

Alaska Health Care Strategies Policy Council
The Five Problem Areas
October 15, 2007

At the October 15, 2007 meeting of the Alaska Health Care Strategies Policy Council, the group took the consolidated facts and identified five overarching problems with health care in Alaska. Four of the five problems are identified and discussed below. The council also began to identify some reasons for most of the problems, and began to articulate possible solutions. Problem Five: Lack of Personal Responsibility and Prevention, will be addressed at the next meeting of the council.

- ***Problem One: The high costs of medical care and insurance in Alaska; higher than U.S. average.***
 - Reasons why:
 - Medicare and Medicaid payments do not cover real costs, also there are (%) of uninsured, many of whom can not or do not pay for services; so cost shifting (providers making up for real costs of services provided to Medicare, Medicaid, and charity patients) is transferred to private pay and insurance patients;
 - While costs are high, most Alaskans and insurance providers pay;
 - Alaska has not implemented managed care, while most of the nation has; while managed care is not popular with many providers and patients, most experts agree that it has helped to contain costs where utilized;
 - There are too few providers; fewer providers may account for lack of competition; in most sectors competition reduces costs;
 - There is a lack of consumer-centric behavior –a lack of consumerism –a lack of transparency in price and quality; users of services are not encouraged by the system to shop around and find the best price and quality of services;
 - In all of Alaska there are high costs of doing business; In most areas out of south-central Alaska, especially in remote-rural areas, the costs are highest;
 - There are no public hospitals in Alaska, so costs for non-payment are distributed throughout the community
 - The litigious climate – or perception of risk by medical professionals, drives costs.
 - Possible solutions:
 - Better educated consumers, such as a website promoting transparency of quality and costs of medical services, prescriptions, etc; (like Florida)
 - Incentives for providers with performance measures and rewards based on results;
 - Promote Health Savings Accounts and high deductible insurance plans– for individuals and employers,
 - Cover prevention “upfront”;

- Study other programs; possibly create an ongoing “health care commission” similar to other states to advise the Governor and Legislature on health related issues;
 - Build greater awareness of distinction between routine health care costs (less expensive) and unanticipated costs (more expensive).
- ***Problem Two: Severe medical workforce shortages; predicted to grow significantly over next decades.***
 - Reasons why:
 - While more programs have been developed; most studies agree that not enough training/programs for Alaskans in the medical field are available; most studies agree to “grow our own”
 - There is difficulty recruiting providers from outside, reasons include:
 - Isolation of practice in much of Alaska,
 - “One-doctor towns” especially hard for those new to practice,
 - Negative perceptions of Alaska; cold and dark,
 - Lack of Native health care professionals overall,
 - Administrative and liability burden on professionals is a disincentive for people to enter field:
 - More paperwork = less patient care,
 - Perception about continued liability = more tests,
 - “Aging out” of current providers,
 - Small market for health care;
 - Possible solutions:
 - Increase WAMI seats to 50 /year; as recommended by last study group,
 - Increase number of Residents in Family Practice Residency Program (now only seven per year – need more),
 - Increase available slots in Physician Assistant and Nurse Practitioner programs at University of Alaska and with other academic partners,
 - Increase availability of programs for medical support staff such as OT, Lab Tech, pharmaceutical staff, etc.,
 - Increase behavioral health training and support,
 - Loan forgiveness for all medical professionals with commitment to stay in Alaska; more for those who commit to rural Alaska,
 - Market Alaska to rest of nation/world a great place to live, raise family, enjoy nature, etc. – put Alaska “front of mind”,
 - Support expand telemedicine; ongoing
 - Build teaching capacity to excite young Alaskans about the health care field,

- Expand Medicaid reimbursement, especially in behavioral health, to improve job opportunities for direct care providers in behavioral health;
- ***Problem Three: Poor sanitation in rural areas impact health.***
 - Reasons why:
 - Many villages (#) still without sewer and water.
 - Possible solutions:
 - Just “do it” – translates to following through on existing state plans
 - Continue to support ANTHC’s ongoing efforts to develop water and sewer in all villages.
- ***Problem Four: Health care inaccessible to many Alaskans – both urban and rural***
 - Reasons why:
 - In rural areas, there is a lack of any health care services, primarily Community Health Centers, primary health care,
 - Travel expenditures for public health nurses to rural areas has been reduced,
 - Health care worker shortage;
 - Even in urban areas, there is a lack of access to required specialized health care services. With greater access, fewer go to the E.R. for routine care;
 - Other barriers to access in rural areas:
 - Geographic isolation,
 - Travel – costs and location,
 - Fuel costs,
 - Health care worker isolation,
 - Lack of public health facilities,
 - Language and cultural issues;
 - Possible solutions
 - Increasing the presence of public health system, particularly public health nurses, especially in rural communities
 - Public health nurses play a significant role in prevention,
 - Increased access to Telemedicine, Community Health Aids, Community Mental Health Aids and Community Dental Health Aids.