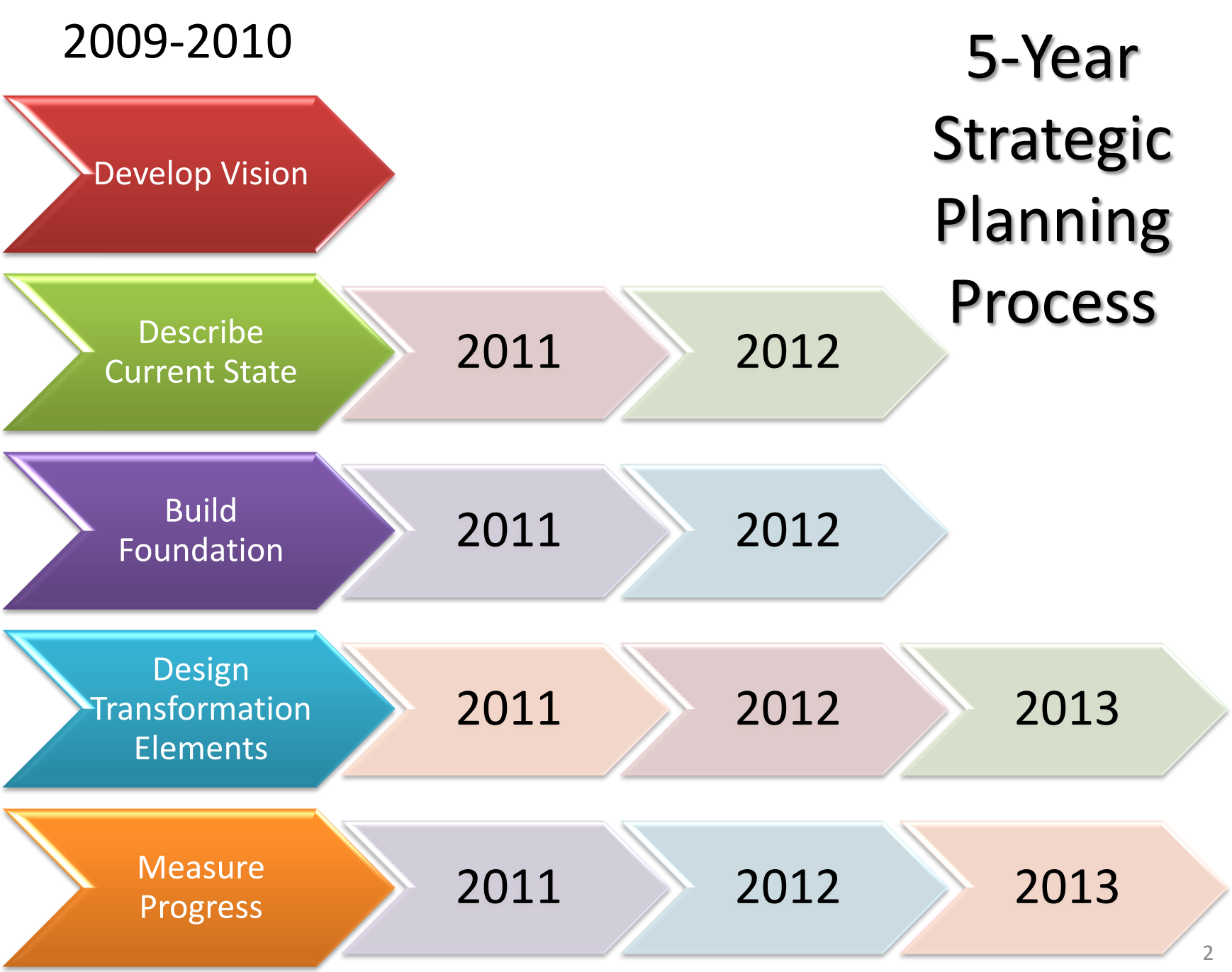
The Alaska Health Care Commission's Approach to Reforming Alaska's Health Care System

Planning Process,
Transformation Strategy,
and Policy Options

Revised at 01-07-11 Meeting

5-Year Strategic Planning Process



Develop Vision

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

Describe Current State

I. Description of System (2009 Report)

II. Overview of Federal Reform/Impact on AK (2010)

III. Analysis of Current Conditions (planned for 2011)

- A. Cost of Health Care in Alaska
  1. Spending Analysis (total expenditures; services & payers; cost drivers)
  2. Price and Reimbursement Comparison Study
  3. Health Status Assessment
- B. Long Term Care System
- C. Trauma System

IV. Analysis of Current Conditions (potential for 2012?)

- D. Quality of Care Study (efficiency, appropriateness, effectiveness of care)

Describe Current State

I. Description of System (2009 Report)

- How Health Care in Alaska is Delivered & Funded
- Issues Identified:
  - High, Rising & Unsustainable Cost of Care
  - Inadequate Insurance Coverage
  - Logistical Challenges
  - System Fragmentation & Duplication
  - Workforce Shortages & Maldistribution
  - Health Status, Health Behaviors & Demographics
  - Leadership Challenges
  - Health Information Technology Development
  - Specific Medicare Access Problem

Describe Current State

Variables Contributing to Cost of Health Care

Cost (total expenditures) =

Price (per process) x **Utilization**

Utilization =

 # Conditions

X **# Episodes of Care** /Condition

X **# of Services** (by type)/Episodes of Care

X **# of Processes** /Service

Describe Current State

III. Analysis of Current Conditions (planned for 2011)

- **A. Cost Analysis (total expenditures; services & payers; cost drivers)**
- **B. Price Comparison Study**
- **C. Health Status Assessment**

IV. Analysis of Current Conditions (potential for 2012?)

- **D. Quality of Care Study (efficiency, appropriateness, effectiveness of care)**

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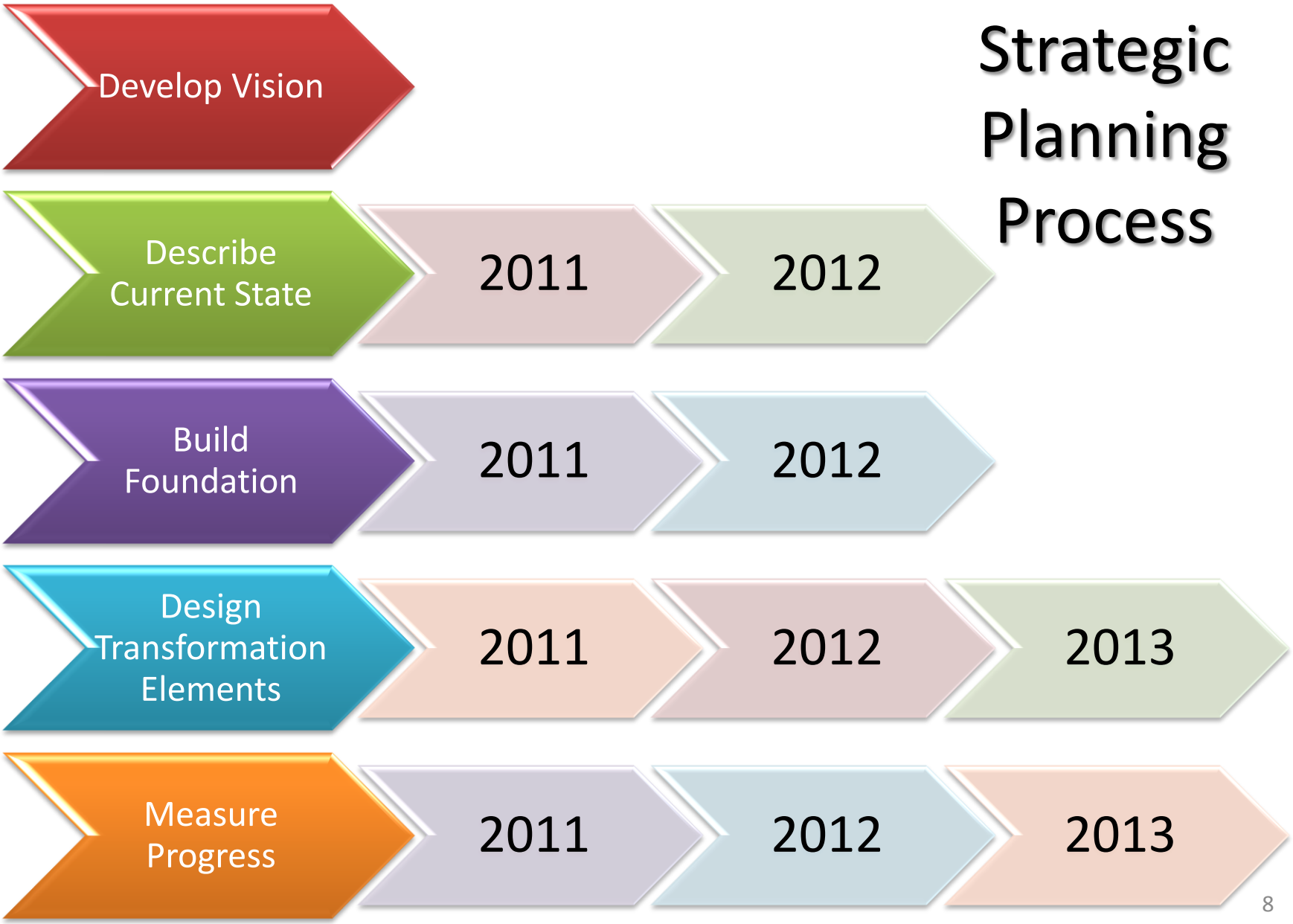
5-Year Strategic Planning Process



Health Care Transformation Strategy

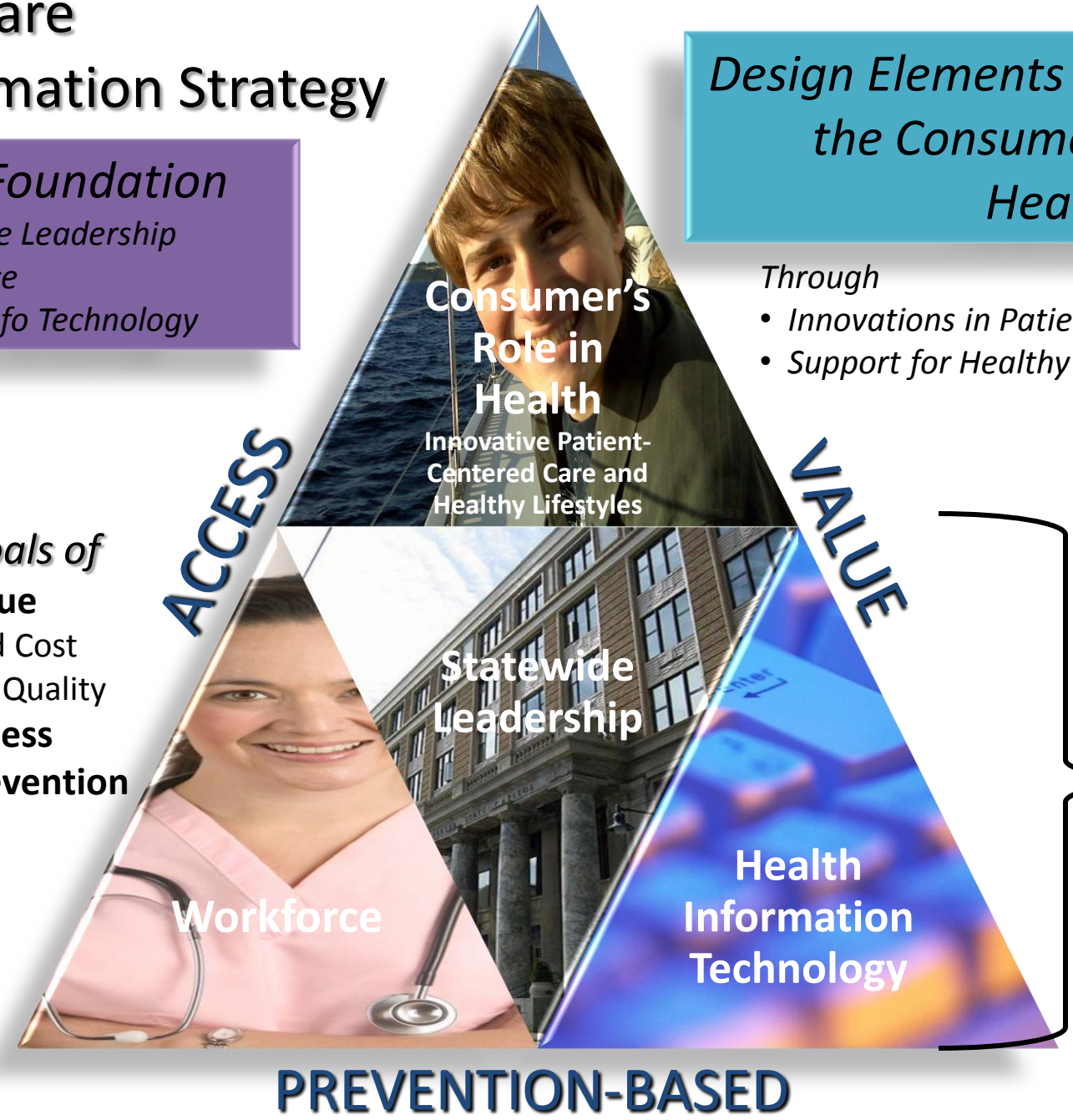
Build the Foundation

- *Statewide Leadership*
- *Workforce*
- *Health Info Technology*

Design Elements to Enhance the Consumer's Role in Health

Through

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

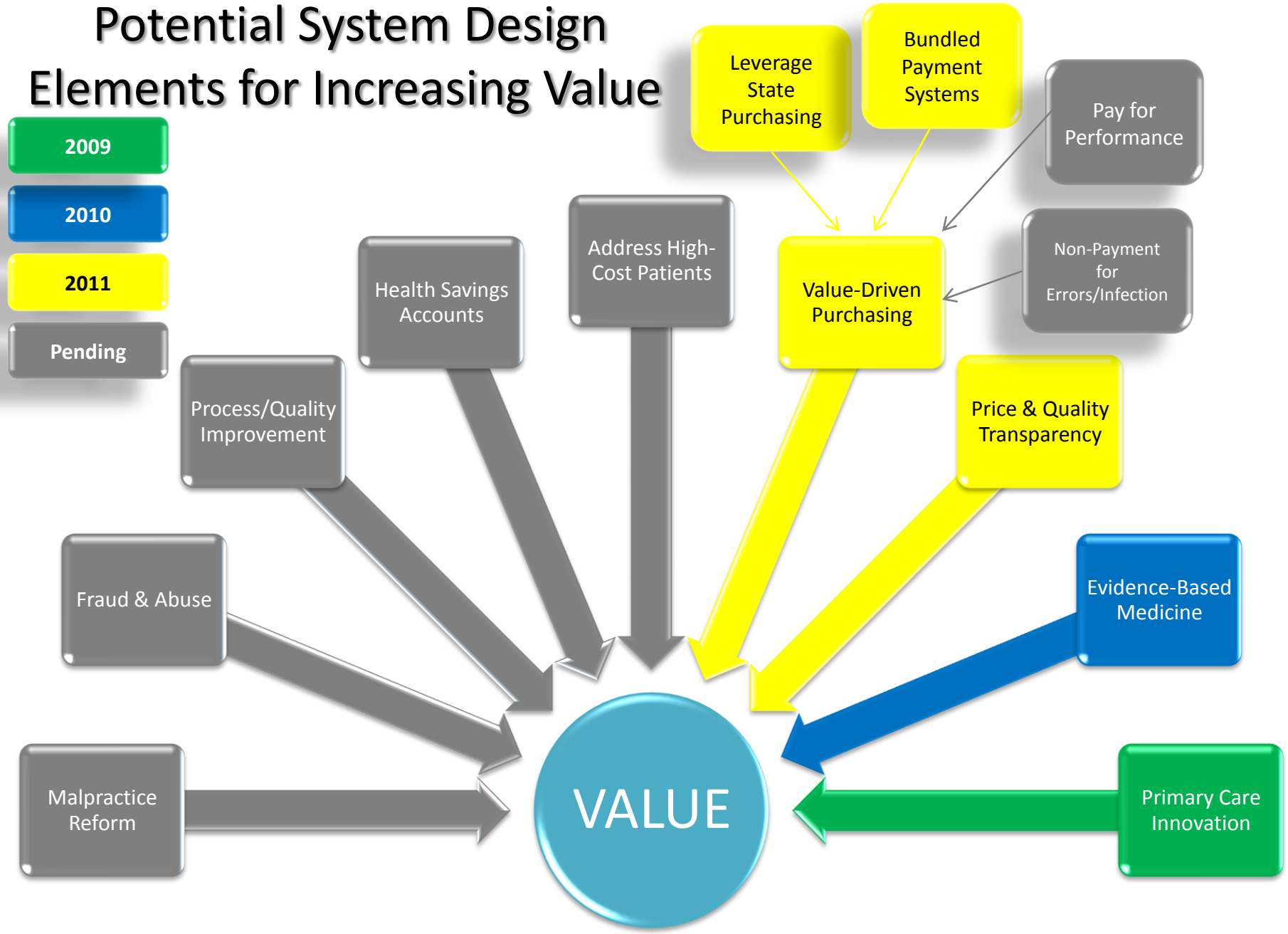


To Achieve Goals of

- Increased **Value**
  - Decreased Cost
  - Increased Quality
- Improved **Access**
- Enhanced **Prevention**

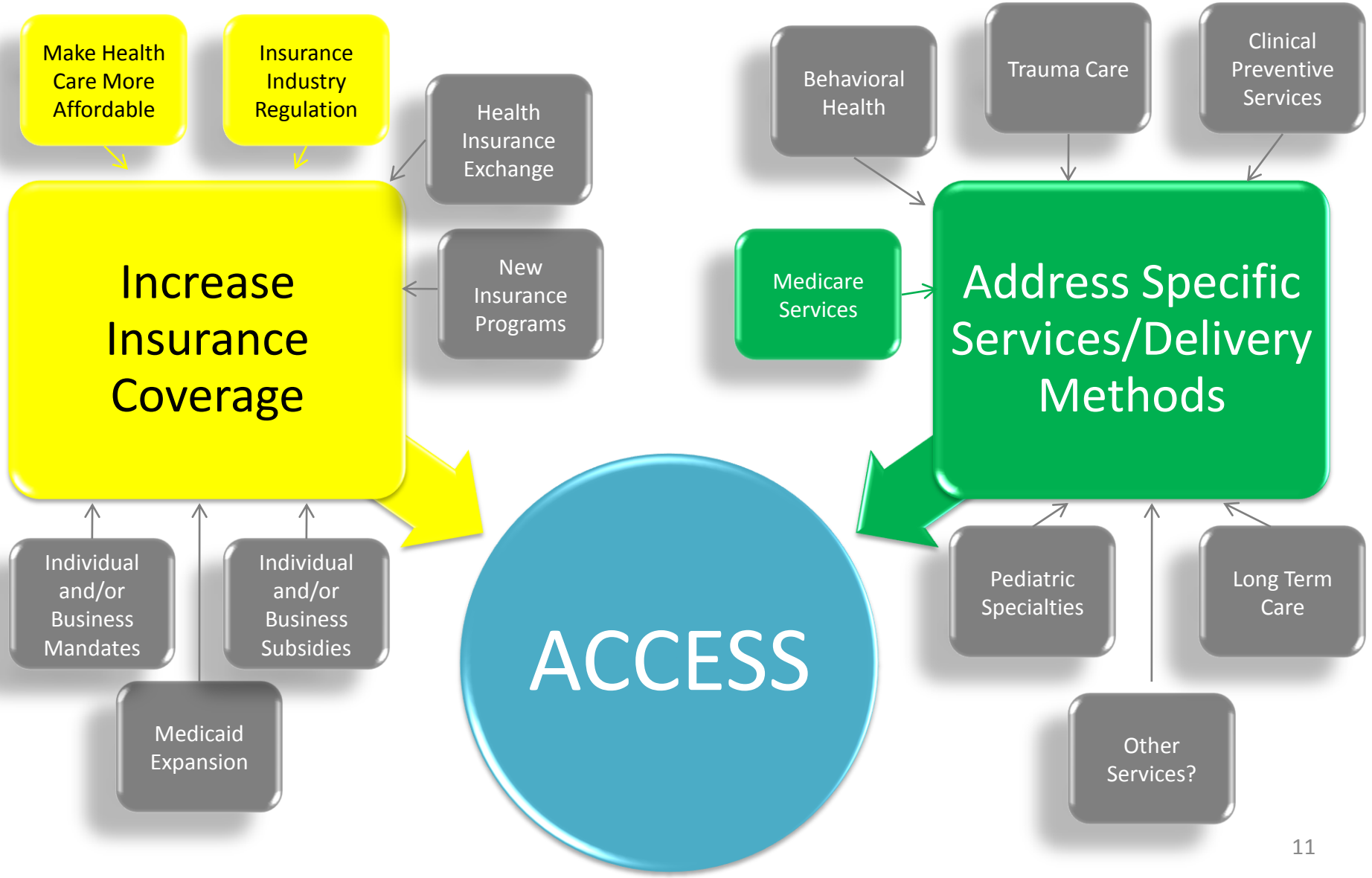
Foundation for Transformed System

Potential System Design Elements for Increasing Value

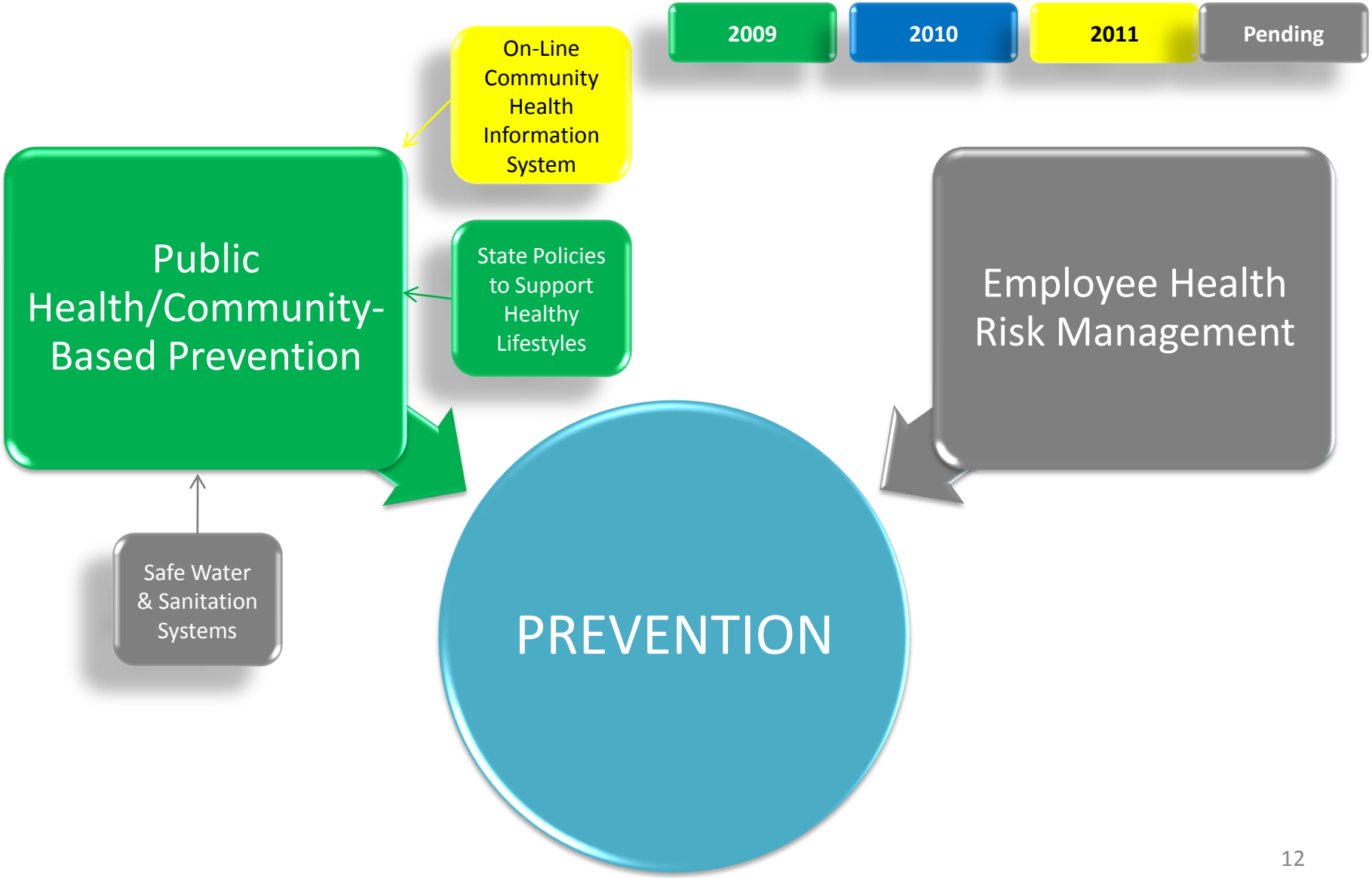


Potential System Design Elements for Improving Access

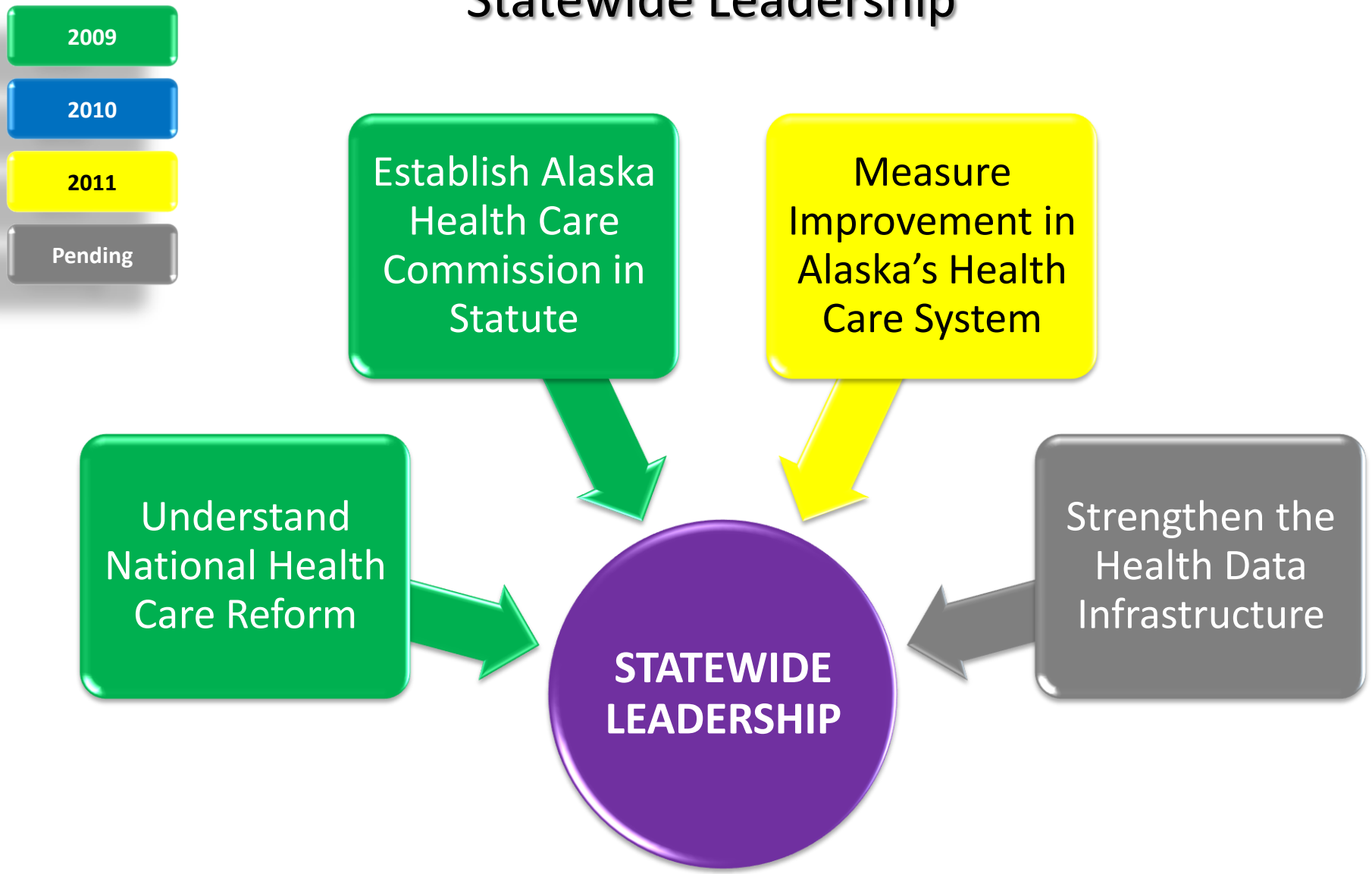
2009 | 2010 | 2011 | Pending



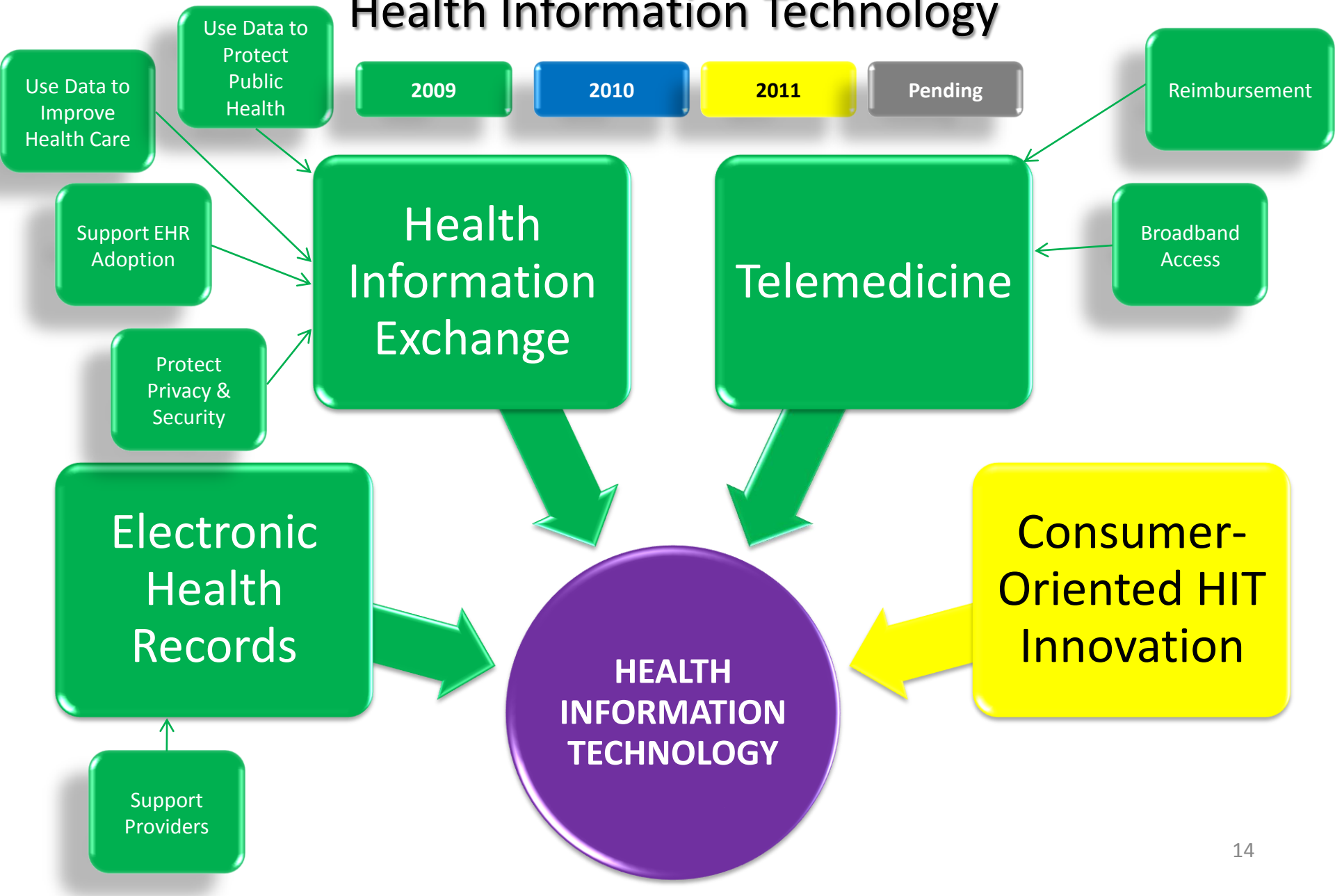
Potential System Design Elements for Enhanced Prevention



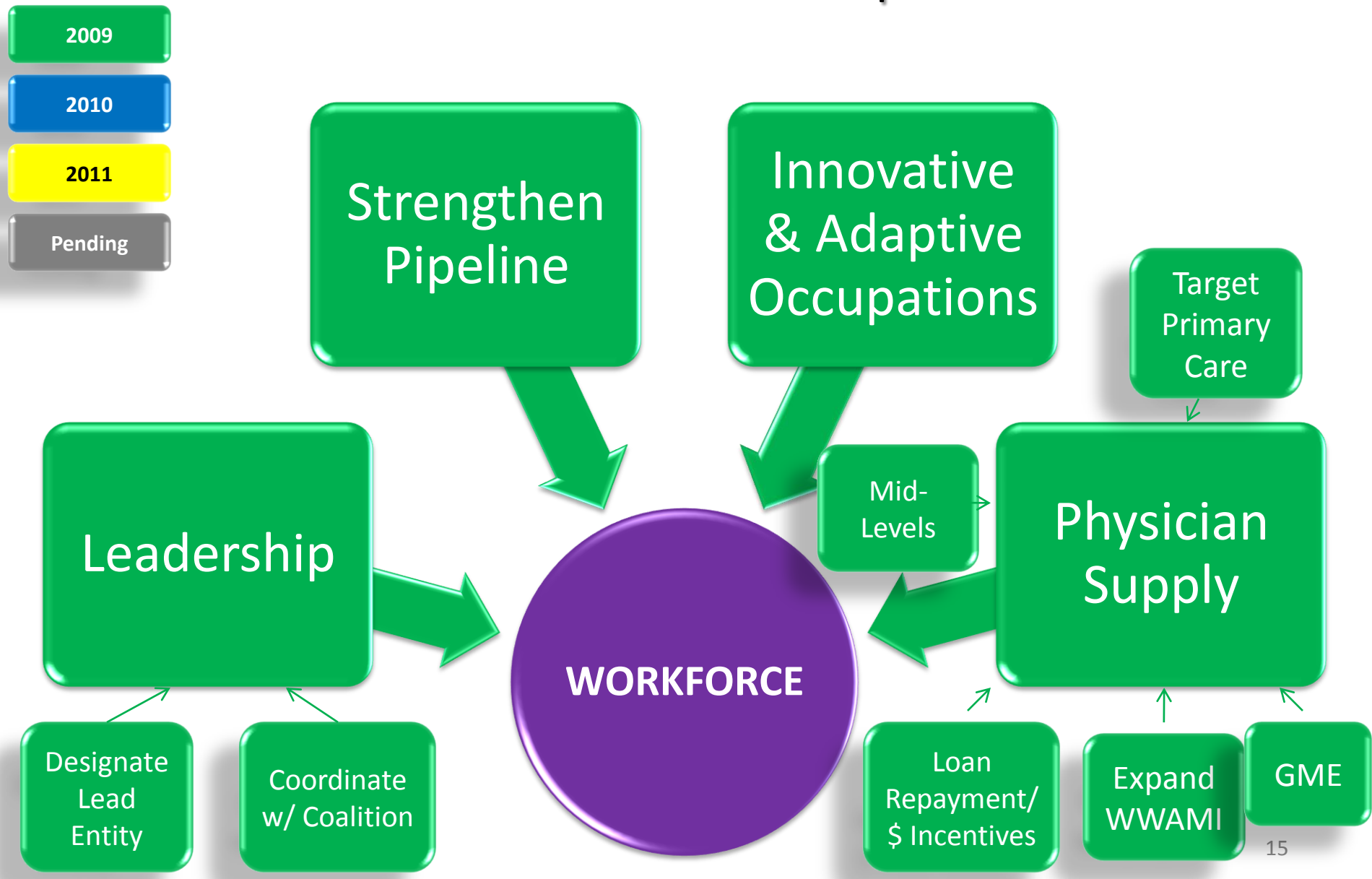
Potential Strategies for Building the Foundation: Statewide Leadership



Potential Strategies for Building the Foundation: Health Information Technology



Potential Strategies for Building the Foundation: Health Workforce Development



Measure Progress

- ✓ Track Implementation of Recommendations
- ✓ Measure Improvement in Health Care System Over Time

Potential Health Care System Improvement Measures

I. Increase Access
- Percent of Alaskans 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 or 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)