

March 4, 2024

House Health & Social Services Committee
Alaska State Legislature
Juneau, AK. 99801

Dear HSS Chair Rep. Prax, Members of the House HSS Committee:

Please accept this letter of support from the Mat-Su Health Foundation for House Bill 344, Medical Assistance Demonstration Projects. Mat-Su Health Foundation (MSHF) is the official business name of Valley Hospital Association, which shares ownership in Mat-Su Regional Medical Center (MSRMC). MSHF invests its share of the profits back into the community through grants, scholarships, and systems change work with a goal to measurably improve the health and wellness of Alaskans living in the Mat-Su.

Our hospital is downstream; it takes care of people when we've failed to prevent illness and injury. Emergency Department (ED) visits, hospitalizations, and EMS response cost far more than preventing emergent needs by connecting people to local services and support. The Governor's 2025 Operating Budget allocates over \$2.5B to Medicaid, and the highest Medicaid costs are hospitalizations and long term care. We can do better.

Here in Mat-Su, we've proven it. Our 2014 Mat-Su Behavioral Health (BH) Environmental Scan showed that Mat-Su residents chose an ED visit to Mat-Su Regional as their number one go-to in a BH emergency. Research showed that 19 people that year had over 457 visits for an acute BH concern. In response to this data, the MSHF Board of Directors asked us to decrease these super-utilizers through upstream interventions. We worked with local partners and expert consultants to launch the High Utilizer Mat-Su (HUMS) Program in 2018 at LINKS.

A third party evaluation showed HUMS saved almost \$5M in ED charges on 113 patients from 2018 to 2021, after accounting for MSHF investments in the program.¹ Since almost 80% of HUMS clients are Medicaid recipients, the State enjoyed the majority of these savings. The 2022 evaluation shows a 16.8% reduction in ED utilization overall for those enrolled in HUMS that year. For the client group admitted to the program in 2021 or earlier (so at least two years in HUMS), ED visits decreased by 37.2%. Keep in mind this is a voluntary program, but payors (such as the State Medicaid Program) could compel people to participate. While HUMS typically serves over 100 super utilizers at a time, there are hundreds here in Mat-Su they don't serve.

DOH leadership identified HUMS as a successful pilot making significant strides in improving health-related social needs, including nutrition, housing, and care coordination, for high-utilizers and individuals with complex care needs in Mat-Su. They interviewed HUMS Medical Director Dr. Thomas Quimby, LINKS Executive Director Aaron Wright, and MSHF Program Officer Ray Michaelson about HUMS to inform development of this 1115 waiver. This approach should be replicated across Alaska. HB 344 gives DOH the ability to do that. These investments deliver a financial and human ROI. Instead of costly ED visits, these investments lead to healthier people who better provide for themselves and their families. That's a win for Alaskans and the State.

Don't hesitate to reach out if you want to learn more about our efforts and why MSHF supports HB 344. We encourage you to help expedite its passage.

Sincerely,



President & Chief Executive Officer

¹ MSHF is awaiting the data from Mat-Su Regional to determine cost savings for years 2022 and 2023.