3000 floor would cost approximately 1/3 that of a comprehensive policy.
  - 24% of Alaskans smoke; 64% are overweight; 26% are obese; 6% have been diagnosed with diabetes; 14% have been diagnosed with asthma; 33% of Alaskans admit to binge drinking.
  - 10% of patients expend 60% of health care dollars
  - Whereas, 30 to 40 percent of WWAMI physicians do NOT stay in Alaska, 93% of UAA nursing students do stay in Alaska
  - Prevention accounts for only three percent of healthcare spending
  - Of the ten leading causes of death among Alaska Natives, 5 were due to chronic disease (cancer, heart disease, suicide, alcohol-related, lung disease)
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# The Plan and Recommendations

**Goal One: Health costs for all Alaskans will consistently be below the national average.**

- Increase consumerism giving people control over their health care dollar
- Accessible website
- Increase community-based health care services-Community Health Centers
- Stabilize the costs of health care

**Goal Two: Alaska will have a sustainable health care workforce.**

- Increase WWAMI seats to 50 per year, and increase seats in UA Nursing and Nurse Practitioner programs
- Implement a doctoral-level nursing program at the University of Alaska

**Goal Three: All Alaskan communities will have clean and safe water and wastewater systems.**

- Improve adherence to the state's existing water and wastewater treatment "plan," through the Village Safe Water Program

**Goal Four: Quality health care will be accessible to all Alaskans to meet their health care needs.**

- Expand tele-health and electronic health record systems,
- Increase presence of the public health especially in rural communities
- Decrease Alaskans use of emergency rooms for primary care
- Improve primary and long-term health care options for elders, particularly with regard to Medicaid and Medicare

**Goal Five: Personal responsibility and prevention in health care will be top priority**

- Decrease the impact of obesity, smoking, substance abuse and other lifestyle factors through intense public education
- Increase the place of personal responsibility in health care decision making for all Alaskans

**Goal Six: Develop and foster the statewide leadership for statewide health and health care policy.**

- Create an ongoing "Alaska Health Care Commission" in statute
- Elevate the discussion of health care to a statewide audience

**Goal Seven: Increase the number of Alaskans covered by health insurance**

- Raise the eligibility criteria for Denali KidCare from the current 175% to 200% of federal poverty limits
  - Reduce impact from catastrophic financial loss by supporting new and innovative approaches for portable insurance
  - All Alaskans have at least a catastrophic high deductible coverage
  - Encourage employers, through incentives to offer a range of insurance options/choices to employees
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# The Plan and Recommendations

Short Term

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# Plan's Format

## Goal One: The High Cost of Health Care in Alaska

- **What's the problem?** *The costs of producing quality health care are high, and therefore it is quite expensive to be a consumer of that care. The costs of health care in Alaska are already well above the national average, and like the rest of the nation, are increasing.*
- **Why this is important:** *A new approach to this problem must be embraced if there is to be long-term, positive reform in Alaska's health care system. If Alaska continues along the same path, the results will remain unchanged. Reducing the rate of increase in the costs of health care is a "must do" priority, and Alaskans need to get the best value for health care dollars spent. Every health care dollar must be spent wisely. Broadly stated, the high cost of health care is a barrier to many Alaskans getting the health care they need. The present system supports the high and increasing costs of health care and inefficient utilization of health care dollars.*
- **What should be done about it:** *Decreasing the rate of growth in health care costs in Alaska will require development of a high-quality health care system that is evidence-based, consumer driven and market-responsive. With respect to lowering costs, insurance that is portable and consumer-owned plays a central role, and requires much more discussion at the state level. Overall, giving people more control over their health care dollar is a central component, as is providing appropriate, accessible, transparent, and evidence-based cost and quality information about health care providers and services. In the short-term, one of the most important goals should be state creation of an easily accessible and up-to-date website providing health care cost and quality information to Alaskans. These strategies alone are not sufficient to reduce the overall cost of health care in Alaska, nor to reduce the rate of growth. Closely related are the subjects of personal responsibility, access to health care, increasing the number of health care providers, and insurance.*

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# Questions/Discussion

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