ALASKA STATE LEGISLATURE
JOINT MEETING
SENATE FINANCE COMMITTEE
SENATE HEALTH and SOCIAL SERVICES STANDING COMMITTEE
February 11, 2019
9:02 a.m.

9:02:35 AM

CALL TO ORDER

Co-Chair Stedman called the joint Senate Finance Committee and Senate Health and Social Services Committee meeting to order at 9:04 a.m.

SENATE FINANCE COMMITTEE MEMBERS PRESENT

Senator Natasha von Imhof, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Lyman Hoffman
Senator Peter Micciche
Senator Donny Olson
Senator David Wilson
Senator Bill Wielechowski

SENATE FINANCE COMMITTEE MEMBERS ABSENT

Senator Mike Shower

SENATE HEALTH and SOCIAL SERVICES COMMITTEE MEMBERS PRESENT

Senator David Wilson, Chair
Senator John Coghill, Vice Chair
Senator Gary Stevens
Senator Cathy Giessel
Senator Tom Begich

ALSO PRESENT

Sandra Heffern, Executive Director, Effective Health Design; Scott Leitz, Senior Fellow, NORC at the University of Chicago.

PRESENT VIA TELECONFERENCE

Lynne Snyder, Ph.D., Principal Research Scientist, NORC at the University of Chicago.

SUMMARY

ALASKA HEALTHCARE TRANFORMATION PROJECT UPDATE

Co-Chair Stedman introduced the members of the Senate Finance Committee.

Chair Wilson introduced the members of the Senate Health and Social Services Committee.

9:04:50 AM

Co-Chair von Imhof commented that healthcare has been a topic of discussion in Alaska for several years. She noted that some committees have been researching why the per capita costs are so high in Alaska. One of the most recent studies is the Alaska Healthcare Transformation Project that she sits on along with Sandra Heffern, Elizabeth Ripley and others. The project has a triple aim: to improve population health, improve the patient experience, and lower the per capita cost of healthcare. The hope is to coordinate patient care, improve primary care utilization rather than using the ER, change the way healthcare is paid for in Alaska to provide more transparency, and increase data analytics. She said the project raised $1 million last year through the state and private foundations and then hired NORC (National Opinion Research Center) with the University of Chicago to help with the project. She said the impetus of the current meeting is to check in with the healthcare transformation team and NORC.

9:06:26 AM

Co-Chair Stedman highlighted that Senator von Imhof is the budget subcommittee chair for health and social services and some of the most challenging pieces of Alaska's current budget concern these issues. He noted that this meeting will provide good background before the governor's budget is published.

9:07:39 AM

SANDRA HEFFERN, EXECUTIVE DIRECTOR, EFFECTIVE HEALTH DESIGN, ANCHORAGE, stated that she and her colleagues would

present a brief history of the Alaska Healthcare Transformation Project, the current efforts, and the future direction of the project. Salient points will be briefly discussed, and a more in-depth discussion off-line is available if there is interest.

9:08:41 AM

Ms. Heffern reviewed slide 2, "History of Health Care Reform Efforts in Alaska":

- 2007 Health Strategies Planning Council
- 2009 Health Care Commission
- 2010 Medicaid Task Force
- 2010 Affordable Care Act
- 2014 Medicaid Reform Advisory Group
- 2016 SB 74 Medicaid Reform

She discussed the past efforts and how healthcare has transformed in Alaska. She noted that in 2007 under the Palin administration, the Health Strategies Planning Council convened. The Council created a list of seven goals.

1. Health cost for all Alaskans will consistently be below the national average
2. Alaska will have a sustainable healthcare workforce
3. All Alaskan communities will have clean and safe water and wastewater systems
4. Quality healthcare will be accessible to all Alaskans to meet their healthcare needs
5. Personal responsibility and prevention in healthcare will be top priorities for government, the private sector, tribal entities, communities, families and individuals
6. Develop and foster the statewide leadership necessary to develop and support a comprehensive statewide health and healthcare policy
7. Increase the number of Alaskans covered by health insurance

She described how the work of the Council led to the legislature establishing the Health Care Commission in 2010 to advise the state on policies for improving health and healthcare for all Alaskans. The Commission was charged with serving as the state health planning and coordinating body as well as tasked with implementing the goals

previously established by the Health Strategies Planning Council. She said the Commission studied issues related to healthcare in Alaska and reported activities and recommendations to the legislature. The commission was defunded in 2015 and is no longer active.

9:10:45 AM

She continued that in 2010, Governor Parnell convened the Medicaid Task Force, which was comprised of legislators and state administrators, to address the growth in Alaska's Medicaid program and budget. The Affordable Care Act (Obamacare) was also established in 2010. She discussed how the following years were spent addressing the implementation of the Affordable Care Act. That included looking at: the health market and the health insurance marketplace, whether to expand Medicaid, and individual and employer mandates.

In 2014, Governor Parnell convened the Medicaid Reform Advisory Group which was designed to develop a proposal for reforming the state's Medicaid program. She noted how this group addressed: the stability and predictability in budgeting, increasing the ease and efficiency of navigating the system by providers, and providing whole care for the patient by uniting physical and behavioral health treatment.

She said that in 2016 under Governor Walker's administration, Senate Bill 74, the omnibus Medicaid reform bill, became law. Many of the legislators present at this table were instrumental in the passing of that bill. She stated that many of the components of Senate Bill 74 including telemedicine, pharmaceutical control with the prescription drug monitoring program, moving toward a coordinated care model and behavioral health reform are some of the initiatives that have been implemented or are currently in progress. She noted there have been numerous efforts for health reform and she only discussed the last 12 years.

9:12:44 AM

She pointed out that the Anchorage Economic and Development Corporation performs a business confidence inventory every year (since 2010) and found that the main hinderance to economic growth for business development is the cost of

health insurance. The cost of health insurance correlates directly with the cost of healthcare. She noted that during the 2017 legislative session there were many discussions regarding the issue of driving down healthcare costs while increasing quality and increasing access to healthcare for Alaskans.

9:13:57 AM

Ms. Heffern addressed slide 3, "What is the Alaska Healthcare Transformation Project":

> A cross sectional collaboration of payers, providers, policymakers and patient advocates working together to transform Alaska's healthcare system.

She stated how the legislature, administration, and provider organizations were brought together to collectively discuss the issue of healthcare in Alaska. From those discussions, the Alaska Healthcare Transformation Project was developed.

9:14:45 AM

Ms. Heffern discussed slide 4, "Project Management Committee":

- Senator Natasha von Imhof
- Representative Ivy Spohnholz
- Elizabeth Ripley, Mat-Su Health Foundation
- Kalani Parnell, Alaska Native Tribal Health Consortium
- Becky Hultberg, Alaska State Hospital and Nursing Home Association
- Nancy Merriman, Alaska Primary Care Association
- Mike Barnhill, Office of Management and Budget Policy Director, State of Alaska

She discussed why the project was different than previous efforts which have focused primarily on Medicaid. Medicaid is a big part of Alaska's healthcare system; 27-28 percent of the state's population receives health insurance through Medicaid. However, that leaves out about 70 percent of Alaska's population. She noted that Alaska has a relatively small population and when efforts are focused on a single area, significant cost shifting can occur. She reiterated that this was why employers found health insurance costs a

hinderance to economic growth. She opined that not all stakeholders impacted by health reform were brought to help with previous efforts. She relayed her longstanding experience in health and human services and noted the benefit of having new perspectives brought to the table. The current effort was a public private partnership while previous efforts were mainly driven by government (while government is a part of the current partnership, it is not driven by government). She offered her belief that these are the differences from past efforts that will lead to the success of this project.

9:17:24 AM

Ms. Heffern addressed slide 5, "Vision":

> The vision for Alaska's healthcare system is to improve Alaskan's health while also enhancing patient and health professional's experience of care and lowering the per capita healthcare growth rate.

She noted the project was divided into phases. The project began by bringing stakeholders and policymakers together to discuss what needed to change within the healthcare system, she said. She stated that from those discussions came the quadruple aim of the project: the overall patient experience, the provider's experience of care, the cost of care, and access to care.

9:18:16 AM

Ms. Heffern discussed slide 6, "Guiding Principles":

- Focus on improving individual and population health outcomes (defined holistically including mental, behavioral, oral, vision and social health)
- Health coverage with common basic benefits for all. There is shared responsibility in reforming and paying for coverage, with everyone – individuals, business, insurers and governments – playing a role.
- Focus on whole person/integrated systems of care
- Use proven healthcare delivery practices supported by appropriate payment mechanisms
- Seeking recognition and ways to incorporate social determinants of health in patients' care plans

9:19:04 AM

Ms. Heffern addressed slide 7, "Goals":

Healthy Alaskans:
- The percentage of Alaskan residents with a usual source of primary care will increase by 15% within five years

Healthy Economy:
- Reduce overall per capita healthcare growth rate to the greater of 2.25% or Consumer Price Index within five years

Everybody's Business:
- Align all payers, public and private, towards value-based alternative payment models with streamlined administrative requirements within five years

She referenced the tag line "Healthy Alaskans, Healthy Economy, Everybody's Business" and noted that goals were made for those three specific areas. She spoke to the first slogan, "Healthy Alaskans." She noted a national survey, the Commonwealth Scorecard, showed 68 percent of Alaskans have a usual source of primary care (with the best state being at 89 percent, leaving Alaska room for improvement). She discussed the second goal, "Healthy Economy." The Institute for Social and Economic Research (ISER) released a report in 2018 that stated, Alaska's overall healthcare spending growth rate from 1991-2014 was 7.8 percent compared to the United States overall rate of six percent. She reminded the committee that Alaska's healthcare costs are 38 percent higher than the rest of the United States. She discussed the last bullet, "Everybody's Business." She said that since the Affordable Care Act passed, payment of value versus payment of volume of care has grown significantly and can take multiple forms including accountable care organizations, global payments, or bundled payments for care improvement. Alaska is unique in geography and region; therefore, the goals were created so the state would not be limited to following a specific healthcare model. She highlighted that providers and practitioners asked for a focus on how to streamline administrative requirements because it is recognized that the added cost of administration does not equate to better outcomes or better patient care.

9:21:46 AM

Ms. Heffern addressed slide 8, "Strategy Development Teams":

- Primary Care utilization
- Payment Reform
- Data Analytics
- Coordinated Care
- Social Determinants of Health

She said that in the second phase the project members created strategy development teams. A group of 100 people met over the course of four months for three hours a month to discuss areas of question before making recommendations. From those five groups the teams synthesized the questions into four themes.

She then discussed slide 9, "Themes":

1. Alaska landscape – previous projects, pilots, demonstrations
2. Meta-analysis/Synthesis of reports and studies
3. National landscape – what's happening in other states
4. Spend/Cost analysis of Alaska healthcare

She recognized that in the last 10 years, Alaska has accomplished a lot in healthcare reform. She noted the importance of observing healthcare on the national level to learn how other states have accomplished reform in healthcare. Lastly, it was important to note what Alaska was spending on healthcare and what the cost drivers were.

9:23:28 AM

Ms. Heffern discussed slide 10, "Budget and Funding":

- Governor's Budget $250,000
- Capital Budget $250,000
- Foundations $120,000 Mat-Su Health Foundation $250,000 Rasmuson
- Other $130,000 Alaska Mental Health Trust, TBD

She stated that while the strategy development teams were completing their work, funds for the project were collected to support the research. She thanked the committee and members present last year who secured $250,000 for the project in the governor's operating budget under the

Department of Administration. There was $250,000 in capital budget appropriation, $120,000 from the Mat-Su Health Foundation, $250,000 from the Rasmuson Foundation, $100,000 from the Alaska Mental Health Trust, and an additional $30,000 was contributed by someone who preferred to not be identified. She said $1 million was selected because other states with comparable populations used that amount to pursue similar efforts in reforming healthcare. She stated that a budget was developed, scopes of work were put together, and specific contractors from other states were solicited. Five entities responded to the requests for the scopes of work and after scoring the responses, NORC at the University of Chicago was selected as the contractor for all four scopes.

9:24:55 AM

Ms. Heffern introduced slide 11, "Four Scopes of Work":

> NORC at the University of Chicago and University of Alaska Anchorage

She said Mr. Leitz with NORC would provide a synopsis of their work.

9:25:42 AM

SCOTT LEITZ, SENIOR FELLOW, NORC AT THE UNIVERSITY OF CHICAGO, displayed slide 12, "About NORC at the University of Chicago":

> NORC at the University of Chicago is an independent, non-profit research institution that delivers reliable data and rigorous analysis to guide critical programmatic, business, and public policy decisions.

He thanked the committee for the privilege to update them on the Healthcare Transformation Project. He stated that he served as the project director and noted he was accompanied by his colleague Lynne Snyder via phone, who would speak later in the presentation. He briefly discussed slide 12 and added that NORC was established 75 years ago and acted as an independent entity affiliated with the University of Chicago.

9:27:14 AM

Mr. Leitz briefly spoke to slide 13 that listed NORC's office locations.

9:27:22 AM

Mr. Leitz highlighted slide 14, "Research Areas":

> Economics, Markets, and the Workforce
> Education, Training, and Learning
> Global Development
> Health and Well-Being
> Society, Media, and Public Affairs

He noted the areas of research NORC participated in including health and well-being, work related to Medicaid, health exchanges, and private sector healthcare. He added that they had a variety of clients including federal and state governments as well as private sector businesses.

9:27:41 AM

Mr. Leitz addressed slide 15, "About University of Alaska Anchorage: ISER":

> The Institute of Social and Economic Research (ISER) at the University of Alaska Anchorage has been at the forefront of public policy research in Alaska for more than half a century. ISER's multidisciplinary staff studies virtually all the major public policy issues Alaska faces. That work helps Alaskans better understand the state's changing economy and population—and the challenges and opportunities that come with change.

He noted that NORC has been working closely with colleagues at the University of Alaska Anchorage. He recognized that by working with a team that brought Alaska specific knowledge was very important to ensuring that NORC collectively understood the context and history of the delivery system. He said NORC worked closely with ISER at UA and Ralph Townsend (ISER Director) was present today and available to answer any questions.

9:28:31 AM

Mr. Leitz discussed slide 16, "About University of Alaska Anchorage: ICHS":

Institute for Circumpolar Health Studies (ICHS) is an applied health research institute within the College of Health at UAA. The focus of the Institute is applied health research and evaluation relevant to Alaskans. Research areas of interest include health disparities, environmental health, rural health, healthcare systems, and social determinants of health.

He mentioned that ICHS at the University of Alaska Anchorage was another partner that NORC has been working with during the project.

9:28:54 AM

Mr. Leitz addressed slide 17, "Project Overview":

- Provide the Alaska Healthcare Transformation Project, Project Management Committee (PMC) with objective information to:
  - Learn from what has been done already in Alaska via past experiments or meta-analysis of reports/studies
  - Learn from models, structures, and initiatives in other states, and how to apply in Alaska
  - Understand the drivers of the spending and cost of healthcare in Alaska
- Steered by the PMC's vision, guiding principles, and goals, and topic areas of interest

He stated that NORC was selected to provide the Healthcare Transformation Project with objective information related to the four main themes or scopes of work. He briefly discussed each point on slide 17.

9:30:12 AM

Mr. Leitz described slide 18, "Project Scope":

- Four studies, each in response to a statement of work issued by the PMC and focused on a set of guiding principles and topic areas.
  - Meta-Analysis. Identify and assess a group of Alaska-focused reports and studies issued over the past decade (2008 to the present) that focus on delivery system reform related to the triple aim of improved health, improved quality of care

and experience with care delivery (for patients as well as the healthcare workforce), and reduced per capita costs.
- Alaska Historical Project Scan. Identify and assess selected delivery system reform experiments in Alaska over the past decade (2008 to the present), with priority to characterizing regional innovation within the state.

He highlighted that there has been a lot of work done on this issue, so the project was not starting from scratch. He explained how a meta-analysis looked across the data from previous studies and reports and used research techniques to find common themes threaded throughout the reports. He said the second area of study was the Alaska historical project scan which assessed former experiments performed in Alaska, regionally and statewide, to glean knowledge and information to help build a more efficient and effective healthcare system.

9:31:47 AM

Mr. Leitz described slide 19, "Project Scope (cont.)":

- Four proposed studies continued…
  - National Scan. Develop case studies for selected states where delivery system reform relevant to Alaska's five key topics of interest offers lessons for prospective innovation.
  - Drivers of the Health Care Costs and Spend in Alaska. Review health care spending in the state and the prospects and limitations of available data sources that would support a fine-grained analysis of cost drivers relevant to these reforms. Based on this review, prepare a set of estimates of potential reform-related savings and a draft roadmap with proposed short-term (within one year) and long-term steps that comprise one or more pathways to reform.
- Dissemination-related tasks. Collaborate with the PMC to present or support debriefings on key findings and the roadmap, with creation of high-impact summary materials (issue brief/fact sheet).

He said NORC was in the process of conducting a national scan. Each state has its own way of accomplishing health reform, so NORC wanted to look across a variety of states

and see where lessons learned may be applied to help Alaska move forward on this issue. He noted the final area of study, the drivers of healthcare costs and spend in Alaska. Under this scope of work, NORC will be reviewing healthcare spending in the state and find data sources to support a more finely grained analysis moving beyond cost drivers relevant to some of the reforms. He said NORC would do its best to prepare a set of estimates on potential reform-related savings and develop a draft roadmap that will give logical next steps for health reform in Alaska. NORC will also prepare several materials that will disseminate some of the findings more broadly across the state.

9:32:59 AM

Mr. Leitz discussed slide 20, "Topic Areas of Focus":

Increasing primary care utilization
Coordinating patient care
Changing the way healthcare is paid for in Alaska
Increasing data analytics capacity
Addressing social determinants of health

He noted that the Project Management Committee (PMC) identified five areas of focus that were key components in achieving a successful reform system.

9:34:01 AM

Mr. Leitz discussed slide 21, "Timeline":

He said the first meeting was held in November 2018 which involved in-person visits and an opportunity to meet with the PMC to learn more details about the project. He noted that NORC's work began with the meta-analysis and historical scan reports that were submitted and reviewed in February 2019. He said that by March 2019, a draft of the national scan report and cost report would be reviewed by the PMC. A final national scan report, based on feedback from the PMC, would be completed by the end of March. The cost report would be reviewed in April and then finalized in May. He said that the final roadmap and report would be finished in June, 2019.

9:35:28 AM

Mr. Leitz discussed slide 22, "Overview of Project Deliverables":

He noted that the historical project scan and the studies meta-analysis were important first products submitted to the Project Management Committee. Those reports support the ongoing analysis of what drives healthcare costs and spend as well as provide relevant elements of the national scan regarding Alaska.

9:36:10 AM

Mr. Leitz addressed slide 24, "Meta-Analysis: Methods":

- Conduct a systematic review to identify relevant peer-reviewed and grey literature;
- Extract and compile quantitative and qualitative data in a database; and
- Develop a report that explores commonalities across the identified reports and studies, analysis of gaps in understanding related to limitations of these documents, themes that characterize available public comments, and a summary of policy, programmatic, and system redesign changes based on our review.

He noted that he would briefly discuss the methodology that NORC used to produce the study results within the four scopes of work. After, he would ask his colleague Lynne Synder to help him discuss the findings of the meta-analysis and historical scan. He highlighted that as seen from the previous timeline, the national scan and the healthcare costs and spending reports were not complete, but he would give a flavor of what they were looking at.

He reiterated that a meta-analysis was taking a deeper look at the reports that have been produced in the state, whether in peer review journals or grey literature. He explained that an example of grey literature was a report produced by a foundation, the legislature or state agency that was related to the healthcare system in Alaska. He said that NORC conducted a systematic review of those reports and extracted and complied quantitative and qualitative information across those reports. They developed a report that explored the commonalities within all the reports, analyzed the gaps in the current healthcare system, and characterized themes that keep

reoccurring across the system and reports which gave insight on where to start with the reform process.

9:37:53 AM

Mr. Leitz noted slide 25, "Meta-Analysis: Methods":

- Systematically searched peer-reviewed and grey literature for Alaska-based reports and studies related to five topic areas
- Submitted list of reports and studies on November 5, 2018
- Developed database of reports and studies
- Identified key themes from reports and studies
- Developed final report, submitted on February 7, 2019

9:38:30 AM

Mr. Leitz discussed slide 27, "Alaska Historical Project Scan: Methods":

- Refine a definition of health reform experiment, services, and outcomes to guide scan of reforms since 2008
- Gather and analyze qualitative data on selected experiments
- Develop a report that identifies regional patterns and gaps in experiments across the topics of interest, compares experiment features and outcomes, and presents conclusions regarding policy, programmatic, and system design recommendations for Alaska.

9:39:02 AM

Mr. Leitz discussed slide 28, "Alaska Historical Project Scan: Methods":

- Identified Alaska-based experiments, focused on the five topic areas
- Submitted list of experiments on November 5, 2018
- Searched peer-reviewed and grey literature, including newspapers
- Conducted interviews with stakeholders
- Organized information on the experiments
- Submitted final report on February 7, 2019

He said that the PMC provided feedback to NORC on the list of experiments and reduced it to approximately 11 different experiments to focus on. NORC preformed an exhaustive review of any peer review and grey literature, including newspapers, to gain more information on the effectiveness of those experiments and how well they worked in Alaska.

Mr. Leitz discussed slide 30, "National Scan: Methods":

- Develop a list of states involved in relevant health reform models to inform in-depth analysis;
- Gather and analyze data on relevant models in selected states, especially those with all payers claims databases; and
- Develop a report that systematically analyzes and compares the state health reform models, identifies what is known about model results related to costs and other outcomes, and presents conclusions regarding policy, programmatic, and system design recommendations for Alaska.

Draft Report: March 1, 2019
Final Report: March 29, 2019

9:40:58 AM

Mr. Leitz discussed slide 31, "National Scan: Case Studies Reports":

- State Characteristics
- History of and Impetus for Health Reform
- Overview and Implementation of the Health Reform Approach
- Details and Mechanics of Initiative
- Incorporation of Social Determinants of Health
- HIT, Data Analytics, All-Payers Claim Database
- Results, Lessons Learned, Next Steps
- Considerations for Alaska

He mentioned that slide 31 showed a list of what the seven case studies would include.

He briefly referred to slide 32 which depicted a map of the United States and listed the seven states that were studied.

- Arkansas
- Colorado

- Maryland
- New Mexico
- North Carolina
- Oregon
- Washington

9:42:11 AM

Mr. Leitz reviewed slide 33, "National Scan: State Health Reform Approach":

- Arkansas – Health Care Payment Improvement Initiative
- Colorado – The Colorado Framework
- Maryland – All-Payer Rate-setting System for Hospital Services
- New Mexico – Centennial Care and Medicaid-related reforms and initiatives
- North Carolina – Medicaid Transformation and Social Determinants of Health
- Oregon – Oregon Action Plan for Health
- Washington – Healthier Washington

He noted that slide 33 listed the specific reforms studied for each state. He stated that NORC was asked to investigate these reforms and then see how they were relevant to Alaska.

9:42:50 AM

Mr. Leitz discussed slide 35, "Spend and Cost of Healthcare: Methods":

1) Review of Spending and Data
- Prepare a review of health care spending in Alaska, including:
  - Identifying gaps in data source availability that constrain a comprehensive accounting;
  - Identify sources of additional data to address gaps;

2) Summarize extant knowledge on potential sources of cost savings;
- integrate findings from all project tasks to understand constraints to implementation of reforms in Alaska
- make considerations regarding policy, program, and system redesign in the state;

- Develop a report that presents a draft roadmap for possible pathways to reform in Alaska, including recommendations for both short- and long-term steps.
- Revise roadmap and disseminate findings in coordination with the PMC, incorporating feedback from the Steering Committee.
- Final Report, May 2019

He said that the methodology for the scope of spend and cost of healthcare had two work streams. The first was to review available data pertaining to spending and cost within Alaska. The second was to summarize what is already known on the potential sources of cost savings.

(He skipped slide 36)

9:44:48 AM

Mr. Leitz reviewed slide 37, "Alaska Spend and Cost of Health Care: Revision of Roadmap and Dissemination of Findings":

- Meet with PMC to review draft report and roadmap
- Upon PMC approval, coordinate with the PMC to solicit feedback from the strategic development team and convening groups
- Iterative process with PMC to develop final report
- In-person and virtual working visits
- Create high-impact, visually-oriented summary materials (fact sheet/short issue brief) and materials to support debriefings that PMC would schedule
- Potential Follow-on steps:
    - Survey payers to understand what data exist and can be obtained for improved study on payment reforms
    - Obtain and analyze data to further understand cost drivers
    - Engage stakeholders in structured process to refine analyses and generate recommendations;

He explained that even though producing reports was informative, the goal of the roadmap was to take information and figure out how to best implement it. The roadmap would be based on the four scopes of work and through an iterative process between NORC and PMC, a

roadmap will be developed that has concrete information for moving forward.

He said that this was a broad overview of the project, but he wanted to discuss the two reports that were submitted to the PMC last week concerning the meta-analysis and the historical project scan. He said Dr. Snyder would discuss the remaining slides.

9:46:20 AM

LYNNE SNYDER, PH.D., PRINCIPAL RESEARCH SCIENTIST, NORC AT THE UNIVERSITY OF CHICAGO (via teleconference), displayed slide 39, "Meta-Analysis: Methods":

- Reviewed 75+ reports related to five topic areas
- Analyzed information by:
  - Topic Area
  - Geography
  - Population
  - Payer
  - Service

She introduced herself and mentioned her areas of expertise. She discussed how the meta-analysis began with a long list of studies and reports that have been published in the last decade dealing with health reform in Alaska. Nearly 300 reports were identified for the social determinants of health section alone. She stated that the NORC team divided into three groups and began the meta-analysis process.

- ICER analyzed the payment reform and data analytics topics
- ICHS (Institute for Circumpolar Health Studies) analyzed the social determinants of health
- NORC analyzed the primary care utilization and coordinated care (primary and coordinated care were merged into one discussion)

She stated that the three teams tailored their approach to data collection and analysis to reflect the different ways in which studies and reports were presented for each topic. She said a narrative was developed to explain what the teams learned about the five topics.

9:48:28 AM

She explained that NORC took two approaches to interpret the findings. For the topics of primary and coordinated care and the social determinants of health. A matrix synthesized key finding by theme including region, population, or a certain social determinant like addiction. She added that there was a draft of considerations for data analytics and payment reform that was statewide in scope and related to public or commercial payers. She explained that along with the report, NORC submitted a free-standing appendix (available in Excel and Word) of the meta-analysis findings that noted the objectives reach report, study design, population served and payer, data sources, conclusions, and, where available, information about funding.

9:49:33 AM

Ms. Snyder highlighted slide 40, "Meta-Analysis: Summary":

- Primary Care/Coordinated Care
  - Promising models (evaluation): patient-centered medical home, improved screening, telehealth & ECHO (specialty co-management), behavioral health, CCI ED diversion program, Strong Start for Mothers (national evaluation)
- Data Analytics:
  - Available data sources: CMS, commercial, private; prospects for APCD
  - Approaches to regional analysis
- Payment Reform
  - Cost-shifting (state to federal)
  - Movement from fee-for-service toward value-based purchasing: managed care, capitation
  - Challenge of low-volume, aligning payers
  - Promising models: bundled care, FQHC Advanced Primary Care (national evaluation)
- Social Determinants of Health
  - Landscape of needs
  - Promising models (evaluation): Housing First

She noted that information found through program evaluations and peer review publications on primary and coordinated care was very limited. She said that there was more information about what Alaska needed in health reform than what actually worked. Most of the reform data since 2008 was unevaluated. She said 39 reports were studied

relating to primary and coordinated care and 16 of those reports were peer review journal articles and the rest were grey literature. She listed the promising models for primary and coordinated care.

- The Nuka System of Care and similar patient-centered medical home models
- Screening to improve prevention of chronic disease
- Telehealth delivery of services that extend the reach of primary and specialty care and support providers in the field (for example, through the ECHO model of specialty co-management)
- Integration of behavioral health that is preceding with the recent section of the 1115 waiver
- The diversion of patients from emergency department visits and into primary care through Medicaid's Coordinated Care Initiatives
- Sharing of electronic health record information across emergency departments
- Improved maternal and child health through the Strong Start for Mothers initiative

She noted that the reports and studies reviewed for this project included reform in both tribal and non-tribal delivery systems. Reform within the Department of Defense and Veterans Administration delivery systems were not within the scope this study.

She emphasized that for data analytics, there was a focus on healthcare cost rather than data concerning access to care or quality of care. She noted that the report gave considerations for working with cost data, for conducting regional analysis of costs, and for exploring the feasibility of an all payers claims database (APCD) which would enable analysis of utilization and costs by drawing on claims of multiple payers. The report describes key data sources that were used to analyze current healthcare costs which included:

- The center for Medicare and Medicaid services
- Medicare research files
- The center's national health expenditure accounts that allow for comparisons across states
- Three national and commercial insurance claim databases

- Alaska state datasets that enable analysis of cost as well as provider behavior and decisions

9:52:18 AM

She noted that a review of major payment reform initiatives in the last decade were included in the report. The discussions focused on recent developments related to pricing transparency, regulation of pharmacy benefit managers and of insurance reimbursement. She said there was a trend of reduced spending accomplished by cost shifting from state to federal government. The key example was the reinsurance of the health insurance marketplace under the section 1332 waiver. There is some movement from a fee-for-service format toward value-based purchasing with interest in Anchorage's upcoming united health demonstration of Medicaid managed care health plan. She noted the considerable challenges to reform in Alaska:

- Fragmented delivery systems
- The small number of commercial payers
- The low volume outside of Anchorage and Southeast Alaska
- The result in difficulty in aligning payers

She added that under Senate Bill 74, there were some promising models supported by federal one-time grants including multiple initiatives of bundled payments for episodes of care as well as the federally qualified health center advanced primary care model.

She stated that for the topic of social determinants of health there was a focus on needs assessment and a consideration of non-medical influences on health and well-being. She noted that NORC's findings aligned to the goals for health set out by the Healthy Alaskans 2020 initiative due to its broad-based consensus-oriented process. NORC's approach was to review the prior work done by ICHS to better understand the health influences that were meaningful to Alaska's residents. She highlighted that this revisioning of social determinants emphasized what factors were impacting Alaskan's health. The teams considered factors on an individual level such as age and ethnic identity as well as those related to individual behavior such as addiction and diet/exercise/nutrition and then considered factors related to social relationships specifically concerning Alaska's high suicide rates and

trauma and how each of these impact the need for health services. She noted that their scale identifies a number of factors on the neighborhood, community, region and state level that are uniquely impacting Alaskan's health including access to clean water and access to communication through broadband and fiber optics as well as challenges that are shared with other states including access to quality healthcare and addressing workforce shortages (as seen in other states with large rural populations). She added that national and federal economic development, revenue for Alaska programs that come from the federal government, and related policies and programs in healthcare have important influences on Alaskan's health. She said the NORC team identified the number of needs to be addressed by health reform related to addiction, trauma and suicide, food and water security, and homelessness. For example, the Housing First reform demonstration offers improved outcomes.

9:56:13 AM

Ms. Snyder highlighted slide 41, "Alaska Historical Project Scan: Methods":

- Initial list of 30 health reform experiments → PMC identifies 11 for focus
- Literature review to generate supplemental list of reforms by topic area
- 5 key informant interviews
- Analyzed information by:
  - Topic Area
  - Geography
  - Population
  - Payer
  - Service

She explained that the historical project began by submitting a list of 29 reforms that had taken place within the last decade. She noted that all the Senate Bill 74 experiments and pilot programs were considered one reform. She stated the PMC advised the NORC team to focus their research on 11 of the 29 reforms. She said that the research identified a larger supplemental group of reforms (almost 100) in each topic area which was used to fill in the gaps on understanding the meaning of reform for each topic. She added that they conducted a small number of key informant interviews and reviewed state specific data of

healthcare prior to 2008 to provide background on health reform in Alaska.

She explained how the report considers the set of 11 reforms in multiple ways, including trends in Alaska's health since the era of hospital/clinic buildings and the population growth that began during World War II. Reforms to address workforce shortages, to bridge Alaska's long distances and to assert self-determination and autonomy are all enduring themes in the state's health history. She stated how these themes better explain why Alaska has a complex payer environment and multiple delivery systems. She said that with the limited evidence available for any one reform, an analysis of a group allowed NORC to make preliminary observations about trends. The report includes a short profile for each of the 11 reforms and an appendix highlighting what could be learned about experiment goals, current status, results and lessons learned.

She highlighted how four reforms were statewide in scope with three relating to the Medicaid program and one related to capacity building for providers. Another four reforms are located in and around Anchorage and Mat-Su Borough including the Southcentral Foundation Nuka System of Care and three demonstrations funded by the Centers for Medicare and Medicaid Services (CMS). She added that two reforms were located in Southeast Alaska, but none of the reforms were in the northern or interior regions of the state. She said that in terms of leadership, most reforms were led by tribal health organizations or by providers under agreement with state agencies. She stated that reform funding came mostly from federal entities like the Centers for Medicaid and Medicare services.

She discussed how population reform targeted Medicaid enrollees, beneficiaries of the Medicare program and Native Alaskan residents. She said that validation was lacking in terms of outcomes of documented reforms. She noted the team identified program evaluations or peer review publications specific to Alaska for six of the 11 initiatives. She said the Southcentral Foundation for the Nuka System of Care offered the most evidence of effectiveness while evidence of other reforms was limited yet promising. Positive findings are seen for the complex behavior initiative and the coordinated care initiative emergency room diversion program. She said the Kodiak Area Native Association's use of electronic clinical reminders have been shown to improve

screening rates for preventive care and the PeaceHealth Ketchikan care coordination pilot was associated with improved care processes for diabetes.

She said national evaluation findings include data for Alaska sites for three reforms including the advanced primary care practice demonstrations for health clinics, bundled payments for care improvement and the Strong Start Program for Mothers and Newborns. However, generalizations from national findings to local sites were unclear. She highlighted how the pace of reforms has increased due to Senate Bill 74 but there were many gaps concerning topics of reform because regions, populations, and outcomes were not included in the list of 11 reforms (or even in the broader list of 104). She added that NORC did not identify reforms related to dental or vision care, access to durable medical equipment, or anything related to long-term services and reports. Reforms are limited in terms of tested payment models and delivery system changes listed outside of primary care, she said.

10:01:45 AM

Ms. Snyder discussed slide 42, "Alaska Historical Project Scan: Findings by Topic":

- Primary Care Utilization and Coordinated Care
  - Patient-Centered Medical Home Models
  - Behavioral Health Integration with Primary Care
  - Emergency Department Utilization
  - Care Coordination Systems
  - Clinic-Based Reforms
- Payment Reform
  - State-wide payment reform tied to delivery system reform
  - VBP: bundled payment models
- Data Analytics
  - Electronic health records
  - Telemedicine
  - Data analytics to support care delivery

She stated that both the meta-analysis and history reports gave similar considerations for further work related to policy and programmatic reforms and delivery system change. In terms of short-term and long-term policy changes, there are some recommendations for the next two reports.

- First is to build on the historical experience of Alaska's public officials and stakeholders with multi-sector planning coalitions to bring all parties to the table.

- Second is to continue to tap the comprehensive set of recommendations around primary care developed by the Health Care Commission and use it as a launching point. It is important to acknowledge that the patient center medical home model, as a delivery system approach, may be tied to different payment reforms and may not necessarily yield substantial cost savings but there may be improved access to care and quality of care.

- Third is the importance of continued investment in communication and transportation strategies that bridge Alaska's distances and invest in the state's own ability to deliver healthcare for its residents (for primary and specialty care).

She stated that regarding programmatic changes, it was important to identify and adopt nationally validated performance measures that would be meaningful to health reform in Alaska while supporting the state's current data systems. She added that it was important to consider what measure of access and quality of care were most important for reform to expand considerations beyond that of cost. She explained that in terms of system redesign changes, it was important to acknowledge the defining characteristics of healthcare delivery in the state which included deep orientation towards fee-for-service reimbursement. She said a lot can be done within a fee-for-service reimbursement framework. She highlighted the importance of respecting the powerful dynamic between federal and state level organizations and a pull toward local autonomy. She stated it was important to continue to realign Medicaid purchasing with federal reform opportunities through wavier programs as well as support greater coordination across health services delivery and social services to address contributions of social determinants of health to adverse health outcomes. She thanked the committee and her colleagues for the opportunity to present some of the findings from the study.

10:05:05 AM

Mr. Leitz thanked the committee. He said this concluded the presentation from NORC.

10:05:14 AM

Ms. Heffern noted that the Project Management Committee was still evaluating the two reports. They will be available on their website which is listed on the last slide (slide 43). She highlighted that NORC would complete two other reports regarding the national scan and would bring forward recommendations about the reform structure that has worked in other states. The cost drivers and spending on healthcare in Alaska will also be a topic of discussion. She said that from June till the end of the year, the PMC will work on an implementation plan that will include policy recommendations that will be brought to the state administration, the legislature and the federal delegation. She opined that implementing some of the reforms that come out of this project could use federal help. She thanked the committee the invitation to present this information. She noted that the process of a cross sector collaboration like this project takes a long time. She assured the committee that the Healthcare Transformation team was being proactive in addressing the cost of healthcare in Alaska while looking at quality and access of healthcare.

10:08:04 AM

Senator Hoffman noted that many of the communities spread across Alaska have limited access to healthcare. He asked why the adequacies and efficiencies of healthcare facilities in rural Alaska were not addressed in this report.

10:09:15 AM

Ms. Heffern answered that she agrees that access to healthcare is issue of concern in Alaska. She noted that looking at the capacity of what was available within individual communities was beyond the scope of the project, but it may be a topic discussed in the next phase. She said the current focus was to look at the overall healthcare system and note where the gaps and cost drivers are in order to assess what policy decisions need to be made. She opined that if access to healthcare within rural

communities was addressed, it would need to move forward as a policy decision and include the cost.

10:10:12 AM

Senator Hoffman said it was critical for Alaskans in remote areas to have access to adequate healthcare and without access it would be impossible to improve healthcare in Alaska. He said that a vast hole was created within this review because the topic was not addressed.

10:10:45 AM

Co-Chair von Imhof highlighted that Alaska is unique due to its vast geography, lack of connected road systems, and a relatively small population. She commented that there was limited healthcare access even in Anchorage in some areas such as a burn unit treatment or of a deep brain tumor. She opined that Alaska may never solve certain issues around this topic because of the population and geographic size but it should be a topic of discussion to decide what Alaskans are willing to accept.

10:12:10 AM

Senator Micciche pointed out the seven states highlighted on page 32 and assumed they were not the result of a random draw. He asked why those seven states were selected and if there was a specific state (from that list) that had a higher level of success with health reform or if they were all at different stages of improvement.

10:12:45 AM

Ms. Heffern said correct, those seven states were not randomly selected. She noted that Washington, Oregon and Colorado were selected because of previous work done to study their reforms. She briefly stated reasons why each state was selected:

- Oregon has a coordinated care organization structure that is bundled payments to each of the coordinated care organizations.
- Colorado has a regional collaborative care organization structure (very similar to Oregon) done on a regional basis and doesn't perform a shared savings or shared risk while Oregon does.

- Washington has a very structured managed care type system and are looking at accountable communities of health.
- Arkansas has restructured the health insurance exchange.
- New Mexico has a large indigenous population.
- Maryland has a payment structure it has performed with their hospitals.

10:14:15 AM

Senator Giessel commented that there was effort to change Alaska's healthcare system. She opined that every dollar in the healthcare industry has a formidable opponent to change due to how the current system makes huge amounts of money. She referred to slide 30 and asked which of the seven states were ones with an all payers claims database, what it cost to develop the database, how long it took to set up the database, and how useful those databases have been.

10:15:08 AM

Ms. Heffern replied that the spend and cost report, which will be release in May, will contain that information. She said the recommendation to look at the all payers claims databases came from the healthcare commission many years ago. She agreed that every dollar in healthcare has a constituent behind it. Thus, the effort to bring all the different perspectives impacted by health reform into the discussion. These include Premera, Atena, Moda, Medicaid, Medicare, the union health trusts, legislators, Department of Health and Social Services, and Department of Administration.

10:17:03 AM

Senator Bishop asked if 68 percent of Alaskans are insured (slide 7).

10:17:23 AM

Ms. Heffern answered no; 68 percent of Alaskans identify that they have a usual source of primary care.

10:17:32 AM

Senator Bishop asked if that means 30 percent of Alaskans are not insured.

10:17:35 AM

Ms. Heffern replied that there was a difference in identifying a usual source of primary care and having health insurance coverage. She offered her belief that close to 14 percent of Alaskans do not have health insurance coverage.

10:18:02 AM

Senator Coghill commented that he appreciated the work put into this project especially the meta data. He noted that he previously met with the University of Fairbanks and was pleased to find out they were performing significant research on the social determinants and economic impacts related to Alaskan's health.

10:19:16 AM

Chair Wilson commented that he was looking forward to the final reports and the map being released. He said he was hopeful that this work would stimulate or provide impetus for action going forward. He asked what subcontracting work ISER and ICHS were performing and if their role was with just the meta-analysis or throughout the entire project.

10:19:55 AM

Mr. Leitz replied that they were involved in the meta-analysis and historical scan but also helped with the cost and spend portion of the report. He stated that NORC would also work with ISER and ICHS to analyze the impacts certain reforms have on overall costs.

Co-Chair Stedman discussed the next day's agenda.

ADJOURNMENT

10:21:06 AM

The meeting was adjourned at 10:21 a.m.