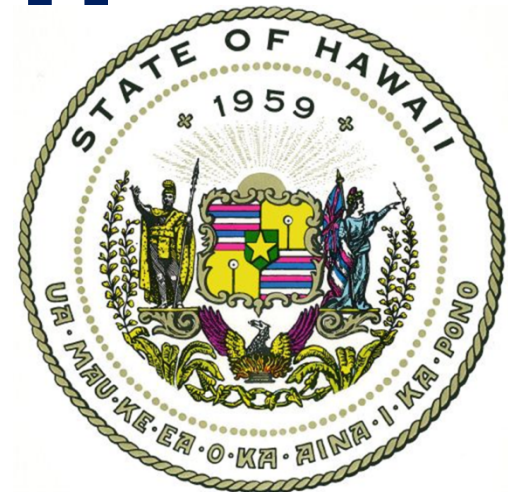


The Agenda for

Health Care

Transformation

in Hawai'i



Importance of Transformation

1. Costs are Unsustainable

- 1999-2007 healthcare inflation 114%
Wages grew only 27%
- US spending on healthcare is 17% of GDP
Double that of European nations
- Family coverage trend: \$20,000 in 2012
Will exceed average income by 2030

Importance of Transformation

2. Quality is Uneven

- Don't/can't use electronic data systems
- Don't focus on primary care
- Don't focus on patients and manage care well

Importance of Transformation

3. Inequities in Coverage

- **Hawaii: 83,000 – 100,000 uninsured**
 - > 40% below 133% of poverty
- **Unequal access for minorities, rural residents, people with behavioral health problems**

Importance of Transformation

4. Delivery system out of sync with population health

- **Dramatic increase in obesity rates**
 - Links to serious, chronic conditions
 - Estimate: adds between 10-21% to healthcare costs
- Insurance hasn't traditionally paid for preventive/wellness services

Priority State Concern

- **Public well-being**
- **State provides health care for 40% of population**
- **Spends 25% of state budget on health care**

Healthcare System Goals

New Day Plan Focus

- Community Health Centers
- Workforce shortages
- Health IT
- Public health infrastructure
- Patient-centered care
- Universal healthcare
- Public-Private initiative

“Triple Aim”

- Better health
- High quality
- Reducing the cost curve

Reaching our Goals

- Universal coverage
- Encouraging new models of care
- Supporting payment reforms
- Using health information as a tool to improve quality, cost, integration
- Linking public health initiatives to care
- Using state policy & funding levers

Help from the ACA

- **Universal coverage allows focus on quality outcomes, sustainability and “system-thinking”**
- **Moves away from fragmented care toward new models of care (PCMH, ACO)**
- **Requires competent use of health IT**
- **Measures and reports on quality**

The Hawai'i Healthcare Project

- **Public-private partnership model – Gov's Office and HIPA**
- **Stakeholder-based initiative: providers, payers, policymakers, consumers**
- **Convened Phase 1 in March 2012 with creation of committees (“domains”)**

Phase 1 – Identifying Priorities

- 1. Delivery System**
- 2. Payment Innovation**
- 3. Health Information Technology**
- 4. Government Policy and Purchasing**
- 5. ACA/Prepaid Health Act Reconciliation**

Delivery System Priorities

- 1. Align Patient-Centered Medical Homes across public and private plans**
- 2. Build capacity for Community Care Networks to provide physicians with tools for improved patient care coordination**
- 3. Explore feasibility of Accountable Care Organizations (“ACO-like”)**

Payment Innovation Priorities

- 1. Encourage Pay-for-Performance with definitions and metrics**
- 2. Support Shared Savings and Bundled Payments models to bend cost curve**

Health IT Priorities

- 1. Accelerate adoption of Electronic Health Records**
- 2. Support Health Information Exchanges**
- 3. Establish Clinical/Claims Repository with analytic capability**

Focus on ACA Implementation

- **ACA-PHCA Reconciliation**
- **Supporting Hawai'i Health Connector**
- **Coordinating responsibilities across State agencies**
- **Identifying opportunities for transformation**

Phase 2: Implementation

- **Define standards and metrics for PCMH**
- **Determine strategies to support Community Care Networks**
- **Seek administrative simplification to allow physicians to focus on delivering care**

Phase 2: Implementation

- **Develop state strategy for health IT**
- **Coordinate workforce development and practice transformation needs**
- **Expand stakeholder involvement**
- **Develop permanent place for health care innovation**

Federal Planning Grant?

Mahalo!

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