

Esteemed Legislators and Guests,

Thank you for inviting me to address your committee. My name is Rebecca Madison. I am the Executive Director of the Alaska eHealth Network and am on the Executive board of the Alaska Telemedicine and Telehealth Collaborative. Both are non-profit organizations dedicated to decreasing healthcare costs through effective use of technologies. I also served as chairman of the Alaska Federal Healthcare Access Network for 9 years as that group developed telemedicine technology for the Alaska Native health system.

I would like to speak to the strong need for telemedicine, prescription drug monitoring, and health information exchange as they apply to Medicaid Reform starting with some real world examples from other states.

- Mississippi implemented a home based telemedicine program directed at diabetes and other chronic conditions. The program saved Mississippi Medicaid \$189 million in its first year and was so successful that Texas has begun implementation of the same program in Austin.
- Maine showed a cost savings of \$2 million dollars in one 60 day period for 162 patients by using telemedicine for patient follow up, thus reducing hospital re-admissions.
- New Mexico implemented a hospital-level care program in patient homes. Patients showed comparable or better clinical outcomes and the program achieved savings of 19% over costs for similar in-patients. Cost savings came through less time in the hospital and fewer tests performed.
- A study in Michigan showed a 59% and 67% reduction in CT scans and chest x-rays respectively, when providers used health information exchange services to review radiology results.

And savings aren't just to Medicaid. Departments of Justice and Corrections also have shown significant savings:

- The University of Texas Medical Branch conducted over 250,000 telemedicine consultations with prison inmates at a net savings to taxpayers of \$780 million dollars.
- The Colorado Department of Corrections reported savings of \$450 per telemedicine intervention, about \$100,000 per year through transportation and security cost reductions.

In our own state of Alaska, Providence Health and Services provides eICU services to Critical Access Hospitals statewide keeping patients and families in their communities.

You also heard from Stewart Ferguson on the Tribal Health system travel savings and the impact on wait times.

SCL Health, a private corporation with services in Montana, Colorado and Kansas saw a combined savings across all payors of \$226.7 million by implementing clinician to clinician specialty consults, clinician to patient virtual visits and consumer mobile self-tracking services.

Telemedicine, opioid monitoring and health information exchange without a doubt are definitely becoming mainstream and are no longer specialized projects. One major issue is that much of this data was silo'ed in the past and required providers to sign into many different systems to get the information they needed. This silo'ing of data systems means that many providers don't use the systems because

they don't have time or knowledge to search through multiple databases for all the patient data they need.

In Alaska, we can now leverage the health information exchange infrastructure to provide a single point of entry into health data from many systems – from electronic health records, to telemedicine systems, to drug databases and a host of other services. This single point of entry can further streamline and produce savings to both Medicaid and providers statewide.

Cost savings are accomplished through healthier patients. By putting data in the hands of providers and, yes, also in the hands of patients, we can ensure a healthier population. It takes a team of payers, providers and patients to lower healthcare costs.

Of course, there is also a significant impact on patients and patient care, particularly those patients with chronic conditions, which we could also discuss at length. But in light of our current fiscal situation, I felt it is important today to stress the financial impact which coordinated access to telehealth and other healthcare data has on the healthcare system in general and Medicaid, in particular. We must stem the rising cost of healthcare. We have the systems and the will to do so. Medicaid reform can leverage these systems, in place today, to give all Alaskans an opportunity to receive better care at a lower cost.

Thank you.

References:

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<http://hsc.unm.edu/community/telehealth/common/docs/benefit-cost-analysis-article.pdf>

<http://www.americantelemed.org/docs/default-source/policy/examples-of-research-outcomes--telemedicine's-impact-on-healthcare-cost-and-quality.pdf>

<http://www.radiologybusiness.com/topics/healthcare-economics/study-finds-hie-reduces-duplicate-imaging-provides-cost-savings>

Northwest Regional Telehealth Resource Center Conference March 2016, presentation by Peter Kung, System VP, SCL Health, "Virtual Health: The Rise of the Consumer and Strategies for Health Systems"

Northwest Regional Telehealth Resource Center Conference March 2016, presentation by Kristi Henderson, VP, Virtual Care & Innovation, Seton Healthcare Family, "Virtual Care: Building a Sustainable Model with Real Impact"

SB 74 Testimony provided by Thomas Behan, District 2.

Cities and especially our State are strapped for money. Medicaid may seem like a good deal now, but as the health care costs rise, and the federal government pays less to our State, the people of the State of Alaska will be responsible to pay the shortfall. Where will the State find the money other than taxpayers?

I am very much against this bill. I ask that you DO NOT pass this bill out of committee.

Thank you for hearing my testimony.

From: Rep. Steve Thompson
Sent: Friday, April 08, 2016 11:22 AM
To: Helen Phillips
Cc: Jane Pierson
Subject: FW: Mental Health Budget

SB 74

From: Elizabeth Ripley [mailto:eripley@healthymatsu.org]
Sent: Thursday, April 07, 2016 7:07 PM
To: Sen. Pete Kelly <Sen.Pete.Kelly@akleg.gov>; Sen. Anna MacKinnon <Sen.Anna.MacKinnon@akleg.gov>;
Sen.lyman.hoffman@akleg.gov; Rep. Les Gara <Rep.Les.Gara@akleg.gov>; Rep. Mark Neuman
<Rep.Mark.Neuman@akleg.gov>; Rep. Steve Thompson <Rep.Steve.Thompson@akleg.gov>
Subject: Mental Health Budget

Dear Legislators,

Thank you for the careful thought and hard work you have put it into the Conference Committee budget process. The Mat-Su Health Foundation urges you to consider the following as you finalize the budget:

Behavioral Health Treatment and Recovery Grants:

- **Please support the budget as submitted by the Governor and approved by the Senate.**
- While Medicaid expansion should help increase access to behavioral health services, and we advocated as such, current laws and regulations do not permit all providers to bill Medicaid. Until we rectify this, cutting behavioral health grants will only reinforce the current system that drives people to seek care in the emergency room. Our environmental scan of the crisis response system for behavioral health in Mat-Su found that the Mat-Su Regional Emergency Department has five times the number visits than our community mental health center. These visits cost Alaskans \$23M in 2013, not including doctor, EMS or police costs.

Behavioral Health Treatment and Recovery Grants Pilot Project

- **Please support the \$30 million added in the House version of the budget.**
- A comprehensive continuum of care for substance abuse services can makes a real difference in Mat-Su and statewide. The specific needs of the regions or communities selected for funding under the proposed pilot program may include any level in the continuum of care: early intervention, outpatient services, intensive outpatient, partial hospitalization, residential treatment for low to high intensive needs, and medically monitored and managed inpatient detoxification services.

- Both Alaska and national experience demonstrate that alcohol and drug treatment works. Access to treatment can cut drug use in half, reduce criminal activity up to 80 percent, and reduce arrests up to 64 percent. Research also shows that the younger a person starts using drugs, the greater the likelihood of a future disorder, making prevention and early intervention key.

Senior Community-Based Grants

- **Please support the budget as submitted by the Governor and approved by the House.**
- In 2011, MSHF produced the Mat-Su Regional Plan for Delivery of Senior Services. This invaluable report has been updated in 2016 as the Mat-Su Senior Services Environmental Scan. The updated scan reconfirms the rapid population growth by seniors in the Mat-Su valley, which has been 7.3 percent per year since 2003. In fact, the Mat-Su borough has the 2nd-fastest growing senior population in the nation.
- These grants provide services for disabled and elderly Alaskans with Alzheimer's disease and dementia. Services include Adult Day support, home-delivered meals, congregate meals, transportation, home services, and family caregiver support. The grants also help keep the doors open at the Aging and Resource Disabilities Centers and reduce Emergency Department utilization and preventable hospitalizations.
- Seniors who receive these services are often low income, homebound, and in need of assistance with daily living.

Again, thank you for your commitment and hard work!

Elizabeth A. Ripley

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