



# Alaska Health Care Commission

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## Background

**Authority:** Established in statute (AS 18.09.010) in 2010 to recommend policies to improve quality, affordability and access to health care and to identify strategies for improving the health of all Alaskans. Sunsets June 30, 2014 if not extended. Legislative audit recommends extension.

**Role:** Study and advisory group — advising Governor and legislature on state health policy.

**Membership:** Seats designated in statute represent major stakeholder groups; voting members appointed by the Governor to 3-year terms; Sen. Coghill and Rep. Keller represent the legislature.

**Reports:** Annual Report including policy recommendations submitted to Governor and Legislature January 15 each year and available on the commission's website.

**Approach:** Study current conditions of Alaska's health care market, and design market-based strategies and policy recommendations that enhance the consumer's role in health and health care. All meetings are open to the public and time for public testimony is provided, and all materials are posted on the commission's website.

### Accomplishments:

- 1) Created a strategic framework including a time-specific vision with measurable objectives;
- 2) Conducted numerous studies, increasing knowledge and understanding of current problems in the health care system;
- 3) Designed a comprehensive body of specific, relevant and measurable market-based policy recommendations for improving health care cost and quality. Recommended policies are designed to implement eight core strategies for improving value:
  - I. Ensure the best available evidence is used for making decisions
  - II. Increase price and quality transparency
  - III. Pay for value
  - IV. Engage employers to improve health plans and employee wellness
  - V. Enhance quality and efficiency of care on the front end
  - VI. Increase dignity and quality of care for seriously/terminally ill patients
  - VII. Focus on prevention
  - VIII. Build the foundation of a sustainable health care system
- 4) Created a template for a Statewide Health Plan based on the recommendations of the Commission, and is facilitating development of the Plan.

## What does implementation of commission recommendations look like?

Examples of state agency action that would implement policy recommendations include:

- “Low-Hanging Fruit” (shorter term return-on-investment (ROI)):
  - Use more competitive pricing and rate setting strategies in public programs (e.g., Medicaid, state employee health plans)
  - Modify Division of Insurance payment regulation that creates market imbalance
  - Create consumer-driven health plan option(s) in state employee health plans
  - Implement pharmaceutical payment reforms to incentivize use of generics and modernize reimbursement methodologies
  - Require Hospital Discharge Database participation through regulation
- Longer term, with greater ROI potential:
  - Make coverage and authorization changes to improve value in state employee health plan and Medicaid spending
  - Reform payment mechanisms to improve value:
    - Primary care per-member per-month payment to support increased care coordination/case management, patient-centered medical homes, and primary care-behavioral health integration.
    - Primary care clinic and Centers of Excellence contracts
    - Bundled payment models
- Examples of legislative action that would implement policy recommendations:
  - Establish an All-Payer Claims Database in DHSS to increase transparency and provide information on price and utilization of health care services in Alaska.
  - Require health care providers to make information on price and quality of their services more readily available to the public.
  - Reform the Workers’ Compensation Act to modernize and delegate the medical fee schedule, and make more efficient use of medical resources.
  - Fund operation of the prescription drug controlled substances database, and support upgrade to real-time.
  - Increase choice, dignity and quality of care for seriously and terminally ill patients
    - Evolve Comfort One legislation to include medical treatment orders
    - Establish an advance directives electronic registry

## What would continuation of the commission mean?

Excessive health care costs and medical inflation in Alaska threaten the sustainability of the health care system and create a burden on families and public and private employers. Continuation of the commission would promote accountability and evaluation of public program implementation through finalization of the Statewide Health Plan, increased transparency in the health care system, and continuing consultation and coordination with private sector employers in support of their health care value improvement strategies.