



VISION

ALASKA INDIVIDUALS, FAMILIES AND COMMUNITIES ARE SAFE AND HEALTHY

MISSION

TO PROMOTE AND PROTECT THE HEALTH AND WELL-BEING OF ALASKANS

Senate Finance HSS Subcommittee

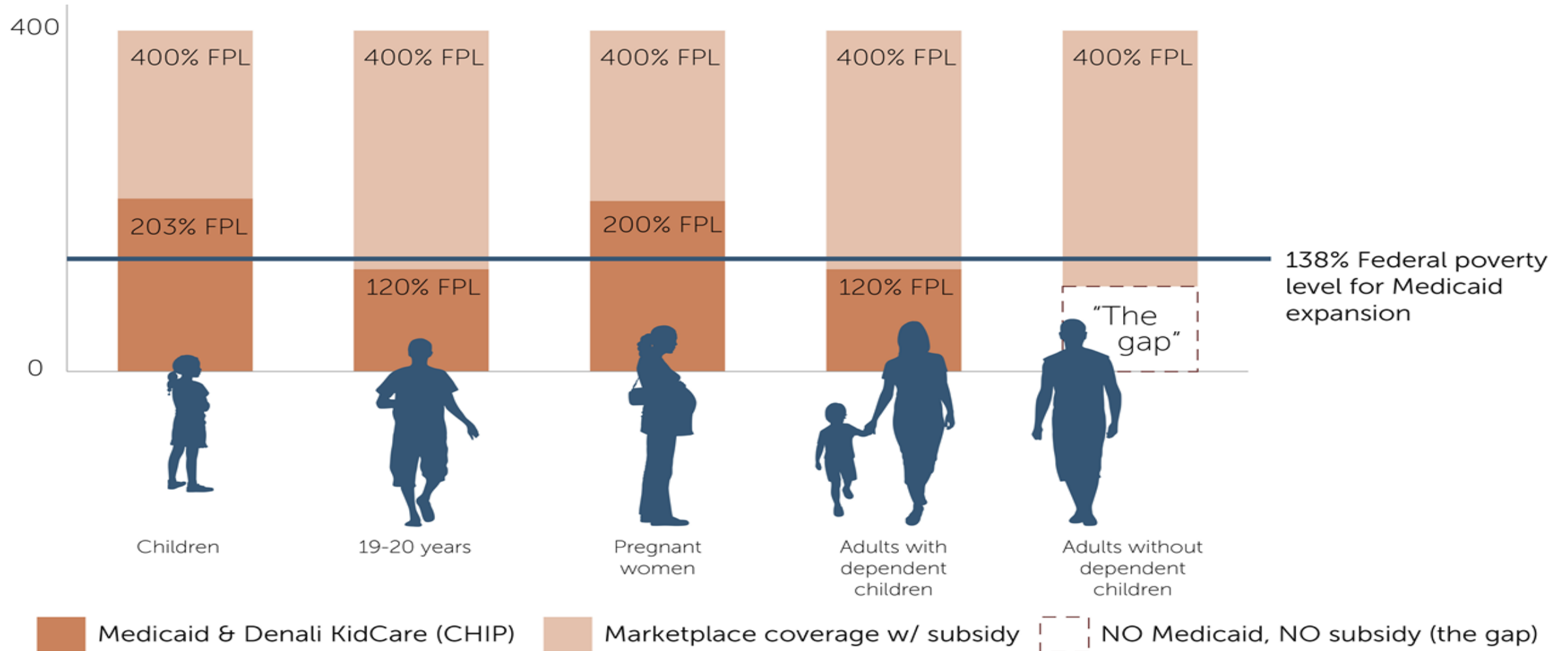
Healthy Alaska Plan

Valerie Davidson, Commissioner

March 16, 2015

Healthy Alaskans

Who is covered now?



Medicaid Expansion

- Higher Federal Match

	2014	2015	2016	2017	2018	2019	2020 & Beyond
Federal match under expansion	100%	100%	100%	95%	94%	93%	90%

- Reducing Uncompensated Care
 - Reducing the number of uninsured
 - More than \$90 Million in 2013
- Saves the State money
- Leveraging Reform Opportunities

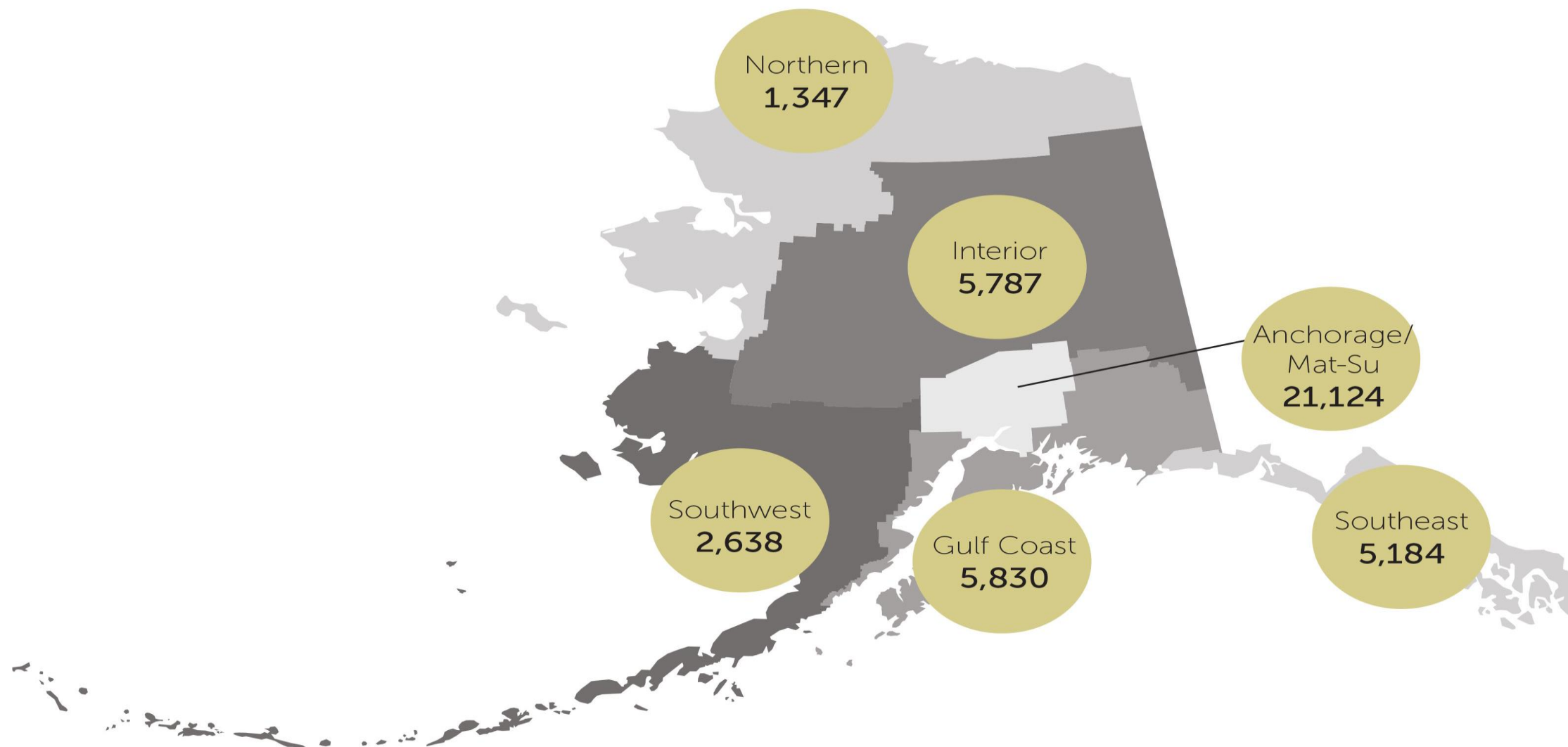


Who would be covered by Expansion?

- Adults without dependent children
- Ages 19 – 64
 - Not otherwise eligible for Medicaid or Medicare
- Earning up to 138% of the Federal Poverty Level (FPL)
 - Single adults earning up to \$20,314 per year
 - Married couples earning up to \$27,490 per year

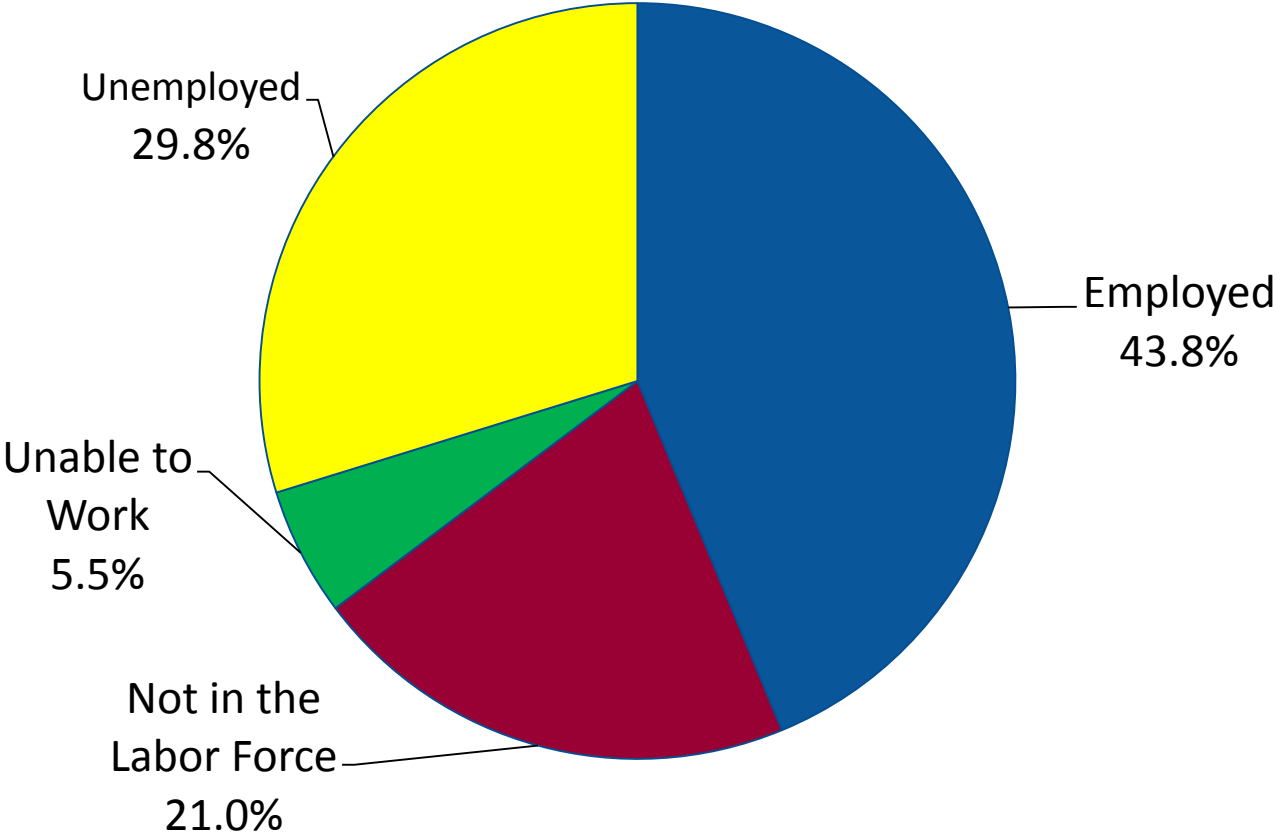


Healthy Alaskans Where are they?



The Expansion Population

Employment Status of Alaska's Medicaid Expansion Population



Health Coverage	Percent of Responses
None	43.3%
Employer	19.6%
Purchased	4.3%
Partial Coverage*	29.3%
Not Sure, Don't Know, Refused	3.4%

Source: Analysis by Evergreen Economics of data from the BRFSS survey
*Partial coverage includes healthcare services provided by tribal health facilities and possibly other sources.



How many will sign up?

	2016	2017	2018	2019	2020	2021
Newly Eligible Adults	41,910	41,980	42,050	42,120	42,190	42,260
Take-up Rate	47.90%	55.40%	63%	63%	63%	63%
New Enrollees	20,066	23,273	26,492	26,535	26,580	26,623



Healthy Alaskans Cost Per Enrollee

- Projected Cost of Service Per Newly Eligible Medicaid Enrollee

	2016	2017	2018	2019	2020	2021
Per Enrollee Cost	\$7,248	\$7,495	\$7,752	\$8,018	\$8,293	\$8,433

– Weighted by Expected Gender and Age Distribution of the Expansion Population

Gender	Ages 19-34	Ages 35-44	Ages 45-54	Ages 55-64	All Ages
Male	20.10%	5.20%	13.60%	14.40%	54%
Female	12.60%	5.80%	13.80%	14.50%	46%
Total	32.70%	11.00%	27.40%	28.90%	100%



Healthy Economy New Federal Dollars

- Higher Federal Contribution under Expansion

	2014	2015	2016	2017	2018	2019	2020 & Beyond
Federal match under expansion	100%	100%	100%	95%	94%	93%	90%

- \$1.12B in new federal revenue

	2016	2017	2018	2019	2020	2021
Federal Match*	\$145,435.0	\$170,633.0	\$195,514.0	\$200,683.0	\$204,087.0	\$204,928.0

* Costs in Thousands of Dollars



Healthy Budgets Saves Money

- Costs to the State

	2016	2017	2018	2019	2020	2021
State Match for Health Care Costs	\$0	\$3,804.0	\$9,854.0	\$12,064.0	\$16,346.0	\$19,587.0
Administrative Costs for Expansion (State General Fund)	\$0*	\$1,392.0	\$1,478.0	\$1,499.0	\$1,600.0	\$1,625.0
State Costs:	\$0	\$5,196.0	\$11,332.0	\$13,563.0	\$17,946.0	\$21,212.0

* FY16 Administrative Cost is being funded by the Alaska Mental Health Trust Authority

Costs in thousands



Healthy Budgets Saves Money

- Offsets to the State Budget

	2016	2017	2018	2019	2020	2021
Chronic & Acute Medical Assistance (CAMA)	\$1,000.0	\$1,300.0	\$1,400.0	\$1,500.0	\$1,500.0	\$1,500.0
Corrections	\$4,100.0	\$7,000.0	\$7,000.0	\$7,000.0	\$7,000.0	\$7,000.0
Behavioral Health Grants	\$1,500.0	\$5,000.0	\$9,000.0	\$13,000.0	\$16,000.0	\$16,000.0
State Offsets:	\$6,600.0	\$13,300.0	\$17,400.0	\$21,500.0	\$24,500.0	\$24,500.0

Costs in thousands



Healthy Budgets Saves Money

		2016	2017	2018	2019	2020	2021
C O S T S	State Match for Health Care Costs	\$0	\$3,804.0	\$9,854.0	\$12,064.0	\$16,346.0	\$19,587.0
	Administrative Costs for Expansion (State General Fund)	\$0*	\$1,392.0	\$1,478.0	\$1,499.0	\$1,600.0	\$1,625.0
	State Costs:	\$0	\$5,196.0	\$11,332.0	\$13,563.0	\$17,946.0	\$21,212.0
O F F S E T S	Chronic & Acute Medical Assistance (CAMA)	\$1,000.0	\$1,300.0	\$1,400.0	\$1,500.0	\$1,500.0	\$1,500.0
	Corrections	\$4,100.0	\$7,000.0	\$7,000.0	\$7,000.0	\$7,000.0	\$7,000.0
	Behavioral Health Grants	\$1,500.0	\$5,000.0	\$9,000.0	\$13,000.0	\$16,000.0	\$16,000.0
	State Offsets	\$6,600.0	\$13,300.0	\$17,400.0	\$21,500.0	\$24,500.0	\$24,500.0
	Net Savings to State GF	(\$6,600.0)	(\$8,104.0)	(\$6,068.0)	(\$7,937.0)	(\$6,554.0)	(\$3,288.0)
	Federal Match	\$145,435.0	\$170,633.0	\$195,514.0	\$200,683.0	\$204,087.0	\$204,928.0

* FY16 Administrative Cost is being funded by the Alaska Mental Health Trust Authority



Healthy Alaskans

Reducing Recidivism

2015 Recidivism Reduction Plan

http://www.legis.state.ak.us/basis/get_documents.asp?session=29&docid=1372

- Convicted felons who completed a DOC substance program:
 - 12% recidivated compared to the control group in which 20% recidivated within 12 months of being released
- Institute of Social and Economic Research (ISER) report:
 - With no change in policies, the number of Alaska inmates is likely to double by 2030
 - From 5,300 to 10,500
 - With an additional \$4 million a year to expand the education and substance abuse programs, the prison population in 2030 would be 10% smaller than projected
 - About 1,050 fewer inmates
- Continued access to substance abuse treatment programs following release is key



Healthy Alaskans

Improving Health

Access to health care means improved health outcomes and increased productivity and independence

- The number of uninsured Alaskans would be reduced by half
- More Alaskans would receive preventative and primary care, including behavioral health services and help in managing costly chronic diseases
- Alaska's statewide mortality rate would drop
- Health care access for survivors of domestic violence and sexual assault
- Access to health care is already showing a positive difference for the homeless population in other states
 - Improving capability to gain employment



Reform is Necessary

Reform is necessary

- State of the Budget Address
 - Identify 25% cuts over the next several years
- Minimize the impact to those we serve
- Efficiencies, Improvements and Innovations are critical to bend the cost curve

DHSS Budget = \$2.7B

- Medicaid = \$1.7B

The current Medicaid program is not sustainable



Building on Reforms Underway

- Control overutilization of hospital emergency room services
- Increased fraud, waste and abuse prevention and control efforts
- Home and community-based service improvements
- Coordination with Patient-Centered Medical Home initiatives
- Coordination with the Alaska tribal health system
- Investigating waiver options



Catalyst for Reform

Additional Reforms

Recently identified reforms:

- Continued partnership with Tribal Health
- Change eligibility for Personal Care Assistance (PCA) services
- Possible savings in Durable Medical Equipment, Vision, and Hearing
- Increase number in the Super Utilizer contract for management of care
- Dental
- Implement utilization control for Behavioral Health services
- Transportation



Catalyst for Reform

Designing Reform

- Technical Assistance RFP
 - Funding from the Alaska Mental Health Trust Authority
 - March 18, 2015: Deadline for Proposal Submission
 - <https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=175783>
- Building an Alaskan Model
 - Current Program
 - Expansion
- Reform efforts/Best practices in other states
- Stakeholder process
- Identifying the approval process
 - Regulation, Statutory, Budgetary, State Plan Amendments, waivers



Additional Reform Options

Building blocks to achieving meaningful reform

- Payment Reform
- Strengthened Primary Care
- Care Management
- Workforce Innovation
- Maximizing federal matching fund opportunities
- Improved Telehealth Capability



Additional Reform Options

Reform strategies for increasing prevention and shared responsibility

- Cost-sharing options
- Health Savings Accounts (HSAs)
- Services to direct patients to the appropriate level of care
- Incentives for healthy behaviors
- Increased access to preventative services
- Work assistance benefits for the expansion group



Healthy Economy Impact to the Economy



nearly 42,000
uninsured
ALASKANS
eligible for basic health
care coverage*



\$1.1
BILLION
in new federal
revenue for Alaska*



4,000
new
JOBS**



\$1.2
BILLION
more in wages
and salaries
paid to Alaskans**



Questions?

Thank You

