

From the facts gathered at the July 30, August 27, and September 17, 2007 meetings of the council, The Foraker Group consolidated those facts into five separate categories, or “thought groups.” Only facts that garnered six or more votes in either the initial votes, in the re-visitation were considered in the consolidation.

FIVE HEALTH FACT CATEGORIES – THOUGHT GROUPINGS

Access to and Cost of Health Care

- (11) Access to primary care is fundamental to a high performance health care system and plays an important role in health care quality, costs, and outcomes
- (11) Alaskans report they are willing to pay up to \$100 per month for health care, in terms of sharing the costs above and beyond what sliding fee scale would pay.
- (11) While on average Alaskans use fewer prescription drugs than other states, the cost of prescription drugs is 25% higher (ISER)
- (11) Rural Alaskans have to travel 200 to 500 miles for much of their health care
- (11) Alaskans report they are willing to pay up to \$100 per month for health care
- (11) While on average Alaskans use fewer prescription drugs than other states, the cost of prescription drugs is 25% higher (ISER)
- (11) Rural Alaskans have to travel 200 to 500 miles for much of their health care
- (10) The purpose of healthcare insurance is not to provide access to healthcare but to protect assets from unforeseen medical costs. (Handbook on state health care reform, Bond, et.al., pg 39; Davis presentation)
- (10) More than half of Alaska’s uninsured are employed
- (10) Spending for hospital care in Alaska is 42% above the national average (ISER)
- (10) To effectively lower costs, incentives in the healthcare system must focus on keeping people well rather than treating people after they get sick. (source CEO Roundtable on cancer)
- (10) Access to health care is limited by more than just a shortage of physicians – it is a function of shortages in PA’s, nurse practitioners and nurses
- (10) Alaska’s physician (professional) shortage is projected to get worse
- (9) Individuals get no tax benefit when paying for their own health insurance; employers receive a tax benefit for employee insurance coverage. (Insurance presentation- Davis; (Handbook on state health care reform, Bond, et.al., pg 51)
- (9) The biggest jump in insurance expenses in Alaska are prescription drugs, which are 25% higher in cost than the national average (ISER)
- (9) Community health centers reduce costs of care, improve access to care, improve quality of at least some outcomes
- (9) Improvement in prevention and early intervention lowers health care costs (Pacific Trails Report)
- (9) Portability of insurance is an important fact in being able to provide insurance in a labor market with a high percentage of seasonal workers (9) Among the main reasons all employers gives for not providing insurance coverage to employees, 53% report that coverage is too expensive

- (9) Employers with less than 50 employees are less likely to offer health insurance coverage (ISER)
- (9) 40% of private sector jobs are in firms with 50 employees or less
- (9) Different people need different types of health care
- (8) 10% of patients cost 60% of health care dollars (Sherry – affirmed by Davis)
- (8) Medical claims count for 82% of health insurance premiums
- (8) In 2005, the US spent almost \$2 trillion dollars on health care, and for every dollar spent, 75 cents went towards treating chronic disease.
- (8) Alaska has only one public health department
 - There is one community – Anchorage – with local public health power
- (8) By percentage, there are more “uninsured” Alaskans in rural as compared to urban areas
- (8) Nationally, five percent of patients require over half of health care spending – whereas 50% of patients require only three percent of spending (ISER)
- (8) Costs for medical care in Alaska are approximately 25% higher in Alaska than the national average
- (8) Moral hazard and crowd out may be realities impacting health care coverage in Alaska, depending on the policy path chosen.
 - NOTE – Check Fact: Gruber study on public insurance says that the crowd-out rate among state CHP programs is 60% for programs at 200% of poverty level
- (8) Among people who seek care, RAND researchers found virtually no difference in the quality of care received by the insured and uninsured, or based on type of insurance – Medicaid, managed care, fee-for-service, etc. (Handbook on state health care reform, Bond, et.al., pg 23)
- (8) In Alaska in 2002, annual spending per capita on health care was \$8,000 (ISER)
- (8) A “catastrophic” or high deductible policy with a \$3000 floor would cost approximately 1/3 that of a comprehensive (which includes the pre-payment for routine services) policy.
- (7) Insurance policies should be portable and renewable at rates that are independent of adverse health events. (State Healthcare Reform; Bond, et.al.; pg 20, 46-50)
- (7) In 2005, the total cost of health care in Alaska for the uninsured was estimated to be \$125 million.
- (7) Health accounts that allow Medicaid recipients were trialed in about half the states (manage their own healthcare dollars and directly purchase needed services) – results in higher quality of life with fewer unmet health needs and almost 100% patient satisfaction. ((Handbook on state health care reform, Bond, et.al, pg 40-41)
- (7) Not everyone who has insurance can afford to go to the doctor
- (7) Health care and access can be different from health insurance
 - Is VA coverage insurance?

- (7) The lack of insurance does not necessarily preclude health care coverage
 - Alaska Native benefits
 - Go to an emergency room without insurance, health care is still provided
- (7) Prevention accounts for only three percent of healthcare spending (source CDC)
- (7) Cost is perceived to be a barrier to health care
- (7) One-half of health care costs are for five percent of people
- (7) The biggest deficit within the physician shortage is for primary care physicians
- (7) Prevention has a higher up-front cost, but can save upwards of 30% in long term health care costs
- (7) Costs for services and goods (claims) average \$300/member/month (Insurance presentation- Davis)
- (7) Chronic disease accounts for 75 of spending of health care dollars nationwide. (Thorpe)
- (7) Providing incentives for good behavior is an effective tool. (Frogué)
- (6) 93% of those surveyed believe they should have the right to know about the cost and quality of their health care.
- (6) Consumerism works best for the sickest patients and can reduce health care costs (Frogué)
- (6) The typical family that loses health insurance is uninsured for 5.6 months.
- (6) It is imperative that a “minimum standard” be established regarding insurance coverage
- (6) One-third of Alaskans 18-24 years of age are uninsured
- (6) Alaska’s ranking – in terms of health care nationally – is 26th (or 31st)
- (6) Insurance pools bring predictability, not lower costs (Premera Blue Cross Shield of Alaska)
- (6) In markets where patients, not third party payers, pay the bill, competition results in lower costs (Handbook on state health care reform, Bond, et.al., pg 11)
- (6) Rates for a day in the hospital in Alaska were 42% higher than the national average (ISER)
- (6) The cost of insurance in Alaska is \$1,300 higher per year than nationally (ISER)
- (6) If there are not financial barriers to health care in Alaska, there will be other barriers
- (6) Development of tribal health care system has elevated significantly the health of Alaska Natives – though they may still be losing ground from access
- (6) Alaska does not have a system in place in which providers have to compete for patient care dollars
- (6) Alaskans spend more per-capita on health care than any other state
- (6) 10,000 children of working Alaskan parents are uninsured
- (6) Adding Health Savings Accounts to insurance coverage creates even more incentive for health (Insurance presentation- Davis)

Lifestyle, Personal Responsibility and Wellness

- (11) Alaskans report they are willing to pay up to \$100 per month for health care
- (11) There is a great deal of evidence that lifestyle choice is a significant driver of health care
- (10) Better lifestyle habits can help prevent 80% of heart disease and 90% of type-2 diabetes (source Harvard School of Public Health)
- (9) 64% of Alaskans are “overweight”
- (9) Regarding the link between lifestyle and health care, the greatest contributors to pre-mature death are poor diet, inactivity, tobacco and alcohol (Frogué)
- (9) Obesity accounts for 30% of the rise in health care spending (Thorpe)
- (9) Aggressively promoting exercise and good diet in children will save huge amounts of health care dollars (Frogué)
- (8) 62% of Alaskans are overweight or obese compared with national average 58%
- (8) 24% of Alaskans smoke; 64% are overweight; 26% are obese; 6% have been diagnosed with diabetes; 14% have been diagnosed with asthma; 33% of Alaskans admit to binge drinking.
- (8) In order for people to make rational health care choices, they need information on services and providers (price, quality, information); they also need to be empowered to make those choices, or have people around them who can make those decisions. (McKinsey)
- (7) Smoking, diabetes, etc attribute to at least 25% of insurance costs
- (7) Cancer and heart disease are leading cause of death in Alaska
- (7) Most “health risk behaviors” are lifestyle related
- (7) 90% of heart disease is preventable
- (7) Alcoholism and chemical dependency is Alaska’s #1 behavioral health problem
- (7) Providing incentives for good behavior is an effective tool. (Frogué)
- (7) The number one strategy for promoting health is to work on childhood obesity – junk food out and physical education in. (Frogué)
- (6) 93% of those surveyed believe they should have the right to know about the cost and quality of their health care. (6) 36% of all Anchorage School district students and 32% of kindergarten and 1st grade students were overweight or at risk for becoming overweight.

Individual and Community Behavioral Health

- (11) The suicide rate for Alaska is twice the U.S. average – and it is the #1 cause of death among Alaska youths
- (10) The suicide rate for Alaska Natives is four times the national average – for all other Alaskan groups the rate is 1.2 times higher than the national average
- (8) Mental illness and substance abuse are dominant drivers in health care systems

- (7) Suicide is a huge problem in rural Alaska, and may have ties to the health care system – anybody can be taught to recognize the signs of suicide risk (Terry Klein)
- (7) U.S. will see more post traumatic stress disorder and traumatic brain injuries from Mideast because – according to the 2000 U.S. Census, Alaska has the highest number of veterans per capita among the 50 states.
 - NOTE: 17% of the total Alaskan population are veterans
- (7) Alcoholism and chemical dependency is Alaska’s #1 behavioral health problem
- (7) One-half of total Medicaid dollars are for mental health services (350 million) – therefore 15% of Alaskans receive the majority of Medicaid dollars, with the three highest behavioral health issues costing \$65 million

Primary Care/Prevention/Public Health

- (10) Community Health Centers (CHC) increase access to primary care, are cost-effective primary care givers in medically underserved, target low income and are open to all Alaskans.
- (9) Alaska has significant health care provider shortages
- (9) Different people need different types of health care
 - The biggest need amongst the low income group is primary care (costs)
 - As Alaskans become more affluent, and greater access to primary care, financial security becomes part of the equation
 - Among the more affluent, the biggest need is financial security (specialized services)
- (9) Aggressively promoting exercise and good diet in children will save huge amounts of health care dollars (Frogué)
- (9) Improvement in prevention and early intervention lowers health care costs (Pacific Trails Report)
- (8) Promoting healthy lifestyles is a key component of reforming the health care system (8) Alaska ranks 49th in US in quality of health system performance (Commonwealth State Scorecard (8) There is no shared understanding of a “baseline” insurance coverage – “not all insurance is created equal”
- (8) Alaska has only one public health department
 - There is one community – Anchorage – with local public health power
- (8) Among people who seek care, RAND researchers found virtually no difference in the quality of care received by the insured and uninsured, or based on type of insurance – Medicaid, managed care, fee-for-service, etc. (Handbook on state health care reform, Bond, et.al, pg 23)
- (7) Chronic diseases – such as cardiovascular disease, cancer and diabetes, are among the most prevalent, costly and preventable of all health problems (source CDC)

- (7) Alaska teen death rate 105/100,000 compared with national average 66 (also from above & both of these also are on the Alaska Kids Count web site) ; those death rates are highest in rural areas
- (7) Alaska child death rate 38/100,000 compared with national average 21
- (7) \$3 of every \$4 spent on healthcare in the US goes to treating people with chronic disease (source GlaxoSmithKline – CDC)
- (7) Injuries/accidents, substance abuse, and suicide are among the leading causes of morbidity and mortality in the Alaska Native population (Sherry)
- (7) Of the ten leading causes of death among Alaska Natives, 5 were due to chronic disease (cancer, heart disease, suicide, alcohol-related, lung disease) (Alaska Tribal Health System Report)
- (7) From the 2004 Prevalence Demographics data from CDC, approximately 60% of adults are overweight or obese. The state of AK came in above the national average with nearly 63% of adults qualifying either as overweight or obese.
- (7) One-half of total Medicaid dollars are for mental health services (350 million) – therefore 15% of Alaskans receive the majority of Medicaid dollars, with the three highest behavioral health issues costing \$65 million.
- (6) The chronically ill receive only 50% of recommended preventative medical services. (Thorpe)
- (6) Only two percent of patients requiring extensive care were uninsured (ISER)
- (6) Most “low cost” patients are young – the same people who don’t have insurance
- (6) The Alaska Community Health Centers serve 80,000 Alaskans annually, 80% are “low income” and 40.4% are uninsured (Pg. 5, bottom)
- (6) In terms of the number of physicians per-capita, Alaska ranks 6th lowest among the states – when Anchorage is removed from the equation Alaska is the lowest
- (6) Asthma and heart disease account for 65 cents out of each Medicaid dollar
- (6) Alaska Chlamydia trachomatis rates are twice the national average

The State and Innovative Health Care

August Facts

- (9) Basic needs such as adequate water and sanitation are still not met in many rural Alaskan communities (Sherry)
- (9) Alaska has a high percentage of seasonal workers – 10% of workforce
- (8) Any change in Alaska Health Care starts at the top with the Governor. (Frogue)
- (7) Whereas, 30 to 40 percent of WWAMI physicians do NOT stay in Alaska, 93% of UAA nursing students do stay in Alaska. (pg 7, right slide).
- (6) There is a critical window of opportunity open now for state investment in information technology for health care (Nighswander)
- (6) A high quality health care system will be built using evidence-based data.
- (6) For every 10 WWAMI graduates, 6 to 7 stay in Alaska.