**Alaska Health Care Commission**
**"Homework" Assignment in Advance of November 2010 Meeting**
11/3/2010

**Assignment to the Commission:**
***Please review the following summary of the "Next Steps" discussion held during the Commission's meeting on October 15. Questions for your response are embedded at various points within this summary. Please e-mail your responses to me by Tuesday, November 9. I will compile your responses and send them back out to the full group for consideration in advance of the November 16-17 meeting.***

## Summary of October 15 Meeting "2010 Report Goals & Looking Ahead to 2011" Discussion

The Chair and Director changed the focus of this discussion at the last minute after getting a sense from the meeting conversations up to that point that the group needed more clarity on what the Commission is attempting to accomplish. We decided to take a step back from starting with a discussion of next steps related to the 2010 Report and 2011 Work Plan in order to spend time discussing the initial Commission's Vision, Goals, 5-year Strategic Planning Framework, and Health Care Transformation Strategy. The intended outcome from this part of the discussion was to determine if it was necessary to revisit and revise (at a future meeting) these core elements of the Commission's plan.

### 5-Year Strategic Planning Framework

The planning framework described in the 2009 Report was discussed:

- 5-Year Planning Framework
  - Develop Vision
  - Accurately Describe Current System
  - Build the Foundation
  - Design Transformation Elements
  - Measure Progress
  - Engage Public & Stakeholders
- Suggested Action Plan for Annual Recommendations
- Commission Work Plan for Subsequent Year

The discussion indicated some confusion regarding what the "5-year" timeframe is meant to signify - Is it the timeframe within which we hope to achieve our vision of a transformed health care system, or the length of the planning process? The response was that it is meant to indicate the length of the planning process, the premise being that one year is not enough time to fully understand and plan for change for such a complex system, and is based on the 5-year Sunset date for the Commission. Under this framework the plan will evolve over the course of the 5-year period, with new learning about the current system and new recommendations to transform the system incorporated each year.

A desire was expressed for the plan to include tangible concrete action items - identifying actions that can be taken now to start "turning the aircraft carrier," understanding that we are attempting to change a system that took decades to make (break?), and may take decades to improve.

Rep. Keller was asked about the legislature's intent for the Commission, and what would be a significant enough accomplishment to impress the legislature. He replied that the 5-year Sunset window is not

intended to limit the scope of the Commission, but to incentivize accomplishment of some tangible goals within a given timeframe. What would impress the legislature would be 1) new and innovative ideas about how to improve the system, and 2) education about the issues (such as information on evidence-based medicine presented earlier that morning) to help legislators better understand the issues.

There was also a question regarding the relationship between the Commission and the new Medicaid Task Force. One member noted that there are numerous forces affecting the current system, such as the work of the Medicaid Task Force as well as the federal health care reform law (the Affordable Care Act), and that the Commission cannot respond directly to all these different forces, but needs to understand what they are as they continue studying and planning for improvement of the system.

1. ***Does the new explanation offered on page 7 of this document help to clarify what is meant by the "5-Year" Strategic Planning Process?***

2. ***Related to the question regarding the time horizon for which we are planning, would it help if we specified that we are seeking to achieve***
    a. ***measurable progress on the four Goals within 5 years, and***
    b. ***attainment of the Vision within 20 years (or whatever # of years you believe to be ambitious but also realistic)?***

Vision

After some discussion of the vision statement – *"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**"* – the group agreed the vision statement should stand as is (with new members noting that it is clear and ambitious, and original members noting the considerable discussion that went into its development and not wanting to reinvent the wheel).

Goals

The group agreed that the Commission's Goals, to:

I. Increase Access to Health Care
II. Control Health Care Costs
III. Improve Health Care Quality
IV. Foster a Prevention-Based Health Care System

are ok as stated, but need to be better defined at another level to ensure everyone understands what we are trying to accomplish. It was suggested that finalizing the draft set of system improvement measures (which uses the four Goals as a framework – with four indicators for each of the four Goals), and also identifying benchmarks and targets for those measures, may help clarify what the Commission is attempting to achieve.

3. ***See the draft set of system improvement measures listed on page 8 of this document. Will this list (once it is finalized and adopted) help clarify what the four Goals mean? Or do you have other suggestions for clarification?***

Health Care Transformation Strategy

The four Transformation Strategies (depicted in pyramid form)

- Enhance the **consumer's role in health** through fostering
    - **Innovative primary care** models, and
    - **Healthy lifestyles**
- Provide capacity for **statewide leadership** for health care system improvement
- Foster development of a vital health care **workforce**
- Support access to modern **health information technology**

were discussed. The group agreed that something is missing – specifically to better address cost and quality, and fostering innovation throughout the entire health care system not just in primary care. One of the four core strategies needs to change or a new strategy(ies) added to fill that hole. Suggestions to generalize "innovative primary care" to all health care were resisted due to the emphasis in the work of the initial Commission on the importance of a focus on primary care as part of a core strategy, and the relatedness of new primary care models to enhancing the consumer's role specifically.

The Commissioners were asked to come up with suggestions for improvement to the Transformation Strategy Pyramid for consideration at the next meeting.

***4. What suggestions do you have for improving our Health Care Transformation Strategy Pyramid?***
*Just as an FYI, I did a little digging around and found core strategies developed and in use by some other groups, states and consulting firms. I listed some on page 9 of this document – only to "prime the pump" in your thinking (I'm not suggesting that any of these are better than ours).*

Next Steps Discussion: Topics for Further Study - What more do we need to learn about Alaska's health care system?

Three topics for further study were identified during the course of this part of the discussion:

- Health Care Pricing Variations Study (this had already been included by the 2009 Commission as a critical next-step in studying Alaska's health care system)

    A) Comparative analysis of variations in health care pricing (cost per unit) in Alaska between payers – e.g., Worker's Comp, Medicaid, Private Insurance – and between Alaska and other states:
    - We need to understand 1) what the differences are, 2) why the variations exist, and 3) what needs to change to make prices more affordable.
    - Needs to be studied by objective third party health actuarial firm with system analysis experience.

    B) Need to fully understand why Medicare rates are insufficient for Alaska's urban physicians – why isn't this working? If we understood better why, then perhaps we could come up with some more specific recommendations for solving the problem.

    Dr. Friedrichs noted that the federal government is contracting with Milliman (international actuarial and consulting firm) right now with funding from the Veteran's Administration to conduct this type of analysis specifically in Alaska. The study is investigating only quantity and price per unit, not quality. Dr. Hurlburt asked if the contract is in the public domain, and if the Commission might be able to have access to it for developing an RFP. ***Deb will follow-up with Col. Friedrichs.***

- Workforce Development Cost Benefit Analysis

  In response to an issue raised by Mark Foster in his presentation the day before on the impact of the Affordable Care Act on Alaska – that the greatest factor relevant to the impact of the Act on Alaska would be health care workforce (inadequate supply to meet increased demand) – Mr. Branco suggested the Commission study the cost of success in achieving the goal of increasing the supply of providers to meet the increased demand.

  - What is the cost of success in achieving the goal? Or partly achieving the goal? What is the cost of not achieving the goal? What are the alternatives (e.g., physician extenders in primary care)? Are there regional differences? There is a cost to achieving the right balance of providers to accommodate the projected increased demand. What will the impact of not achieving the right balance of providers, on a regional basis, be? Each new physician hired over the next few years is going to have a cost, which will be borne by the system. The cost of success will offset the cost of care. How will the cost be balanced?
  - What will it cost to implement Alaska's new Workforce Strategic Plan? Cost out what it would take to implement the various pieces? Eg., If we create our own medical school, how many more physicians would we end up with in state compared to what we get with the medical education program we have now? And what's the cost benefit? Compared to a loan repayment program for example (and how successful are these now that every state has at least one?)

  Rep. Keller suggested that we need to define what exactly we mean by success - we need to set parameters around what we're asking for.

  Dr. Hurlburt noted that we also need to keep the context of the proportion of Alaska's economy devoted to health care in mind (about 23% of Alaska's GDP). How much of our economy can we afford to devote to health care? We need to consider this question as we discuss recommendations related to resource allocation.

  One specific tactic the Commission might consider for improving physician recruitment would be for the State to pay for 3rd year residents in other programs to come do a rotation in Alaska.

- Health Conditions and Health Care Service Utilization as Cost Drivers ("What is the problem we're trying to solve – what are we buying?")
  - What are the leading causes of death?
  - What are the leading causes of health disparities?
  - What are the health trends? (including behavioral health problems)
  - What are the leading causes of hospitalizations?
  - What are the leading causes of primary care visits?
  - We're spending a lot of money on care, but what care are we buying? For example:
    - Are we buying too much ER care because clinics aren't open evenings and weekends?
    - Are we paying for medevacs because people don't have access to primary care?
    - Are we experiencing increased health care costs due to unmet behavioral health needs?

***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?***

Next Steps Discussion re: Which System Transformation Strategies should we consider next?

- Evidence-Based Medicine
  - The group agreed to work toward developing a recommendation(s) regarding EBM at the November meeting.
  - There was a suggestion that members draft suggestions for the recommendation(s) prior to the November meeting.
  - There was also a request for more information on EBM before the next meeting.

***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?***

- Primary Care Medical Homes
  - The group agreed to work on more specific strategies for recommendations to advance the primary care medical home model, and suggested the Commission hire a consultant to help identify successful (outcomes-based) strategies. A number of consultants were suggested, but there wasn't agreement regarding those suggestions. ***Deb will identify additional suggestions of possible consultants.***

- Other Potential Strategies
  - There wasn't time to discuss additional strategies for study and recommendation development, so the group agreed to consider which of those they would recommend for discussion at the next meeting in November.

***7. See the list of potential strategies below (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 (or you may suggest another strategy not already included on this list)? Why?***

*I. Access to Care*
   - *a. Increase insurance coverage*
   - *b. Develop health care workforce*
   - *c. Address specific services (e.g., behavioral health, long term care)*

*II. Value (Cost & Quality)*
   - *a. Analyze cost of care in Alaska*
   - *b. Foster primary care innovation*
   - *c. Leverage state purchasing power*
   - *d. Increase cost and quality transparency*
   - *e. Move to value-driven purchasing*
     - *i. Evidence-Based Medicine*
     - *ii. Pay-for-Performance*
     - *iii. Bundled payment systems*
     - *iv. Medical error/infection reporting and non-payment*
   - *f. Control fraud and abuse*
   - *g. Reform malpractice system*
   - *h. Support process and quality improvement*

*III. Prevention*
   - *a. Public health and community-based prevention*
   - *b. Safe water and sanitation system*
   - *c. Employee health risk management*

Next Steps Discussion: Should the Commission fun the Contract Proposals from ISER?

- Update of 2005 Cost of Health Care in Alaska Study (published March 2006)
  - The group agreed that it would be useful to have this analysis updated for 2010, but only if it provides a more in-depth analysis of the cost drivers this time.

- Analysis of the Economic Impact of the Affordable Care Act on Alaska
  - The group agreed that Commission resources be devoted to having Mark Foster's report finalized and developed in narrative form through the Institute for Social & Economic Research (ISER) at UAA.
  - There was also a request by one Commission member to see if ISER can do an analysis describing what implementation of ACA means to individual Alaskans.

**The Commission's 5-Year Strategic Planning Process:**

- **5-Year Planning Framework**
    - **Develop Vision** *(accomplished in 2009)*
    - **Accurately Describe Current System** *(begun in 2009 – new information and findings to be added each subsequent year)*
    - **Build the Foundation** *(Foundation of transformed system described in 2009; preliminary recommendations to build the foundation made in 2009; additional recommendations to be developed in subsequent 4 years)*
    - **Design Transformation Elements** *(Preliminary list of potential strategies to transform the system was developed in 2009; additional strategy identification, prioritization, analysis, and specific recommendations to follow in subsequent 4 years)*
    - **Measure Progress** *(preliminary list of potential indicators for measuring progress in transformation of the system was drafted in 2009; indicator list, including benchmarks and targets, to be finalized in 2011; measurement data to be updated on an annual basis starting in 2012)*
    - **Engage Public & Stakeholders** *(public communication plan developed in 2009; to be implemented in 2011)*

- **The Commission accomplished in Year 1 and included in the 2009 Report**
    - A Vision and Goals for a transformed health care system for Alaska
    - Described the Current System
    - Identified the Components of the Foundation for a transformed health care system
    - Developed a "Transformation Strategy" depicting the Commission's 4 Core Strategies for transforming Alaska's health care system
    - Listed and briefly described "Transformation Elements" – specific strategies for improving cost, quality, access and enhanced prevention
    - Developed general policy recommendations related to each of the 4 Core Strategies in the "Transformation Strategy" pyramid, and also related to a current and specific issue (access to primary care for Medicare beneficiaries)
    - A suggested Action Plan for implementation of the Commission's general policy recommendations
    - A suggested Work Plan for the Commission's next year of work

- **In Years 2 – 5 (CY 2010 – 2013)* the Commission will conduct planning efforts that will culminate in an Annual Report to include:**
    - New information and findings regarding Alaska's Health Care System
    - New recommendations for
        - Building the Foundation for a transformed Health Care System
        - Implementing Strategies for transforming Alaska's Health Care System
    - Suggested Action Plan for implementation of the new Recommendations
    - Commission Work Plan for the following year

**Ideas for Potential Health Care System Transformation Measures**

1. Increase Access
    - Percent of Alaskans insured
    - Percent of Alaskans who have a specific source of on-going care
    - *Measure of insurance affordability*
    - *Indicator of workforce supply*
2. 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: new spending, net savings, new revenues
    - *Measure of provider revenues based on value*
3. Safe, High-Quality Care
    - Percent of population receiving key preventive services or screenings
    - 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
4. 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
        - Percent of Alaskans who are binge drinkers
    - Percent of Alaskans with moderate to severe depression
    - Death rate among Alaskans due to injury (intentional and unintentional)

**Other's Health Care Transformation Strategic Frameworks**

State Quality Improvement Institute (of the State Coverage Initiative funded by Robert Wood Johnson Foundation) notes that their participating states are focusing on the following system-wide change elements:

- Medical Homes
- Payment Reform
- States as Conveners
- Data Collection & Transparency
- Public Health & Prevention

Oregon's Quality Improvement Plan contains 3 Core Strategies:

1. Increase availability, reporting, and use of comparable and systematic cost and quality data
2. Identify and reward innovative efforts to create high-performing delivery systems that produce optimal long-term value
3. Identify and reward innovative efforts to create healthy communities that support healthy choices

Ohio's Health Quality Improvement Plan contains 4 "Core Collaborative Transformation Strategies":

1. Informed and Activated Patients and Individuals
2. Patient-Centered Medical Home
3. Payment Reform
4. Health Information Technology

Deloitte (consulting firm offering health care consulting services) Health Care Reform Pyramid *(I confess I like this one because it's a pyramid like ours – and was surprised at how similar it is to ours)*: