

# MEDICAID: A Critical Component in Alaska's System of Care

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# Setting the Context

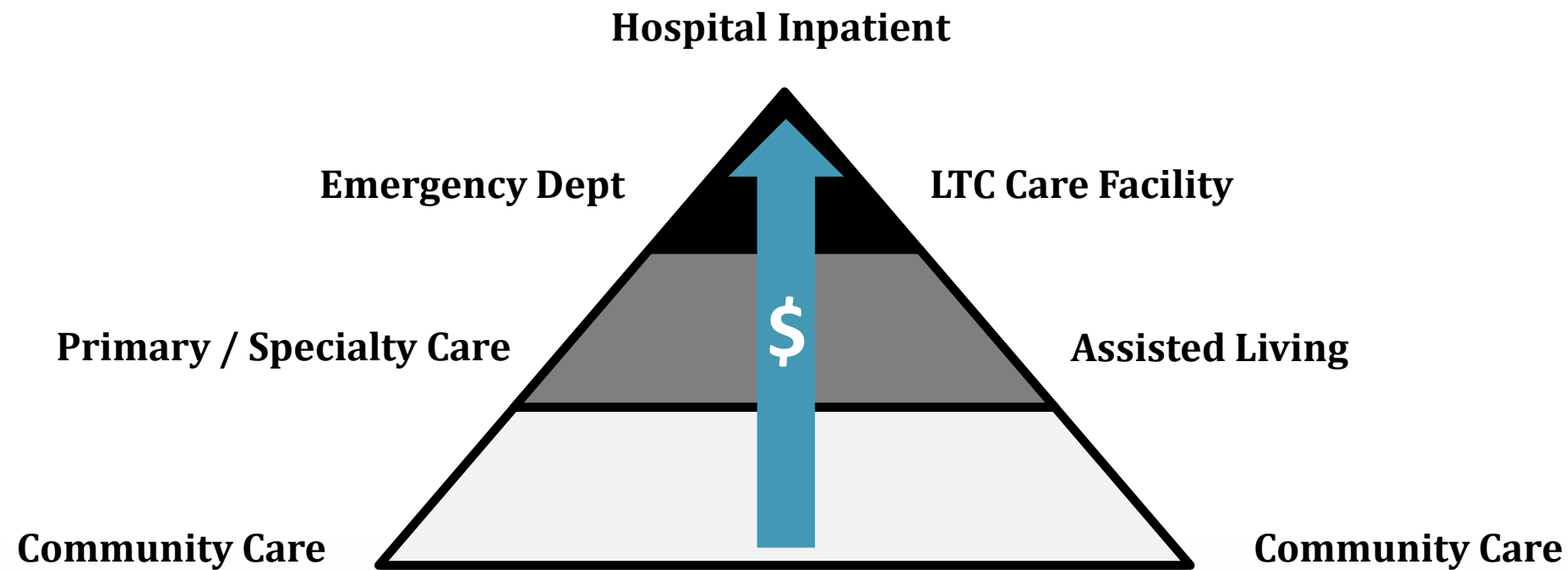
- **Health Care is Highly Connected**
- **AK's System of Care has Major Vulnerabilities**
  - Capacity
  - Effect of Reimbursement
- **Drive Up Cost + Compound Pressure on System**

**Must View Reform through this Lens**



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# Health Care as a System



**The Continuum**



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# Capacity Challenges

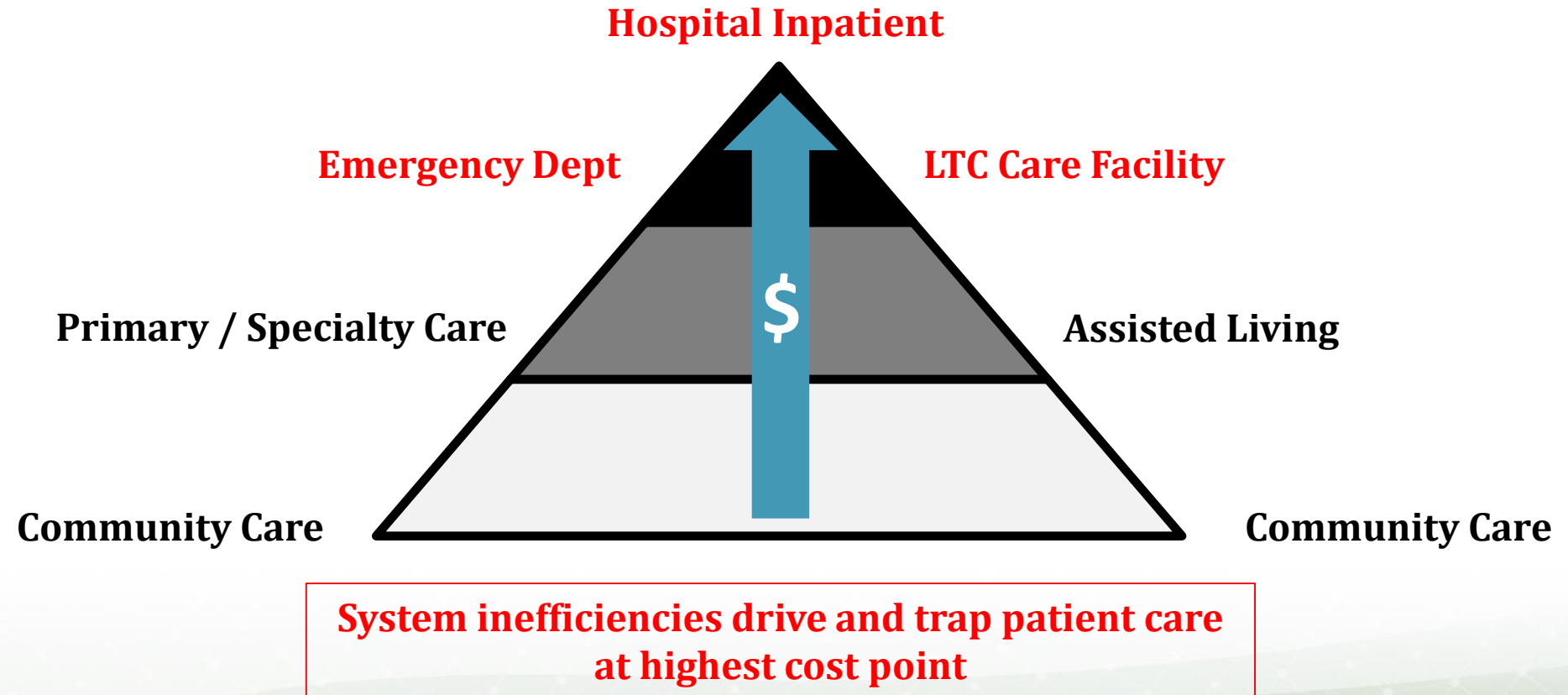
## Hospitals

- 21 Hospitals
- 2.0 Beds per 1,000 Alaskans
- 21% of Beds NOT on Road System

## Long Term Care Facilities

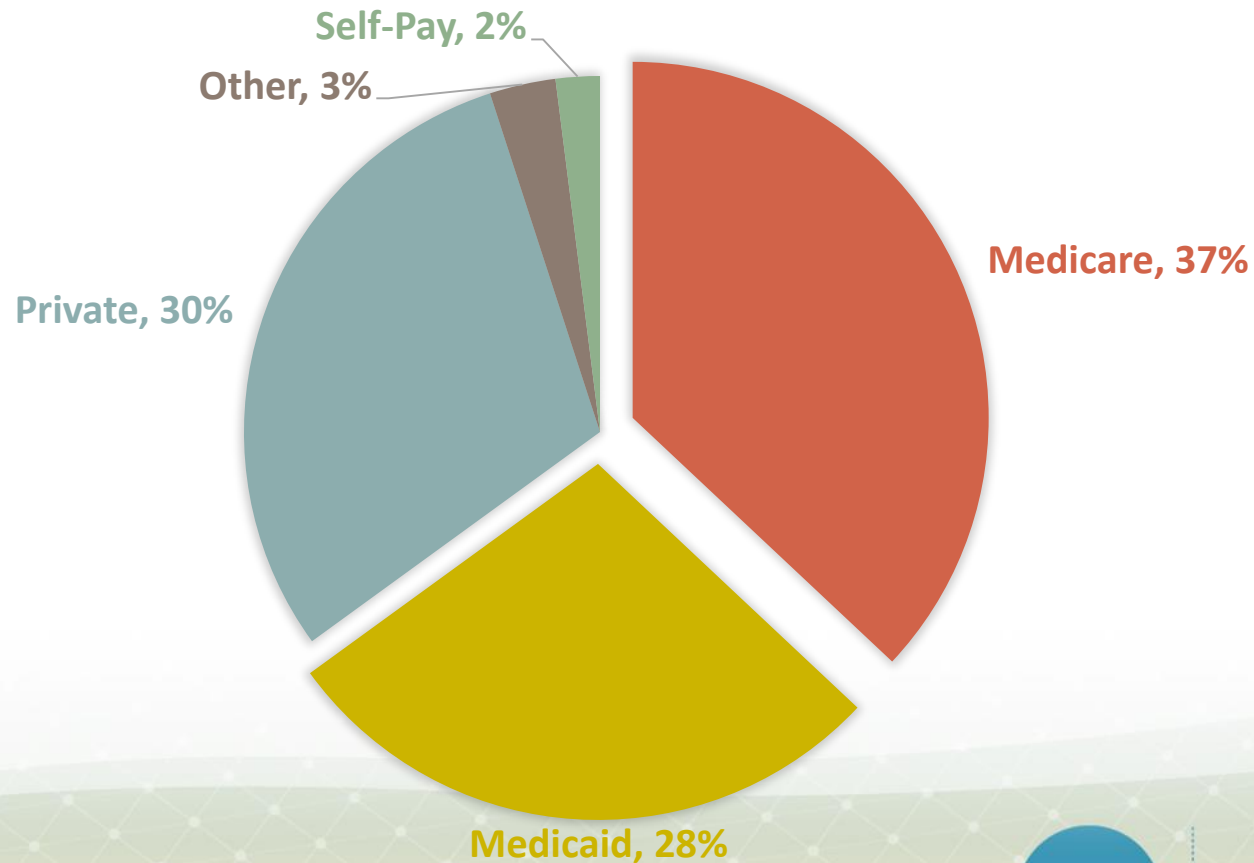
- 19 LTC Facilities
- Fewest Facilities in the U.S.
- Fewest Avg Beds per Facility in U.S. (40)
- Fewest Beds per 1,000 Persons 65+ (8.7)

# Driving Up Health Care Costs



# Effect of Reimbursement

## HYPOTHETICAL PAYOR MIX (admissions)



# Compounding Pressure

## Problem!

“Government programs [i.e. Medicare and Medicaid] often pay hospitals less than the actual cost of patient treatment, causing hospitals to lose revenue.”

-Definitive HealthCare, August 2019

“Private Payers are paying more because Medicare and Medicaid pay less.”

-The Keckley Report, January 2020

# Payers Subsidizing Payors



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# Reform

## Stabilize Capacity

- Workforce Supply
- Functional Behavioral Health System

## Rational Change

- Data-Driven Decisions
- Payment Reform

## Innovation

- Coordinated Care Demo
- High Utilizer Mat-Su
- Emergency Dept Info Exchange
- **Incentivize!**

Reform  
starts with  
Engagement  
and  
Transparency



# Questions?



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