



Meeting Discussion Guide

Alaska Health Care Commission

October 11-12, 2011

Commission's Charge

- “ 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



In Accordance with their Charge, the Commission:

- Has envisioned a transformed health care system for Alaska's future.
- Has charted a course and designed a general strategy for attaining the vision.
- Is identifying innovative approaches state policy leaders can adopt to help Alaskans stay well and ensure that, when they do get sick, health care is affordable, available, safe, efficient and effective (coordinated and evidence-based).
- Is continuing efforts to accurately diagnose current problems in the health care system in order to better inform policy recommendations.

2009-2010

5-Year Strategic Planning Process



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
- } VALUE

Values

- Sustainability
- Efficiency
- Effectiveness
- Individual Choice
- Personal Engagement

Diagnose Current Problems

- I. Description of System (2009 Report)
- II. Overview of Federal Reform/Impact on AK (2010)
- III. Analysis of Current Conditions (2011)
 - A. Cost Analysis (total expenditures; services & payers; cost drivers)
 - B. Price Comparison Study
 - C. Population Health Priorities
- IV. Analysis of Current Conditions (potential for 2012?)
 - D. ???

Health Care Transformation Strategy

Build the Foundation

- Statewide Leadership
- Workforce
- Health Info Technology

Design Policies to Enhance the Consumer's Role in Health

Through

- Innovations in Patient-Centered Care
- Support for Healthy Lifestyles

Consumer's Role in Health

Innovative Patient-Centered Care and Healthy Lifestyles

ACCESS

VALUE

Statewide Leadership

Workforce

Health Information Infrastructure

PREVENTION-BASED

∞ Foundation for Transformed System

- To Achieve Goals of*
- Increased **Value**
 - Decreased Cost
 - Increased Quality
 - Improved **Access**
 - Enhanced **Prevention**

Because it is Beyond their Charge, the Commission:

- Does not provide oversight and guidance of state agency activities.
- Does not provide operational recommendations for state agency programs.
- Does not advise state government on implementation of federal laws and regulations and pursuit of federal grants.
- Does not take positions on specific federal or state appropriation decisions and legislation.

*Efforts to accurately
diagnose current
problems in the health
care system are not
about:*

Blaming Insurers

Blaming Hospitals

Blaming Patients

Blaming Doctors

*It's about increasing
information about
why the current
system is not
achieving the vision.*

Blaming Gov't

Primary Care - FINDINGS

- Strong primary care systems are foundational to a high performing health care system. Improving access to primary care that is patient-centric and enhancing the role of primary care providers in the coordination and management of care improves health and lowers the per capita cost of health care.
- Improved evidenced-based care management, especially of patients with complex health conditions experiencing high needs and high costs, can reduce health care costs while improving patient care and outcomes.
- The renewed emphasis on primary care and new models of primary care practice are borne out of a convergence in the evolution of medicine and changes in patient needs. The vast increase in medical knowledge over the past several decades has led to more complexity in the management of medical knowledge and also increased specialization of medical practitioners. Improvements in the prevention and control of infectious disease and injury have been accompanied by a higher prevalence of chronic disease in the population, which has led to a shift in patient care needs from acute episodic care to chronic care management.

Primary Care - FINDINGS

- These shifts necessitate a stronger role for primary care providers in supporting patients with the navigation of medical information, coordination of care between sometimes multiple specialists, and management of chronic health conditions. While primary care practitioners who have assumed this emergent role have demonstrated cost savings for the overall health care system and improved health status of their patients, traditional fee-for-service payment models do not adequately recognize the new functions and do not adequately compensate primary care providers for the additional work involved.
- Patient-centered primary care requires a continuous healing relationship between the clinical team and the patient. It requires an active partnership with the patient and their family in their health care experience; ensuring they have the information, skills and tools to maintain and manage their health, and that they are treated in a way that is respectful, engaging and empowering.
- Patient-centered primary care requires a holistic approach to patient care that views the patient as a whole person, acknowledging and understanding behavioral as well as physical health needs, and integrating primary care for behavioral and physical conditions in a common clinical setting.

Primary Care - FINDINGS

- Patient-centered primary care requires an active partnership between the primary care provider, community health and social service providers, and governmental public health agencies to effectively coordinate and manage the care of patients with complex health conditions and to support primary prevention for healthy patients.
- Innovative approaches to strengthening primary care and making it more patient-centric have been implemented and are being tested in many other states, by the Veteran's Administration and the Department of Defense, and here at home within the Alaska Tribal Health System. A number of these innovative programs are demonstrating that it is possible to improve care for patients, improve health outcomes for the patient population, and reduce health care costs for the payers. Some are beginning to move forward with multi-payer initiatives to drive further transformation of their health care systems. The design of pilot programs under development in Alaska can be informed by lessons learned from the experience of these early innovators.
- There is currently active interest and engagement in the development of patient-centered primary care models in Alaska on the part of health care payers and primary care providers.

Community Care of N. Carolina

- Decreased preventable hospitalizations for asthma by 40% and lower visits to the ER by 16%
- Between 2003-2008 saved more than \$1.6 Billion in Medicaid costs.
- ROI: every dollar invested in the CCNC program generated \$8 in savings
- One of only three states to decrease Medicaid costs between FY 08 and FY 09
- Is in the top 10% in national quality measures for diabetes, asthma, and heart disease compared to Medicaid managed care organizations.

Primary Care – RECs

1. The Alaska Health Care Commission recommends the State of Alaska recognize the value of a strong patient-centered primary care system by supporting appropriate reimbursement for primary care services.
2. The Alaska Health Care Commission recommends the State of Alaska support state policies that promote the central tenet of patient-centered primary care – that it is a model of care based on a continuous healing relationship between the clinical team and the patient.
3. The Alaska Health Care Commission recommends the State of Alaska and other entities planning a patient-centered primary care transformation initiative incorporate the following strategies the Commission found to be common to start-up of successful programs studied as models. These successful models started with:
 - a) Financial investment by the initiating payer organization (whether public or private).
 - b) Strong medical leadership and management involved in planning and development.
 - c) A collaborative partnership between the payers and clinical providers.
 - d) A vision concerned with improving patient care, followed by identification of principles, definitions, criteria for participation, and tools and measures.
 - e) A focus on local (i.e., practice-level) flexibility and empowerment.
 - f) A phased approach to implementation.
 - g) A tiered approach to managing patient populations.

Primary Care – RECs

4. The Alaska Health Care Commission recommends the State of Alaska and other entities implementing a patient-centered primary care transformation initiative include the following attributes the Commission found to be common to successful programs studied as models:
 - a) **Resources** provided to primary care practices to support improved access and care coordination capabilities.
 - b) **New tools and skill development opportunities** provided to primary care practices to support culture and practice transformation.
 - c) **Shared learning environments** for clinical teams to support development of emergent knowledge through practice and dissemination of new knowledge.
 - d) **Timely data** provided to primary care practices to support patient population management and clinical quality improvement, including centralized analytical and reporting capability and capacity.
 - e) **Infrastructure support** for medical guidance/medical director for clinical management and improvement, case managers, pharmacists, and behavioral health clinicians.
 - f) **A system of review** that includes both implementation monitoring by initiative partners and evaluation of initiative outcomes by an independent third-party.

Primary Care – RECs

5. The Alaska Health Care Commission recommends the State of Alaska support a patient-centered medical home (PCMH) initiative, recognizing:
 - a) Front-end investment will be required for implementation, and it may take two to three years before a return on investment will be realized;
 - b) Collaboration between State programs that pay for health care, other health care payers and the primary care clinicians who will be responsible for implementing this model is essential to success; and,
 - c) Patient-centered primary care development is not the magic bullet for health care reform, but is an essential element in transforming Alaska's health care system so that it better serves patients, better supports providers, and delivers better value.

Trauma System - FINDINGS

- Injury is the leading cause of death for Alaskans who are one to 44 years of age. Roughly 400 to 500 Alaskans die each year as the result of an injury. Approximately 5,000 Alaskans are admitted to a hospital each year due to an injury, over 1,000 of who are left with a permanent disability.
- A trauma system that provides rapid, effective, and efficient response and treatment is critical to reducing death and disability due to injury. An improved trauma system improves overall care for any health condition that is time critical, such as heart attack and stroke, not just trauma.
- The Alaska Department of Health & Social Services made trauma system improvement a priority three years ago with the commission of a study by the American College of Surgeons Committee on Trauma. Subsequently the Division of Public Health began implementing the ACS recommendations for strengthening Alaska's trauma system by establishing a Trauma System Coordinator position to support development of a trauma system strategic plan, and reorganizing to consolidate the Emergency Medical Services Program with the Emergency and Disaster Preparedness Program. More recently the Division has invested in improving the Alaska Trauma Registry to ensure sound data is available for informing prevention and system improvement efforts.

Trauma System - FINDINGS

- The Alaska Legislature made a commitment to strengthening Alaska's trauma system, passing a bill during the 2010 legislative session establishing the Uncompensated Trauma Care Fund to incentivize hospitals to meet trauma center standards.
- Alaska's health care community has made commitments to strengthening Alaska's trauma system. The Alaska Native Medical Center has demonstrated leadership in trauma care in Alaska for many years and is currently the only Level II designated trauma center in the state, the highest level any hospital in Alaska can attain. Four of Alaska's rural hospitals are designated Level IV trauma centers. An additional nine hospitals are actively working towards attainment of trauma center designation.

Trauma System – RECs

- The Alaska Health Care Commission recommends the State of Alaska recognize that a strong trauma system for Alaska is essential, and include the following attributes in planning for improvements in Alaska's trauma system. A strong trauma system:
 - Is comprehensive and coordinated, including:
 - Public health system capacity for
 - studying the local epidemiology of the burden of injury in the population
 - designing and implementing injury prevention programs
 - supporting the development and exercise of local and statewide emergency preparedness and response plans
 - Emergency medical service capacity for effective pre-hospital care for triage, stabilization and safe transportation of critically injured patients
 - Trauma center care for treatment of critically injured patients
 - Rehabilitation services for optimizing recovery from injuries
 - Disability services to support life management for individuals left with a permanent disability due to an injury
 - Is integrated, aligning existing resources to efficiently and effectively achieve improved patient outcomes.
 - Is designed to meet the unique requirements of the population served.
 - Provides evidence-based medical care to achieve the best possible outcomes for the patient.
 - Provides seamless transition for the patient between the different phases of care.

Trauma System - RECs

- The Alaska Health Care Commission recommends the State of Alaska support continued implementation of the recommendations contained in the 2008 consultation report by the American College of Surgeons Committee on Trauma.

Overweight & Obesity - FINDINGS

- Overweight and obesity is one of the most significant public health challenges facing Alaska today. This largely avoidable disease affects Alaskans of all ages, from all regions, across all levels of education and income, and of all racial and ethnic backgrounds. The dramatic increase in overweight and obesity prevalence that occurred over the past 18 years will have lasting financial and health impacts on Alaskan families, communities, businesses, and the health care system for decades to come.
- Overweight and obesity cause 365,000 premature deaths a year in the U.S.
- Medical spending in the U.S. directly related to overweight and obesity was estimated at \$147 Billion annually in 2008, and \$477 Million in Alaska.
- As many as 40% of Alaska's children are overweight or obese.
- The generation of Americans born in the last decade may be the first generation of Americans who do not live as long as their parents, since our country began, due to the medical complications of overweight and obesity. A child born today has a 34-38% chance of developing diabetes in his or her lifetime.

Overweight & Obesity - RECs

- The Alaska Health Care Commission recommends the State of Alaska recognize overweight and obesity as a worsening multi-decade public health crisis, and support state program efforts that are evidence-based and grounded in best practices that initially target children and young people related to diet and physical activity, and also the use of the media to raise public awareness of overweight and obesity and the grave risks of these conditions.

Immunization - FINDINGS

- Until the mid-20th century infectious diseases were a leading cause of illness, disability and death in Alaska. Few effective treatment and preventive measures existed. Since that time there has been a dramatic decline in the burden of infectious disease in the population due to significant achievements in control measures, especially for those diseases for which vaccines have been developed.
- During the 20th century the success of biomedical science in development of vaccines combined with the success of the public health system in immunizing the population led to the elimination of smallpox from the worldwide population and of polio from the U.S. population; and substantial declines in other diseases that had previously been a common cause of serious illness and death among children, such as measles, mumps, rubella, diphtheria, tetanus, pertussis, and bacterial meningitis.

Immunizations - FINDINGS

- Despite remarkable progress, there are a number of challenges to maintaining sufficient immunization levels to protect the population.
 - Vaccination schedules have become increasingly complex. U.S. children require 19 doses of vaccine by age 35 months to be protected against 11 childhood diseases.
 - The success of immunization policies in eradicating or controlling once-dreaded diseases has led to a certain level of complacency among the general public toward vaccines.
 - Insufficient and erroneous information about vaccine safety and effectiveness creates confusion among parents, who must recognize immunizations as an important tool in protecting their children's health and actively seek them.
 - Health care providers must be aware of the latest developments and recommendations
 - Vaccine supplies and financing must be made more secure
 - Researchers must address increasingly complex questions about safety, efficacy, and delivery
 - Information technology must be used to support timely vaccination
 - Adolescents and adults must be targeted for vaccine-preventable diseases that affect their age groups, such as influenza and pneumonia.
- Alaska's childhood immunization rate has declined in recent years to nearly the lowest in the nation. Alaska's rate of immunization completion for children ages 19 months to 35 months was just 56.6% in 2009, compared to the national average of 70.5%, ranking Alaska 49th among the 50 states and leaving Alaska's children vulnerable to preventable diseases that can result in serious complications, preventable hospitalizations, and in some cases death.

Immunization - RECs

- The Alaska Health Care Commission recommends the State of Alaska ensure the state's immunization program is adequately funded and supported, and that health care providers give priority to improving immunization rates in order to protect Alaskans from serious preventable diseases and their complications.

Behavioral Health - FINDINGS

- Behavioral health is essential to whole health. Almost one-quarter of all adult stays in U.S. community hospitals involve mental or substance use disorders. 83% of people diagnosed with serious mental illness are overweight or obese. The life span of a person with SMI is 27 years shorter than the average life span.
- Alaskans experience high rates of violence. According to the 2010 Alaska Victimization Study, 47.6% of adult women in Alaska experienced intimate partner violence in their lifetime. 37% experienced sexual violence, and 27% experienced alcohol or drug involved sexual assault.
- Adverse childhood experiences, such as recurrent and severe physical or emotional abuse, sexual abuse, or growing up in a household with an alcoholic or drug user, a member in prison, a mentally ill member, a mother treated violently, or both biological parents absent, are a significant determinant of health and well-being well into adulthood, correlating to poor health indicators such as obesity and depression.

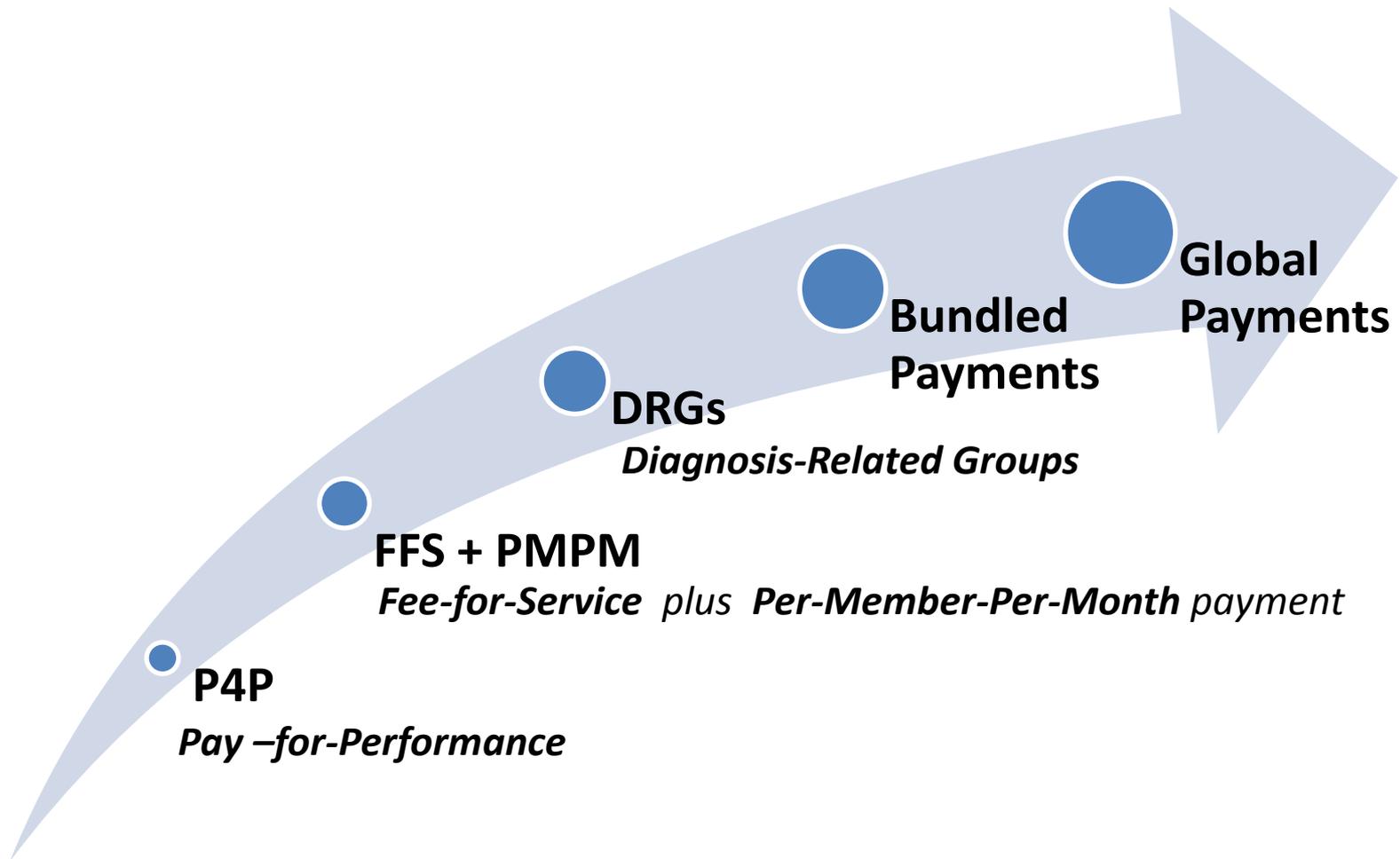
Behavioral Health - FINDINGS

- Binge alcohol use in Alaska is among the highest in the nation. 8% of all adults in Alaska, 20% of adults ages 18-25, and 25% of students in grades 10, 11, and 12 use marijuana.
- Alcohol use is suspected or proven in nearly 25% of all hospitalizations for injury.
- In 2009 the age-adjusted suicide rate for all Alaskans was 20.2/100,000 (1140 lives lost). The suicide rate among Alaska Native people is two times that of non-Native.
- Routine screening for substance abuse, depression, and a history of adverse childhood events using evidence-based tools is an important strategy for reducing the prevalence of health conditions related to these problems.
- Integration of primary care for both behavioral and physical conditions in a common clinical setting is an essential feature of patient-centered primary care.

Behavioral Health - RECs

- The Alaska Health Care Commission recommends the Governor and the Legislature support efforts to foster development of patient centered primary care models in Alaska that:
 - Integrate behavioral health services with primary physical health care services in common settings
 - Include screening for the patient population using evidence-based tools to screen for
 - A history of adverse childhood events
 - Substance abuse
 - Depression
- The Alaska Health Care Commission recommends the Department of Health & Social Services develop with input from health care providers, and the Governor and Legislature support, new payment methodologies for state-supported behavioral health services to facilitate integration of primary physical health care services with behavioral health care services in appropriate common settings.

“Continuum” of Payment Reform



Payment Reform - FINDINGS

- Current fee-for-service payment structures reward delivery of high numbers of costly services; compel health care to be technology driven, volume-driven, fragmented, and expensive; and are a disincentive to innovations that improve health outcomes and the efficiency and effectiveness of health care services.
- There are options to health care cost containment strategies that do not rely on across-the-board rate reductions, price controls and rationing. These alternative approaches attempt to maximize value by moving away from payment for individual services to payment structures that reimburse providers for high quality care and improved health outcomes.

Payment Reform - FINDINGS

- Improving value in health care requires the following four interrelated, mutually supportive components:
 - **Consumer Empowerment**
 - Educational materials and tools
 - Engagement strategies that recognize the consumer as a partner/owner in their care
 - **Price and Quality Reporting & Measurement**
 - Measurement and analytics system design
 - Reporting on quality, cost and experience of care
 - **Value-Driven Health Care Delivery**, which empowers the patient and focuses first on keeping the patient healthy, minimizing the need for hospital care when health is compromised, and ensuring efficient successful outcomes when care is required.
 - Design and delivery of care grounded in evidence-based medicine principles
 - Technical assistance to providers
 - Provider organization coordination
 - **Value-Driven Payment Systems and Benefit Designs.**
 - Payment system design
 - Benefit design grounded in evidenced-based medicine principles
 - Engagement of Purchasers

Payment Reform - FINDINGS

- Successful payment reform initiatives require systems that can support:
 - Capabilities to **manage financial risk** for payers and providers
 - Data and analytics for monitoring utilization and quality
 - Actuarial expertise for financial risk analyses
 - Capabilities to **manage health** for patients, providers, payers
 - Methods for targeting high risk patients
 - Capability to track, coordinate and follow-up on patient care
 - Patient education and self-management support
 - **Alignment of organizational structures** among providers
 - Trust relationships between physicians and hospitals
 - Significant regulatory barriers exist
 - Neutral, trusted facilitator may be required
 - **Alignment of payment policies** among payers
 - Multi-payer approaches to avoid further fragmentation of payment systems
- 26 cents of every health care dollar spent in Alaska are public funds administered either directly or indirectly by the State of Alaska, including state and federal Medicaid funds and spending for state employee and retiree health benefits, correctional system inmates' care, workers' compensation, and other state health care programs. State government holds significant purchasing power that could be utilized to leverage improvement in Alaska's health care system.

Payment Reform - RECs

1. The Alaska Health Care Commission recommends the State of Alaska utilize payment policies for improving the value of health care spending – for driving improved quality, efficiency and outcomes for each health care dollar spent in Alaska – recognizing that:
 - Local payment reform solutions are required for Alaska’s health care markets
 - Payment reform may not result in immediate cost savings, but efforts must begin immediately
 - Payment reform is not the magic bullet for health care reform, but is one essential element in transforming Alaska’s health care system so that it better serves patients, and delivers better value for payers and purchasers.
2. The Alaska Health Care Commission recommends the State of Alaska take a phased approach to payment reform, revising payment structures to support primary care transformation as a first step in utilizing payment policies for improving value in Alaska’s health care system.

Payment Reform - RECs

3. The Alaska Health Care Commission recommends the State of Alaska develop:
 - a) Health data reporting, measurement and analytical capacity to support planning, implementation and evaluation of payment reform efforts; and,
 - b) Health care actuarial analysis capacity for the State's health care programs to provide the capability for financial risk management required for the design of improved payment methodologies.

4. The Alaska Health Care Commission recommends the State of Alaska support efforts by state officials responsible for purchasing health care services with public funds to collaborate on the development of common purchasing policies. These collaborative efforts should be used as leverage to drive improved quality, effectiveness, efficiency and cost of care in Alaska's health care system. These efforts should endeavor to engage commercial payers and federal health care programs in alignment of payment policies in a multi-payer approach to minimize the burden on health care providers.

Transparency - FINDINGS

- There currently is insufficient data and information to support consumerism in Alaska's health care market. Empowering consumers and health care providers with access to information on the cost and quality of care is an important strategy for improving value in Alaska's health care system.
- State government and other payers require high quality health data sources and health analytics capacity to provide the information needed to guide payment reform and health care delivery improvement policies.

Transparency - FINDINGS

- Alaska's Hospital Discharge Database is an important source of health care data, and is a good example of collaboration between a health care provider group and the State to make health care data more transparent. However, this data set is currently incomplete due to lack of full participation by all of Alaska's hospitals. It is also insufficient for supporting full cost and quality transparency in that it represents care provided only by acute care hospitals.
- A number of states have implemented or are in the process of planning for All-Payers Claims Databases (APCDs) to complement data from their Hospital Discharge Data and Medicaid Management Information Systems. APCDs are large-scale databases that systematically collect and aggregate medical, dental and pharmacy claims data from public and private payers, and are valuable sources of information about outpatient services and health care payments for those states that have implemented them. They also minimize the burden on health care providers as the aggregated data from payers is an efficient alternative to collecting data directly from individual providers.

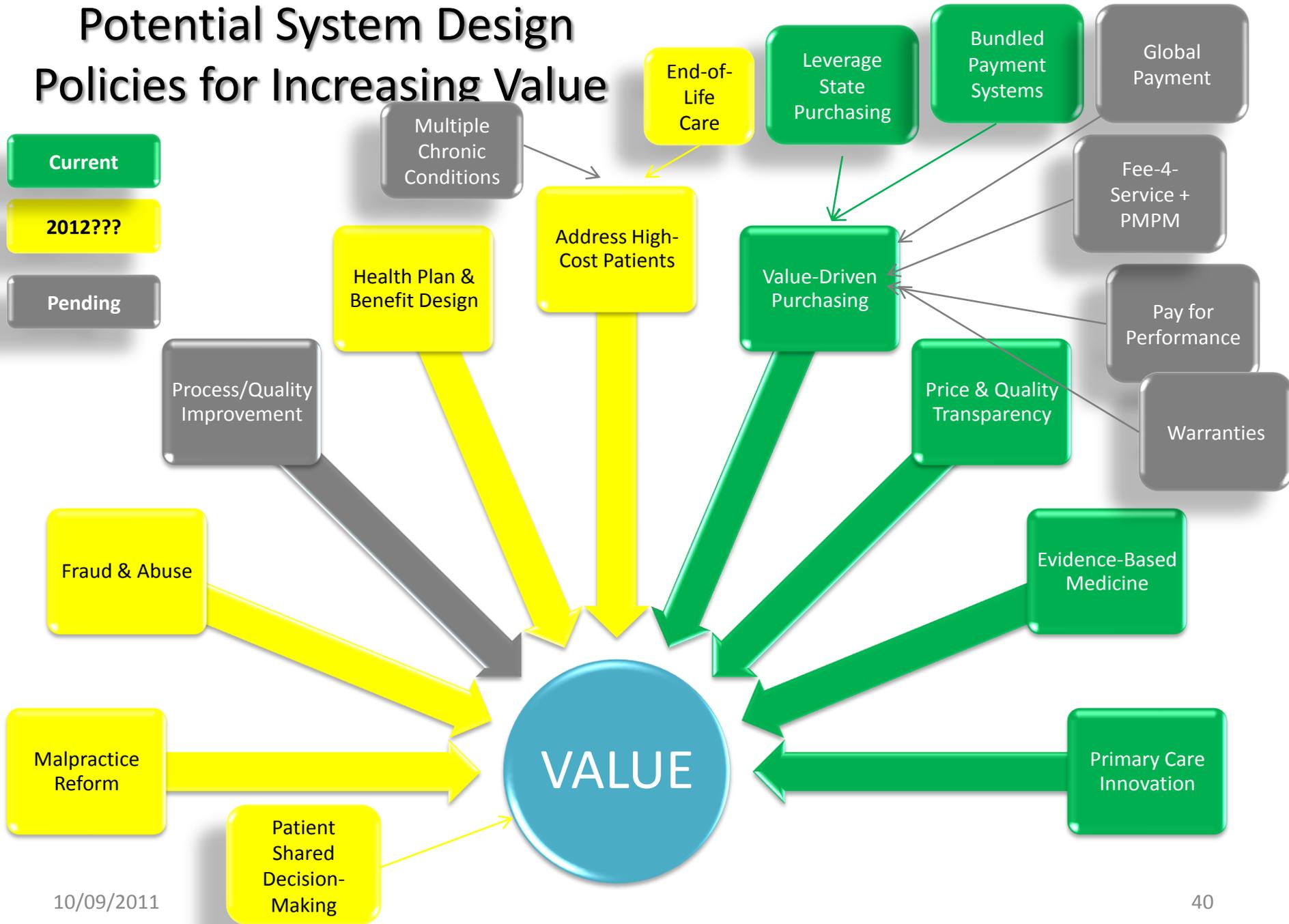
Transparency – RECs

- The Alaska Health Care Commission recommends the State of Alaska encourage full participation in the Hospital Discharge Database by Alaska's hospitals.
- The Alaska Health Care Commission recommends the State of Alaska develop an All-Payers Claims Database for Alaska.

Potential 2012 Agenda

- Diagnose current problems
 - Malpractice Reform
 - Fraud & Abuse
 - Genetic Advancements
 - Further cost and utilization studies???
- Innovations in Patient-Centered Care
 - Employers' Role in Health & Health Care
 - Worksite wellness
 - Employee benefit & plan design
 - End-of-Life Care
 - Patient-Provider Shared Decision-Making Support Tools
- Support Healthy Lifestyles
 - Rural Sanitation
 - Fluoride
- Statewide Leadership
 - Indicators for Measuring Statewide Health Care Delivery System Improvement
- Continued tracking/work on
 - Patient-Centered Primary Care
 - Evidence-Based Medicine
 - Price & Quality Transparency
 - Payment Reform
 - Obesity, Immunizations, and Behavioral Health
 - Health Information Infrastructure
 - Health Workforce

Potential System Design Policies for Increasing Value

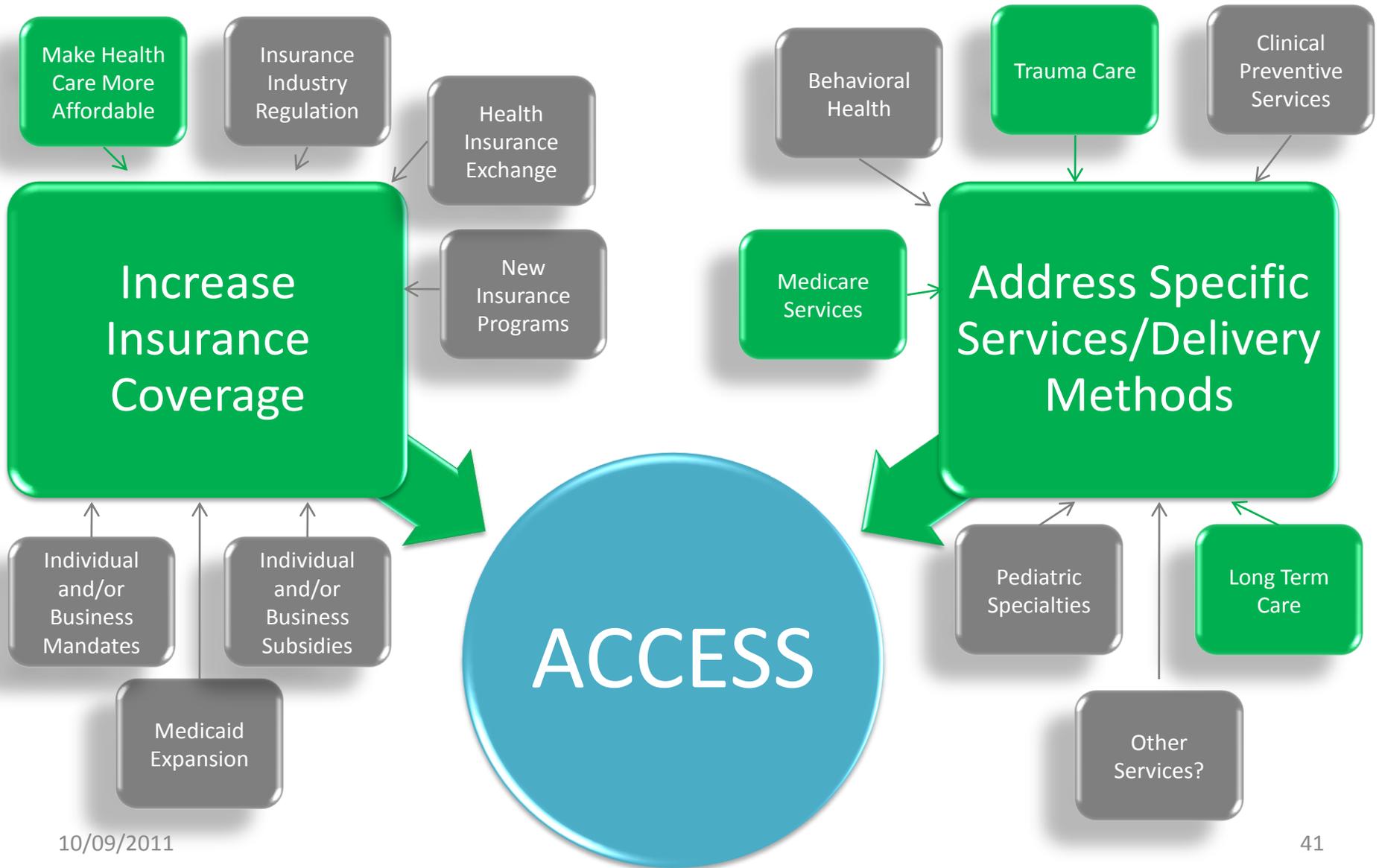


Potential System Design Policies for Improving Access

Current

2012???

Pending



Potential System Design Policies for Enhanced Prevention

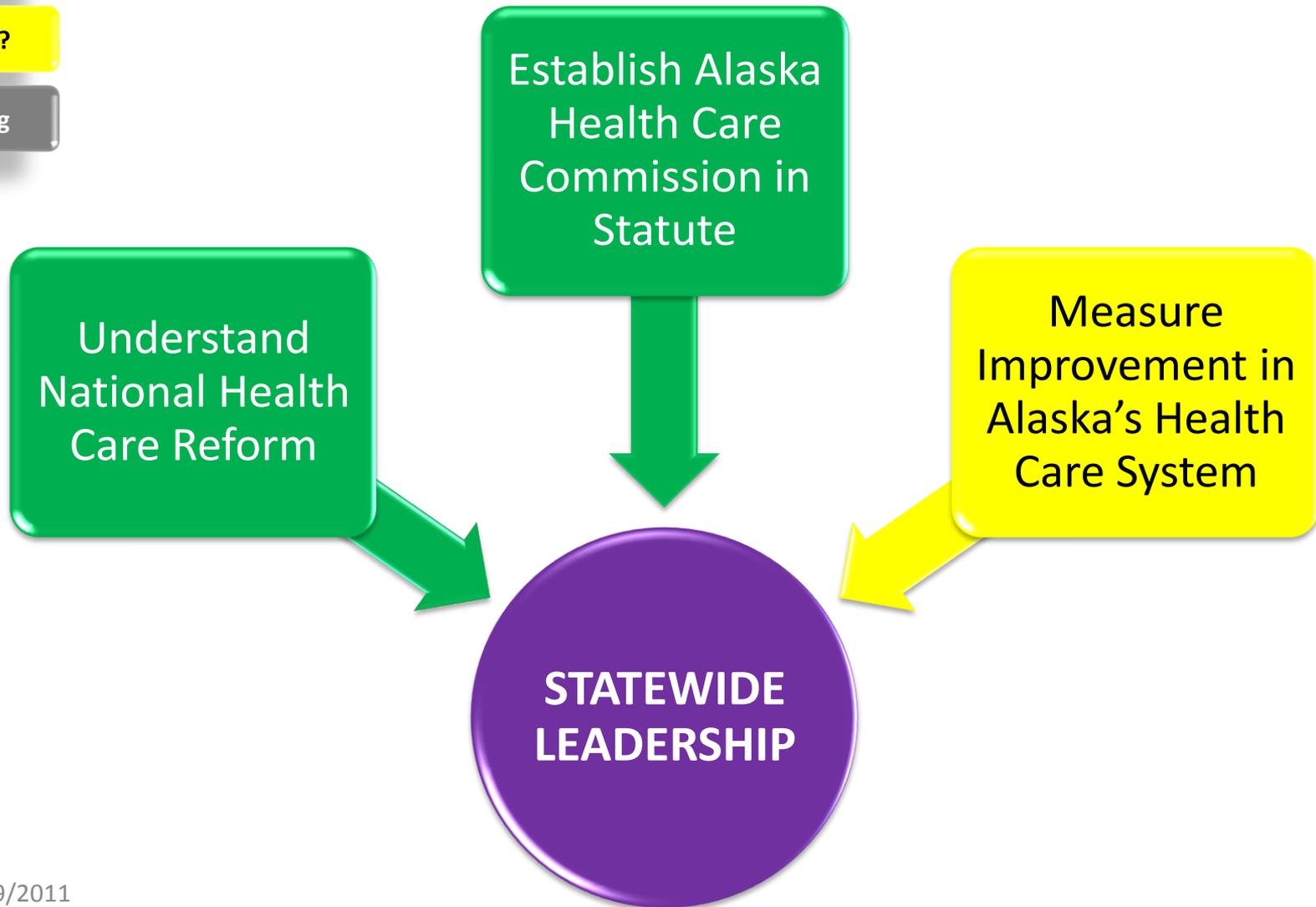


Potential Strategies for Building the Foundation: Statewide Leadership

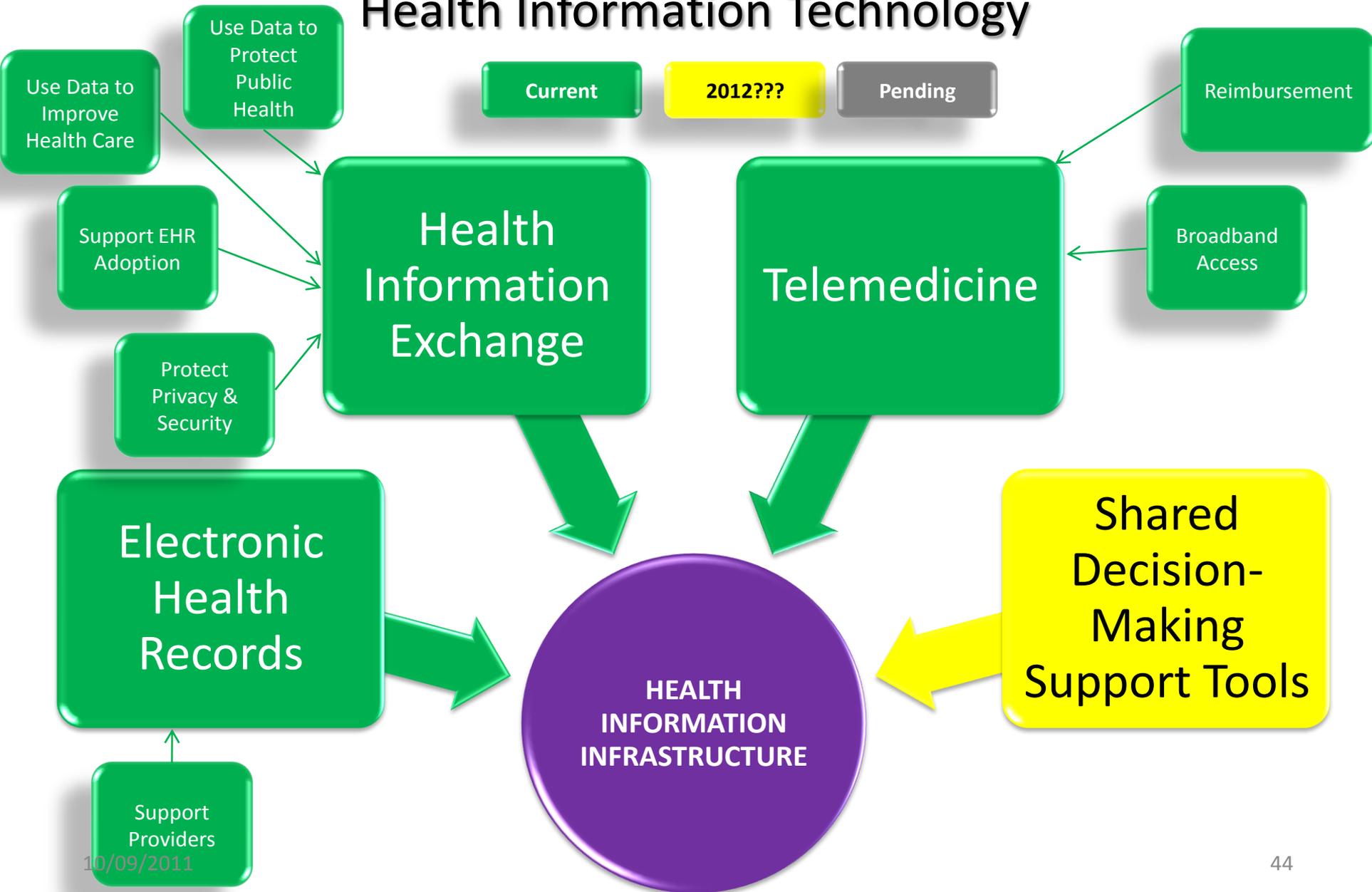
Current

2012???

Pending



Potential Strategies for Building the Foundation: Health Information Technology



Potential Strategies for Building the Foundation: Health Workforce Development

- 2009
- 2010
- 2011
- Pending

