

Executive Summary

On February 15, 2007, Governor Sarah Palin issued Administrative Order #232 establishing the Alaska Health Care Strategies Planning Council in the Office of the Governor. The purpose of the Council was to build the foundation for development of a statewide plan to identify both short-term and long-term strategies that effectively address issues related to access, cost and quality of health care for Alaskans.

Health care, according to the Council, is a broadly defined term, relating to the prevention, treatment and management of illness, preserving mental and physical health, and dealing with chemical dependency. Along these same lines, the Council interpreted its charge from the governor quite broadly, to include discussions about the importance of a healthy Alaska, and the impact of a healthy Alaska on health care.

In accordance with the order, the Council reviewed and synthesized the extensive body of existing research on the subject, agreed upon the most salient facts, and identified the most significant health care issues in the state. Based on six overarching healthcare challenges identified by the Council, members articulated the following six comprehensive health care policy goals:

- Personal responsibility and prevention in health care will be top priorities for government, the private sector, communities, families, and individuals.
- Health care costs for all Alaskans will consistently be below the national average.
- Alaska will have a sustainable health care workforce.
- All Alaskan communities will have access to clean and safe water and waste water systems
- Quality health care will be accessible to 100% of Alaskans.
- Develop and foster the statewide leadership necessary to support a comprehensive statewide health care policy.

The Council's Vision and Long-term Goal

At its inaugural meeting on June 11, 2007, Council members articulated an overall vision of health care in Alaska – that *“Alaskans are the healthiest people in the nation.”* This vision led to their developing a concrete mission statement describing the ultimate outcome of its work: *“To develop strategies, including performance measures, to provide health care access to all Alaskans by 2014.”*

The “Fact-Based Process”

The work of the Council was facilitated through a “fact-based” process by Mr. Dennis McMillian, President and CEO of The Foraker Group, an Alaskan-based nonprofit corporation. Using the fact-based process, members were asked to review existing research and initiatives, and to hear from subject matter experts on the major issues in Alaska’s health care system. Only those facts which were garnered from existing sources

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and/or presented to the Council at its meetings, and that were widely recognized by Council member as salient to the process, were allowed to remain in the conversation.

While time-consuming, the fact-based process allowed the development of a solid basis for discussing the issue of health care in Alaska, highlighting the major challenges with that system, and identifying realistic solutions to address those challenges.

Alaska's Health Care Challenges: A Strategic Plan for the Future

In the opinion of the Council, there are six challenges requiring immediate and comprehensive attention in Alaska's health care system:

- Prevention and personal responsibility don't play a big enough role in overall health and health care.
- Receiving quality health care in Alaska is expensive, well above the national average, and increasing
- There are significant shortages in the health care workforce across the state.
- Water and wastewater systems in many rural communities cause health problems.
- Quality health care is difficult access for many Alaskans, urban and rural.
- There must be consistent and focused state and local leadership to improve the health of Alaskans, and build a comprehensive health care system in Alaska.

Based on the vision of a healthy Alaska, a one-page Alaska Health Care Action Plan was developed by the Council.

Alaska's Health Care Action Plan: The Vision

Make Alaskans the healthiest people in the nation.

Long-term Goals with Strategic Directions

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

- Increase community-based health care services, both public and private sector
- Increase the place of consumerism in health care purchasing by giving people control over their health care dollar – the foundations are accessible and transparent, evidence-based price/quality information about health care providers and services, provided on an accessible website with comparative information
- Stabilize the costs of health care by reducing the rate of increase relative to other states (national is 6% increase, decrease Alaskan rate to 4% annually)

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

- Develop policies and systems to alleviate the health care worker shortage, and prevent it from recurring

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

- Improve the state's 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.

- Increase access of Alaskans to a primary care provider and behavioral health provider when it is needed
- Decrease the likelihood that Alaskans will use emergency rooms for primary care
- Reduce the impact of existing barriers to health care accessibility in rural areas by exploring private enterprise incentives
- Study and develop plans for long-term care options and access
- Expand and improve tele-health and electronic health record systems
- Improve health care options for Alaskan elders

Goal Five: Personal responsibility and prevention in health care will be top priorities for government, the private sector, communities, families, and individuals.

- Improve the likelihood that every Alaskan will choose to live a healthy lifestyle and make healthy lifestyle choices
- Increase the place of personal responsibility in health care decision making for all Alaskans
- Decrease the impact of obesity, smoking, substance abuse and other lifestyle factors on the health of Alaskans, through intense public education with public and private partners
- Reduce potential for financial impact from catastrophic loss by supporting new approach to insurance for individuals that would be consumer-owned, portable, purchased with pre-tax dollars

Goal Six: Develop and foster the statewide leadership necessary to develop and support a comprehensive statewide health and health care policy.

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

Alaska's Health Care Challenges: Discussion and Recommendations

The Council engaged in lengthy discussion of the main challenges facing Alaska's health care system, and generated the following discussion points related to each.

- *Defining a specific problem*
- *Why addressing it through comprehensive state action is important*
- *What should be done about it – in other words, identifying desired outcomes*

In addition to discussing what should be done to address each problem, the Council developed several ancillary documents (appearing as appendices) that figured prominently in generating the conclusions and recommendations in this report. These “working documents” are presented under separate cover.

The Cost of Health Care in Alaska

What's the problem? *It costs too much to deliver, and therefore to receive, quality health care in Alaska. The costs for health care in Alaska are already high, 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 we continue to do what we have always done, we will continue to the same result we have always gotten. Reducing the rate of increase of 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, and 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, if as yet undetermined, role, and requires much more discussion at state level. 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, and increasing health care providers.*

The Health Care Workforce

What's the problem? *There are significant shortages in the health care workforce across the state. Alaska needs more health care workers throughout the system, at all levels.*

Why this is important: *Without ample health care workers, the system will continue to falter – it is already showing signs of strain. Lack of a sustainable health care workforce is a main factor in the increasing costs of health care and also in the decreasing access of health care for Alaskans. In addition, significant access issues exist in both urban and rural areas, which will likely require expansion of the health care workforce.*

What should be done: *Statewide policy should enable the creation of a sustainable health care workforce that alleviates the current shortage and prevents it from recurring. While this is a tall order, a good start is to “grow our own” within Alaska, by presenting health care professions more prominently as viable career options, with students continually encouraged to build the skills necessary, and to pursue health care careers.*

Sustainable Rural Water and Waste Water Systems

What's the problem: *Water and wastewater systems in many rural communities are inadequate, unsafe, or non-existent, and can be a major cause of health problems within those communities..*

Why this is important: *There is an strong correlation between the health of Alaska's rural residents and water and wastewater safety. Building clean drinking water and waste disposal systems is one of the most effective means for improving the health and wellness of rural Alaskans and rural communities.*

What should be done: *There is an active state program in place to bring sustainable and safe drinking water and waste disposal systems to all of Alaska's rural communities – the Village Safe Water Program. However, the real success of that program depends on the recognition by state policy makers that there is no “one size fits all” approach to bringing those systems to rural Alaska. What works in one community may not work in another. Efforts should continue to only provide infrastructure that the community can support in the future. The state's long-term health care policy should improve the state's adherence to the “plan” for bringing sustainable and appropriate safe water and wastewater systems to every Alaskan community.*

Access to Health Care

What's the problem? *Accessing quality health care is difficult for many Alaskans, both urban and rural. There is little consistency of access to health care for all Alaskans – some have it all the time, some have it some times, and some have it hardly at all. In Alaska's urban areas there is a lack of access to necessary specialized care and efficient "same-day" primary care. In many rural communities, there is often no access at all to health care, due to a whole host of barriers, including costs, geography, transportation challenges, lack of providers and much more.*

Why this is important? *The lack of access to quality health care contributes to Alaskans' wellness challenges. Being able to guarantee timely access to primary care in particular presents significant challenges, but appropriate primary care is one of the most effective means for keeping Alaskans healthy.*

What should be done: *Accessing health care should not be difficult for Alaskans, and broad policies that improve access to primary care and behavioral health care should be the focus of any state health care policy. Strategies could include 1) the state becoming more actively engaged in the Community Health Center system through funding and regulatory relief, 2) appropriate utilization of the state's Public Health Division, in particular the Public Health Nursing program, 3) building incentives into the health care system that encourage Alaskans to more effectively utilize primary care opportunities, 4) leveraging information technologies such as tele-health and electronic health record systems which can improve access while reducing costs, and 5) reducing barriers to private clinicians practicing in underserved areas..*

Prevention and Personal Responsibility

What's the problem: *Prevention and personal responsibility play too small a role in health care, and maintaining and improving health. While Alaskans may understand the connection between their lifestyle choices and their individual health, for the most part they do not make a connection between personal choices, having a personal stake in their health, and the cost of their health care. Alaskans are not optimally encouraged and equipped to make the kinds of choices that improve health and subsequently decrease health care costs.*

Why this is important: *More healthy Alaskans translates to fewer sick Alaskans, and improved quality of life, with resultant cost savings. A clear understanding of the role of personal choice in individual health status and the impact on health care costs, as well as the central role of government in supporting health choices, are critical components in developing long-term strategic health and health care policies.*

What should be done about it: *Solving this problem requires a two-pronged approach: First, Alaskans must be encouraged to play a much greater role in their own wellness, with Alaskans having both a personal and financial "stake" in their own health. Having a "stake" in their own health is the product of a personal investment in wellness, and garnering the financial benefits of maintaining healthy lifestyles. In the opinion of the Council, the most effective mechanism for increasing the personal health investment of Alaskans is incentivizing and supporting positive change.*

Second, government, school districts and employers are uniquely situated to be a catalyst for positive change.

At the core of solving this problem is providing state-supported structures to enable Alaskans to understand and make healthy choices, while avoiding those lifestyle decisions that contribute to poor health.

The Importance of Statewide Leadership

State leadership was identified as both a problem and a solution by Council members. Public leaders have a pivotal role to play as a catalyst for positive change, and commitment at the executive and legislative levels to make comprehensive and lasting change will affect both health and health care in Alaska. Along these lines, members of the Council believe that government has what really amounts to an obligation to "jump start" healthy choices through incentives today, and build the necessary structures for future excellence. Positive change will be the result of a concerted effort now by the governor and the legislature, and partnering with local communities, in a long-term commitment to maintain positive momentum.

The Council applauds the efforts of Governor Palin to elevate the discussion about health and health care to the statewide level, and looks forward to that debate taking place in the halls of the Legislature as well. One of the most effective mechanisms for solidifying that long-term commitment to bringing positive change to Alaska's health care system is to fully incorporate health and health care oversight in statute. Fully incorporating health care oversight through policy translates to establishment of a quasi-independent "Alaska Health Care Commission" with broad statutory responsibilities to seek innovative solutions and act as a catalyst for positive change to:

- Promote health by supporting and incentivizing positive lifestyle choices
- Foster ongoing research
- Help control health care costs
- Continuously work to improve access
- Ensure a sustainable health care workforce

An Outstanding Issue: The Role of Health Insurance

Discussion of one particular issue consumed many hours of the Council's time: Insurance. In discussions, members were not able to arrive at a concrete statement about the role that insurance plays in helping meet the goals in the Alaska Health Care Action Plan. In fact, there was a great deal of debate about many items related to health insurance:

- The role of insurance in a comprehensive health care system
- Who should provide insurance and how it should be paid for
- What insurance should or should not cover – routine/anticipated and preventive care or crisis/catastrophic events
- To what extent insurance should be consumer-owned or employer-directed
- Should insurance be state mandated or state supported? Or not?
- What is the role of Medicaid or Medicare?
- What vehicles are most effective, i.e., Health Saving Accounts and High-deductible plans
- To what extent health insurance should or should not – or is or is not – portable

While the Council had a lot to say about insurance, but there was no real agreement on a recommendation to move forward. Instead, the Council agrees that the insurance question is one the most important ones to answer if there is to be positive change and success in developing a comprehensive health care system for Alaska.

Summary and Conclusions

Solving the health and health care issues in Alaska will not be the result of a silver bullet, fired by one individual at one target. Instead, bringing real and lasting change to the health and health care system in Alaska means working together in partnership. Many of the solutions presented fall squarely within the purview of state government, but their

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work, no matter how committed they are, will not be successful without involving all stakeholders as partners for positive change – from individual Alaskans to families, nonprofit organizations and private sector employees, communities and the state, the governor and the legislature.

The Council has deliberately not articulated a prioritized listing for solving the problems it has identified with the health and health care system in Alaska. Indeed, all of the problems must be addressed concurrently if real, long-term change is to take place. Having said that, within the problems identified, one is definitely the larger-order problem, meaning if we can solve it, many of the other problems will be alleviated. Of course, that problem is the lack of prevention and personal responsibility as major factors in wellness, and therefore health care.

By improving the place of prevention and personal responsibility in the decision-making rubric of Alaskans, the costs of health care will drop. With concentration on a wellness model of health care, versus a disease-based model, the access problems we currently experience will be significantly reduced. And with greater wellness, the look of our health care workforce will change, decreasing our dependence on those health care professionals who are hardest and most expensive to attract and retain.

Becoming the healthiest people in the nation is grand vision, not made only to appease policy makers and stakeholders. It is a real and it is achievable.

Respectfully Submitted,

The Alaska Health Care Strategies Planning Council
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