Agenda & Meeting Rules
Plans for Today

- Regrouping/Regrounding
  - What is our **Purpose**, **Role** and **Scope**?

- Overview of DHSS Initiatives Related to Commission’s Strategies

- Commission Business
  - Financial Status Report
  - Bylaws Change
  - FYI – Media Coverage
Plans for Today

- Regrouping/Regrounding
  - Is our **Planning Process** understandable? And is it the right approach?
    - Do we need to clarify our planning horizon?
  - Are our **Goals** clear?
    - Do the proposed “System Transformation Measures” help bring clarity?
    - What approach should we take to finalizing the Measures?
- What is our **General Strategy** (How we will achieve our health system goals)?
  - How can we improve the general Strategy?

- Understanding the Problem We’re Trying to Solve
Plans for Tomorrow

- 2010 Policy Recommendations
  - Evidence-Based Medicine
  - Additional Recommendations?

- Identify and Prioritize Specific Strategies for Study in 2011

- Next Steps
Purpose, Role & Scope
Purpose, Role & Scope

**Purpose:** “The purpose of the commission is to provide recommendations for and foster the development of a statewide plan to address the quality, accessibility, and availability of health care for all citizens of the state.”

AS 18.09.010

**Role**
- “IOM-like” expert study and advisory committee
- Not an advocacy group, coalition or collaborative
- Policy recommendations for the Governor and Legislature
- Coordination Role: Track other groups’ planning efforts, identify areas of similar focus, and work to share resources and avoid duplication of effort in areas of potential overlap.

**Scope**
- “Health Care” - or - “Health”?  
- Flying at 5,000 - or - 50,000 Foot Level?
Vision, Goals & Values

**Vision**

*Alaska’s health care system produces improved *health* status, provides *value* for Alaskan’s health care dollar, delivers consumer and provider *satisfaction*, and is *sustainable*.*

**Reform Goals**

I. Increased Access
II. Controlled Costs
III. Improved Quality
IV. Prevention-Based

**Values**

- Sustainability
- Efficiency
- Effectiveness
- Individual Choice
- Personal Engagement
Diagnosing Alaska’s Health Care System

What is the problem we are trying to solve?
Understanding the Problem we are Trying to Solve

5. Are there other areas for future study the Commission should consider to help better understand and describe Alaska’s health care system?

• How would you prioritize these?
Health Care Commission Study Plans

**Contracting Process Started**
- Impact of Federal Health Reform Law
- Health Care Spending and Cost Drivers
- Health Care Pricing and Reimbursement

**Pending**
- Health Status
- Health Care Service Utilization
- Workforce Development Cost Benefit Analysis
Health Care Cost Equation

Cost (total expenditures) = Price (per process) x Utilization
Health Care Cost Equation

Cost (total expenditures) = Price (per process) \times \text{Utilization}

\text{Utilization} =
# Conditions \times # \text{Episodes of Care} / \text{Condition}
\times # \text{of Services} (by type) / \text{Episodes of Care}
\times # \text{of Processes} / \text{Service}
Health Care Cost Equation

Cost (total expenditures) =
Price (per process) \times \text{Utilization}

\text{Utilization} = \frac{\# \text{ Conditions}}{\# \text{ Episodes of Care} / \text{Condition}} \times \frac{\# \text{ of Services} \text{ (by type)} / \text{Episodes of Care}}{\# \text{ of Processes} / \text{Service}}

To what extent is health status driving utilization and therefore overall cost?
Health Care Cost Equation

Cost (total expenditures) = Price (per process) \times \text{Utilization}

\text{Utilization} =
\# \text{ Conditions} \times \# \text{ Episodes of Care} \div \text{Condition} \times \# \text{ of Services (by type)} \div \text{Episodes of Care} \times \# \text{ of Processes} \div \text{Service}

Are Alaskan Patients getting the
• Right Care, at the
• Right Time, in the
• Right Place?

and is the care delivered as efficiently, effectively, and safely as possible?
Health Care Cost Equation

Cost (total expenditures) = Price (per process) \times \text{Utilization}

\text{Utilization} = \frac{\# \text{ Conditions}}{} \times \frac{\# \text{ Episodes of Care}}{\text{Condition}} \times \frac{\# \text{ of Services (by type)}}{\text{Episodes of Care}} \times \frac{\# \text{ of Processes}}{\text{Service}}

and at the Right Price?
Health Care Commission Study Plans

Contracting Process Started
- Impact of Federal Health Reform Law
- Health Care Spending and Cost Drivers
- Health Care Pricing and Reimbursement

Pending
- Health Status
- Health Care Service Utilization
- Workforce Development Cost Benefit Analysis
Health Care Commission Study Plans

Contracting Process Started

• Impact of Federal Health Reform Law
  • RSA in process – should be through the system w/i 1 week
  • Expect final report in January 2011
  • Will be included in Commission’s 2010 report (summary in body; report as appendix)

• Health Care Costs in Alaska
  • RSA in process – should be through the system w/i 2-3 weeks
  • Expect final report in March 2011

• Health Care Pricing in Alaska
  • Authority to Solicit request form in process
  • Should be ready to go out to bid in December; awarded in January; final report between March – June?
Health Care Commission Study Plans

Pending Prioritization, Availability of Funding, and/or Additional Direction

- Health Status in Alaska
  - Would you like to:
    - commission a special study,
    - rely on information already available from AK DHSS, or
    - support implementation of Healthy Alaskans 2020?

- Health Care Service Utilization in Alaska

- Workforce Cost Benefit Analysis
  - Scope of work unclear
Health Care Transformation Strategy
Planning Process

1. **Is the 5-Year Strategic Planning Process understandable (see pg. 7 of “homework”)? And is it the right approach?**

2. **Do we need to clarify our planning horizon?**
   - If so, would it help if we specified that we are seeking to achieve
     - measurable progress on the four Goals within 5 years, and
     - attainment of the Vision within 20 years (or whatever # of years you believe to be ambitious but also realistic)?
3. Reference the draft set of system improvement measures listed (see next slide).
   - Will this list (once it is finalized and adopted) help clarify what the four Goals mean?
   - Or do you have other suggestions for clarification?

   - Do the full Goal statements help clarify what the four Goals mean?
   - What approach should we take to finalizing the set of measures?
   - Should we also set targets?
Indicators for Measuring Progress in Health Care System Transformation

I. Increase Access
   - Percent of Alaskans who are uninsured
   - Percent of Alaskans who have a specific source of on-going care
   - Measure of insurance affordability?
   - Indicator of workforce supply?

II. Control Costs
   - Annual growth rate in total health system expenditures in Alaska
   - Annual growth rate in Alaska’s Medicaid expenditures
   - Impact on Alaska’s state budget: Annual change in spending and revenue; net savings
   - Measure of provider revenue based on value rather than volume?

III. Safe, High-Quality Care
   - Percent of population receiving key preventive services
   - Percent of Alaskans with chronic conditions controlled
   - Percent reduction in gap between benchmark and actual levels of quality
   - Percent reduction in gap between benchmark and actual levels of safety

IV. Focus on Prevention
   - Percent of Alaskan homes with safe water and wastewater systems
   - Percent of Alaskans reporting health risks
     - Percent of Alaskans who smoke cigarettes
     - Percent of Alaskans who are obese/overweight
     - Percent of Alaskans who are binge drinkers
   - Percent of Alaskans with moderate to severe depression
   - Death rate among Alaskans due to injury (intention and unintentional)
General Strategy

4. **What suggestions do you have for improving our Health Care Transformation Strategy Pyramid?**
   - Should we expand our focus beyond primary care and work on improving care across the continuum of care?
   - Should we separate out the “Innovative Primary Care” (and/or full continuum of care) strategy from the “Consumer’s Role”?
   - Should the Consumer’s Role be enhanced in other ways? (e.g., transparency, PHRs, etc.)
   - Should we reframe the focus on “Statewide Leadership” to “Policy Environment”?
Alaska Health Care Commission’s

Health Care Transformation Strategy

- Consumer’s Role in Health
  Innovative Primary Care & Healthy Lifestyles

- Statewide Leadership

- Workforce

- Health Information Technology

PREVENTION-BASED
2010 Recommendations
Evidence-Based Medicine Recommendation

6. What should the Commission recommend to the Governor and Legislature in the 2010 Report to advance the use of evidence-based medicine in Alaska?
Strategies for 2011 Study
2011 Potential Strategies

7. See the list of potential strategies on next slide (from Part IV (pgs. 50-60) of the Commission’s 2009 Report).
   - Which would you identify as the top strategy the Commission should consider next for achieving long-range transformative systems change in Alaska’s health care system? Why?
   - Do you have additional strategies to add to the list?
Potential Strategies

- **Access to Care**
  - Increase insurance coverage
  - Develop health care workforce
  - Address specific services

- **Value (Cost & Quality)**
  - **Analyze cost of care in Alaska**
  - **Foster primary care innovation**
  - **1) Leverage state purchasing power**
  - **3) Increase cost and quality transparency**
  - Move to value-driven purchasing
    - Evidence-Based Medicine
    - Pay-for-Performance
    - **2) Bundled payment systems**
    - Medical error/infection reporting and non-payment
  - Control fraud and abuse
  - Reform malpractice system
  - Support process and quality improvement

- **Prevention**
  - Public health and community-based prevention
  - Safe water and sanitation system
  - Employee health risk management
Potential Strategies

- **Access to Care**
  - **Increase Insurance Coverage**
    - Medicaid Expansion
    - Individual &/or Business Mandates
    - Individual &/or Business Subsidies
    - Insurance Industry Mandates
    - New Insurance Programs
    - Health Insurance Exchange

- **Develop Health Care Workforce**
  - Focus on integrated primary care team occupations?

- **Address Specific Services**
  - Clinic Preventive Services
  - Trauma Care
  - Pediatric Specialties
  - Behavioral Health
  - Long Term Care
  - Etc., Etc., Etc.
Next Steps
Next Steps

• Draft /Partial Report to Commission:  11/29
• 1-hr Teleconference to Review Draft:  11/30
• Commission Comments due:  12/6
• 1-hr Teleconference to Discuss Comments:  12/7
• Public Comment Period:  12/10 – 12/27
• Commission Meeting to Consider Comments and Approve Report:  1/7
• Commission Report due to Leg & Gov:  1/15
Public Comment Requested on

Specifically:
- EBM Recommendation
- Additional issues requiring study
- Strategies to be considered in 2011

Generally:
- Anything else the commenter would like to share with the Commission
Upcoming Meetings & Events

- Tuesday, November 30 – 1hr. Teleconference
- Thursday, December 2 – Meeting with Commonwealth North Health Care Action Coalition
- Tuesday, December 7 – 1 hr. Teleconference
- Thursday, December 9 – S HSS Hearing (Anchorage LIO) CANCELLED
- December 10 – 27: Public Comment Period on Draft
- January 7: Full-day Face-to-Face meeting in Anchorage