



# Alaska Health Care Commission

**Presentation to the House Finance DHSS Subcommittee**

Ward Hurlburt, MD, MPH, Commission Chair

Deborah Erickson, Executive Director

June 17, 2013

# Statutory Authority

- ▶ “ The purpose of the commission is to provide recommendations for and foster the development of a statewide plan to address the quality, accessibility and availability of health care for all citizens of the state.” AS 18.09.010
- Temporary body 2009; Statute enacted 2010
- Advisory in nature
- 14 members, appointed by Governor except for 2 leg.s
- Policy recommendations due annually (January 15) to Governor and Legislature

# Membership (seats designated in statute)

## ▶ Voting Members

- Ward Hurlburt, MD, MPH: DHSS Chief Medical Officer (designated Chair)
- C. Keith Campbell: Health care consumer
- Valerie Davidson: Tribal health community
- Jeffrey Davis: Health insurance industry
- Emily Ennis: Alaska Mental Health Trust Authority
- Col. Thomas Harrell, MD: U.S. Dept. of Veterans' Affairs health care
- Allen Hippler: Statewide chamber of commerce
- Patrick Branco: Alaska State Hospital & Nursing Home Association
- Lawrence Stinson, MD: Health care provider
- Robert Urata, MD: Primary care physician
- David Morgan: Community health centers

## ▶ 3 Ex-Officio Members

- Wes Keller: House of Representatives
- John Coghill: Senate
- Jim Puckett: Office of the Governor



# Statutory Responsibility Alignment

- ▶ “The commission shall serve as the state health planning and coordinating body.”

AS 18.09.070(a)

- ▶ “In performing its duties under this chapter, AS 18.09, and AS 18.15.355–18.15.395, the department (*DHSS*) may develop, adopt, and implement a statewide health plan under AS 18.09 based on recommendations of the Alaska Health Care Commission established in AS 18.09.010.”

AS 18.05.010(b)(5)(A)



# Statewide Health Plan Components

- ▶ AS 18.09.070 directs that the statewide health plan contain the following:
  - 1) A comprehensive statewide health care policy;
  - 2) A strategy for improving the health of all residents of the state that:
    - A. Encourages personal responsibility for disease prevention, healthy living, and acquisition of health insurance;
    - B. Reduces health care costs by using savings from
      - i. Enhanced market forces;
      - ii. Fraud reduction;
      - iii. Health information technology;
      - iv. Management efficiency;
      - v. Preventive medicine;
      - vi. Successful innovations identified by other states; and
      - vii. Other cost-saving measures;
    - C. Eliminates known health risks, including unsafe water and waste water systems;
    - D. Develops a sustainable health care workforce
    - E. Improves access to quality health care; and
    - F. Increases the number of insurance options for health care services.



# Commission's Role in State Health Plan Development

- I. Frame
- II. Coordinate
- III. Monitor
- IV. Refresh



# Commission's State Health Planning Responsibilities

- I. **Frame:** Provide framework for State Health Plan
  - Vision, Priorities, Core Strategies, Measures
  - Analysis of the current condition of the health system
  - Key Findings and Policy Recommendations
- II. **Coordinate:** Engage partners and align statewide health planning activities
  - Collaborate with DHSS and other State agencies to:
    - Identify areas of alignment between State Health Plan and agency missions, measures, and business plans;
    - Develop Implementation Plan – include specific action steps and measures.
  - Collaborate with health system stakeholders to:
    - Identify and align activities of other organizations that contribute to achievement of State Health Plan vision, priorities, and core strategies.
- III. **Monitor:** Convene State agencies and health system stakeholders to facilitate sharing of progress toward vision and outcomes from strategies
- IV. **Refresh:** Conduct periodic review to evaluate results and improve strategies

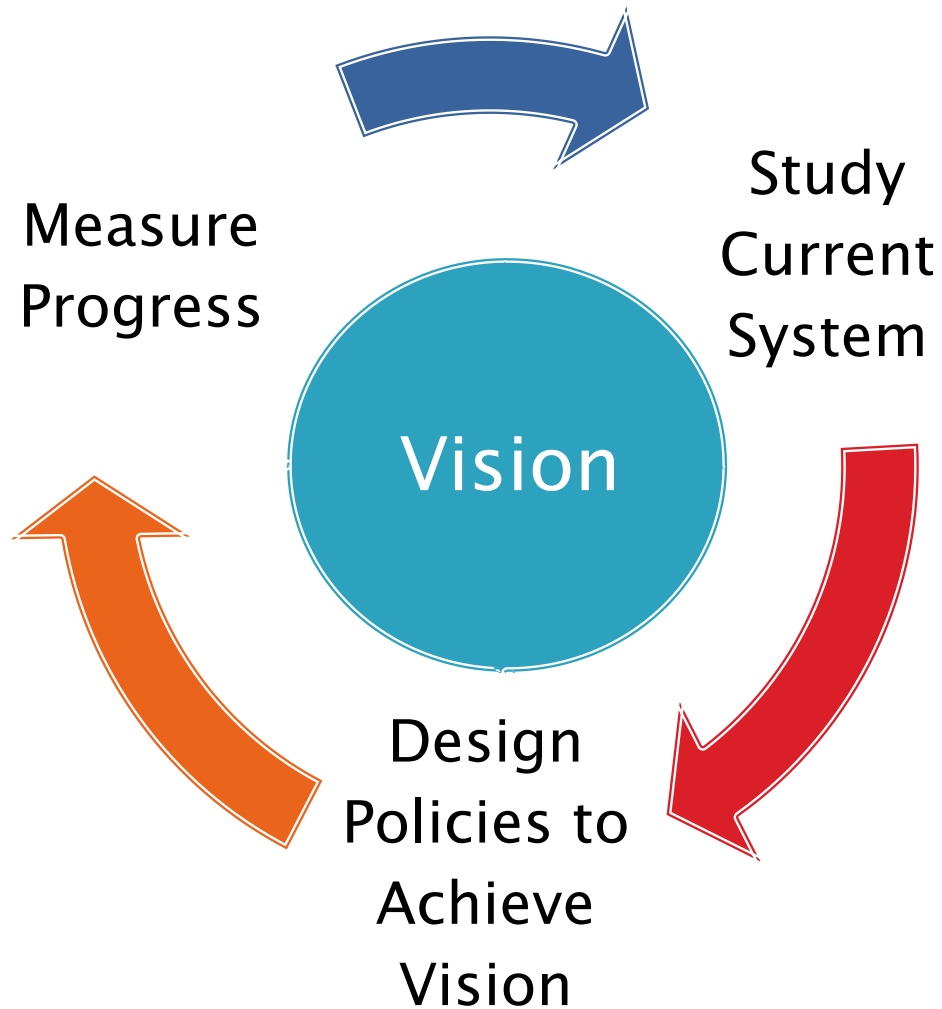


# Results-Based Accountability Focus

- ▶ Shifting Focus
  - From Inputs to Outcomes
  - From Activities to Results
- ▶ Participating in DHSS Results-Based Budgeting training and workshops
- ▶ Aligning Mission, Priorities and Core Strategies; Breaking down silos
- ▶ Refining Performance Measures to ensure accountability for both efficiency and effectiveness of public resource investment and utilization
- ▶ Tracking DHSS Business Plan Development

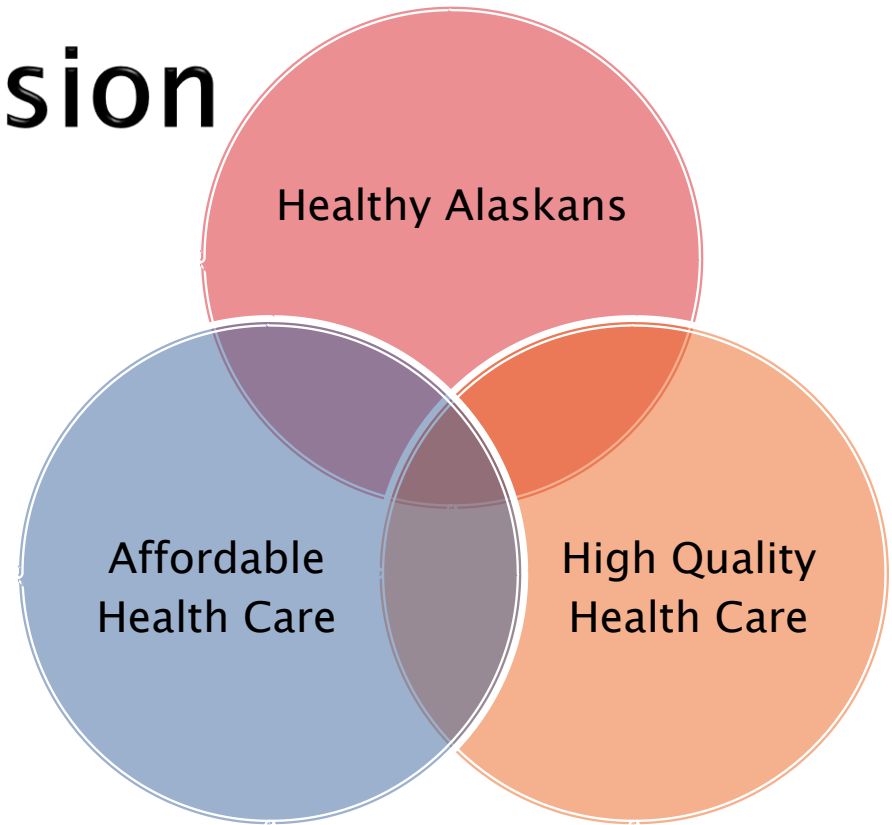


# Planning Process



# Commission's Vision

*By 2025 Alaskans will be the healthiest people in the nation and have access to the highest quality most affordable health care.*



We will know we attained this vision when, compared to the other 49 states, Alaskans have:

1. The highest life expectancy (currently 29<sup>th</sup>)
2. The highest percentage population with access to primary care (27<sup>th</sup> )
3. The lowest per capita health care spending (49<sup>th</sup>)



# Commission Studies of Alaska's Current Health Care System

Study	Consultants	Annual Report
Description of health care system structure & financing	AK DHSS Staff	2009
Discussion of current health care system challenges	AK DHSS Staff	2009
Overview of Affordable Care Act	AK DHSS Staff	2010
Impact of Affordable Care Act on Alaska	ISER/MAFA	2010
Economic analysis of health care spending and cost drivers	ISER/MAFA	2011
Actuarial analysis of physician, hospital, and durable medical equipment prices compared to other states and between payers; cost drivers of price differentials (3 reports)	Milliman, Inc.	2011
Actuarial analysis of prescription drug prices compared to other states and between payers	Milliman, Inc.	2012
Impact of malpractice reforms enacted to-date	Expert Witnesses	2012
Government regulation of the health care industry	AK DHSS Staff	2012
Business use case analysis of an All-Payer Claims Database	Freedman Healthcare	2013 in progress



# Solutions focused on Value and Health

# Value in Alaska's Health System

## State Ranking:

- ▶ **Coverage:** 39<sup>th</sup> at 18% uninsured<sup>1</sup> (24<sup>th</sup> at 14%)
- ▶ **Costs:** 49<sup>th</sup> for lowest per capita expenditures<sup>2</sup>
- ▶ **Quality:** 38<sup>th</sup> for health care quality<sup>3</sup>
- ▶ **Outcomes:** 34<sup>th</sup> for health outcomes<sup>4</sup>

1. Varies dependent on whether IHS beneficiaries without 3<sup>rd</sup> party coverage are included in the uninsured count or not

2. CMS Personal Health Expenditure Data

3. 2011 US DHHS Agency for Healthcare Research & Quality State Dashboard on Health Care Quality

4. 2012 United Health Foundation America's Health Rankings (Health Outcomes Rank)



# Recommended Strategies

- 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 and terminally ill patients
- VII. Focus on prevention
- VIII. Build the foundation of a sustainable health care system



# I. Ensure the best available evidence is used for making decisions

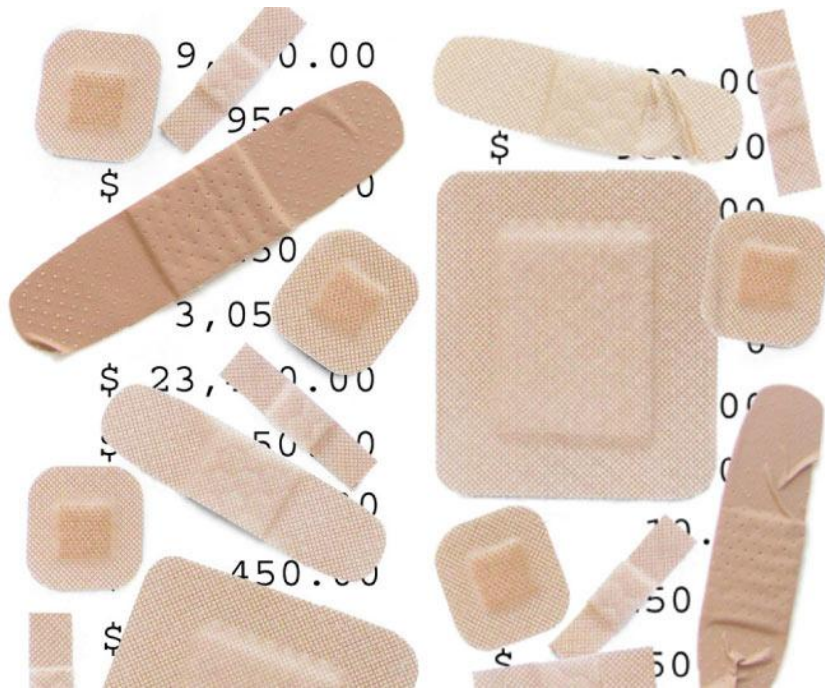
- ▶ Encourage, support and coordinate health care program application of evidence-based medicine principles to health benefit design and provider payment







## II. Increase price and quality transparency



- ▶ Investigate and support mechanisms for providing the public with information on price and quality of health care services
- ▶ Encourage full participation in the Hospital Discharge Database
- ▶ Study the need and feasibility of an All-Payer Claims Database





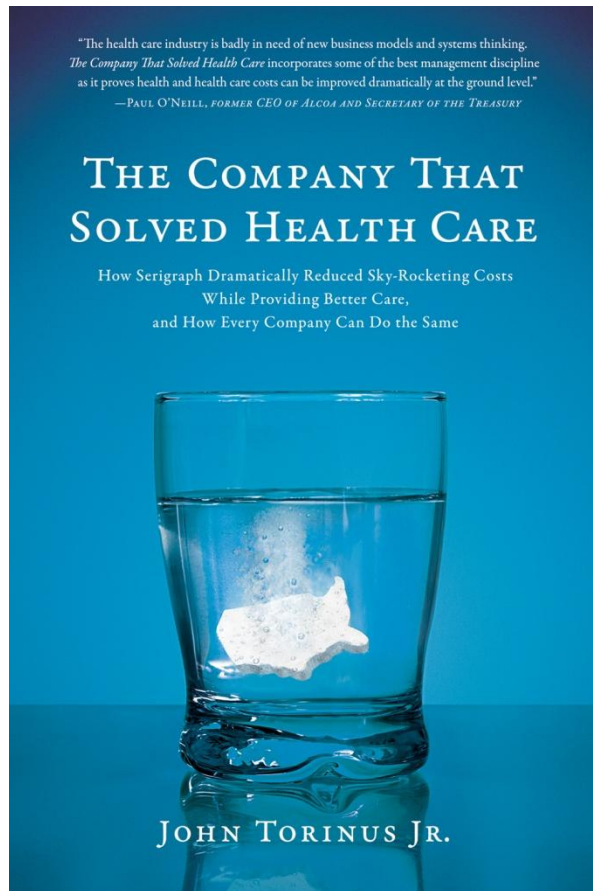
### III. Pay for Value

- ▶ Redesign payment structures to incentivize quality, efficiency and effectiveness; move away from fee for service payment
- ▶ Take a phased approach; start with primary care payment enhancement
- ▶ Develop health data and analytics needed for design and negotiation of payment reform initiatives
- ▶ Support collaboration between State agencies that purchase health care and private health care purchasers in multi-payer payment reform efforts






## IV. Engage employers to improve health plans and employee wellness



- ▶ Investigate and support mechanisms for providing the public with information on price and quality of health care services
- ▶ Provide leadership for Alaskan employers
- ▶ Include essential elements of successful employee health management programs:
  - Price sensitivity
  - Price and quality transparency
  - Pro-active primary care
  - Healthy lifestyle support

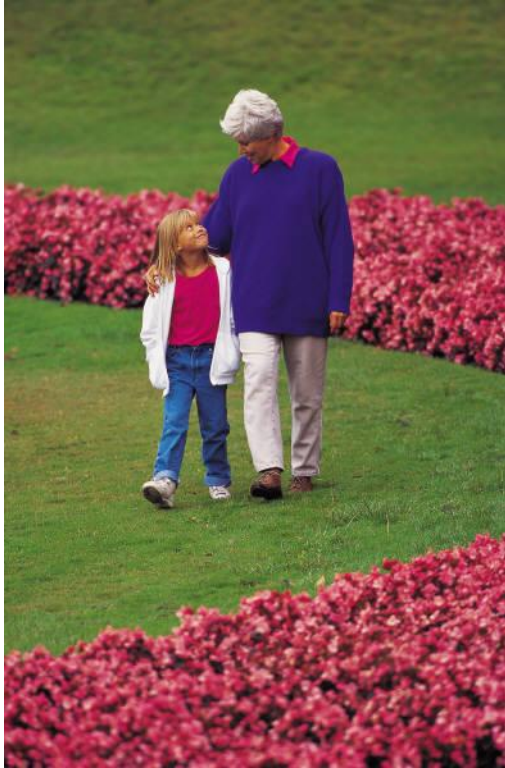


## V. Enhance quality and efficiency of care on the front end

- ▶ Recognize value of primary care through appropriate reimbursement
  - ▶ Promote patient–clinician relationships
  - ▶ Support state health programs to implement patient–centric primary care models
- 
- A photograph showing a female healthcare provider with brown hair tied back, wearing a blue patterned sweater, smiling as she examines a young boy's mouth. The boy, wearing a red sweater, is sitting on a white surface and holding a dental mirror. The background shows a clinical setting with a wall-mounted device and a poster.
- ▶ Support high quality, comprehensive, coordinated trauma care system



## VI. Increase dignity and quality of care for seriously and terminally ill patients



- ▶ Support communication and education regarding end-of-life planning and resources
- ▶ Require continuing education in palliative care and pain management for clinicians
- ▶ Encourage clinical training programs to address death and dying
- ▶ Evolve Comfort One program to include POLST (Physician Orders for Life Sustaining Treatment)
- ▶ Create electronic registry for directives
- ▶ Pilot:
  - Tele-palliative care
  - Payment Structures





## VII. Focus on Prevention

- ▶ Implement obesity prevention programs
- ▶ Insure adequate funding and support for immunization program
- ▶ Integrate behavioral health and primary care services



- ▶ Support screening for
  - History of adverse childhood events
  - Substance abuse
  - depression

Get out and Play. Every day.



*Raising healthy kids  
in Alaska!*



## VIII. Build the foundation of a sustainable health care system



Alaska Native Tribal Health Consortium Telemedicine Cart

- ▶ **Health Information Infrastructure**
  - Support Electronic Health Records & Health Information Exchange
  - Foster Telemedicine
  - Encourage Hospital Discharge Data
  - Study All-Payer Claims Data

- ▶ **Health Workforce**
  - Support workforce innovation and adaptation as care models evolve
  - Target public investment to primary care workforce development



1<sup>st</sup> Graduating Class of Alaska Dental Health Aide Therapists



# Update on Affordable Care Act

Included as Appendix C in the Commission's  
2012 Annual Report



# NEXT STEPS for 2013

- ▶ Continue learning about current challenges
  - Health Insurance Costs & Cost Drivers
  - Health Care Accounting & Pricing 101
  - Hospital Readmission Rates
  - Oral Health & Dental Services
  - Track Federal Health Care Reform
- ▶ Strategies for further recommendations
  - Evidence-Based Medicine
  - Price & Quality Transparency
  - Employer Engagement
- ▶ Alaska State Health Plan
  - Coordinate with State agencies and stakeholders to align contributions to action plan; address gaps in components required under statute





# Thank You!



**NEXT COMMISSION MEETING:**  
June 20–21, 2013

For more information, visit the Commission's  
website at:

<http://dhss.alaska.gov/ahcc/>

For periodic updates, join the Commission's  
listserve via our website