

Alaska Health Care Strategies Planning Council
New September and Revisited July and August Health Facts
September 17, 2007

At its September 17 meeting, members of the council were given the opportunity to revisit facts which may not have garnered the votes necessary to be included among the “top vote getters” – in other words, those facts which received less than six votes. In addition, because of time restraints, there was not an opportunity to add new September facts in person. Members were asked to submit new facts via e-mail by a deadline of September 24th. Members were subsequently asked to vote via e-mail on those facts they deemed to be most significant to the work of the council. Twelve of 14 members responded to the e-mail. Only those new and revisited fact receiving at least six votes from council members are presented below.

Revisited July Facts:

Nine Votes

- The biggest jump in insurance expenses in Alaska are prescription drugs, which are 25% higher in cost than the national average (ISER)
- Portability of insurance is an important fact in being able to provide insurance in a labor market with a high percentage of seasonal workers

Eight Votes

- There is no shared understanding of a “baseline” insurance coverage – “not all insurance is created equal”

Seven Votes

- Not everyone who has insurance can afford to go to the doctor
- 90% of heart disease is preventable

Six Votes

- Only two percent of patients requiring extensive care were uninsured (ISER)
- Most “low cost” patients are young – the same people who don’t have insurance
- 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
- Asthma and heart disease account for 65 cents out of each Medicaid dollar
- Alaskans spend more per-capita on health care than any other state
- 10,000 children of working Alaskan parents are uninsured

Revisited August Facts

Eight Votes

- 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)

Six Votes

- The chronically ill receive only 50% of recommended preventative medical services. (Thorpe)
- A high quality health care system will be built using evidence-based data.

New Facts from September

Eleven Votes

- 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

Ten Votes

- 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)
- 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.
- Better lifestyle habits can help prevent 80% of heart disease and 90% of type-2 diabetes (source Harvard School of Public Health)
- 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)

Nine Votes

- 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)
- Community health centers reduce costs of care, improve access to care, improve quality of at least some outcomes
- Basic needs such as adequate water and sanitation are still not met in many rural Alaskan communities (Sherry)
- Alaska has significant health care provider shortages

Eight Votes

- Medical claims count for 82% of health insurance premiums
- In 2005, the US spent almost \$2 trillion dollars on health care, and for every dollar spent, 75 cents went towards treating chronic disease.
- 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)

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- Alaska ranks 49th in US in quality of health system performance (Commonwealth State Scorecard)
- 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.
- 62% of Alaskans are overweight or obese compared with national average 58%
- 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.
- 10% of patients cost 60% of health care dollars (Sherry – affirmed by Davis)

Seven Votes

- 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).
- Prevention accounts for only three percent of healthcare spending (source CDC)
- 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)
- 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)
- Injuries/accidents, substance abuse, and suicide are among the leading causes of morbidity and mortality in the Alaska Native population (Sherry)
- In 2005, the total cost of health care in Alaska for the uninsured was estimated to be \$125 million.
- 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)
- 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.
- Costs for services and goods (claims) average \$300/member/month (Insurance presentation- Davis)
- Chronic diseases – such as cardiovascular disease, cancer and diabetes, are among the most prevalent, costly and preventable of all health problems (source CDC)
- 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
- Alaska child death rate 38/100,000 compared with national average 21

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- \$3 of every \$4 spent on healthcare in the US goes to treating people with chronic disease (source GlaxoSmithKline – CDC)

Six Votes

- The typical family that loses health insurance is uninsured for 5.6 months.
- The Alaska CHCs serve 80,000 Alaskans annually, 80% are “low income” and 40.4% are uninsured (Pg. 5, bottom)
- Insurance pools bring predictability, not lower costs (Premera Blue Cross Shield of Alaska)
- 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)
- For every 10 WWAMI graduates, 6 to 7 stay in Alaska.
- Alaska Chlamydia trachomatis rates are twice the national average
- Adding Health Savings Accounts to insurance coverage creates even more incentive for health (Insurance presentation- Davis)
- 36% of all Anchorage School district students and 32% of kindergarten and 1st grade students were overweight or at risk for becoming overweight.