

# **HAWAI‘I’S ROADMAP FOR HEALTHCARE TRANSFORMATION**

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*This is "Frank," Age 55.*

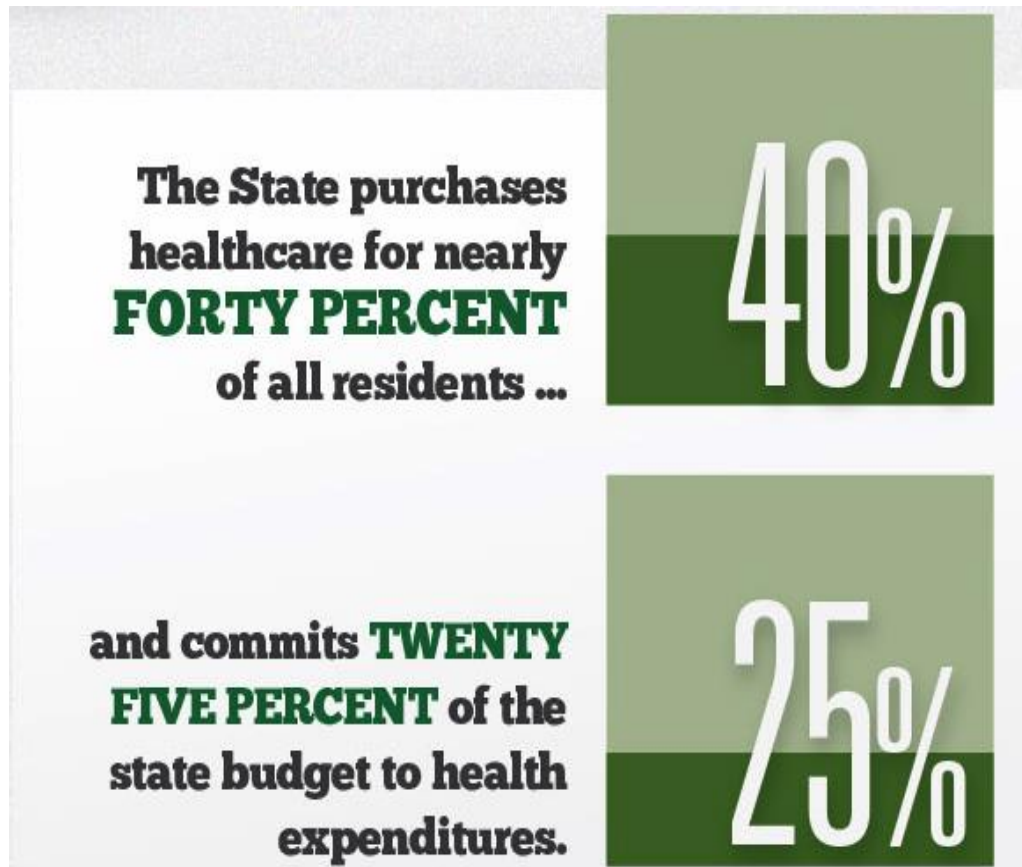


- **Overweight, diabetic with cluster of other health problems:**
  - **High blood pressure, high cholesterol, kidney disease, peripheral nerve damage**
  
- **At risk for the following:**
  - **Stroke**
  - **Congestive heart failure**
  - **Kidney failure**
  - **Heart attack**
  - **Sleep apnea**
  - **Arthritis**
  - **Depression**
  
- **Sees four specialists**
  
- **Takes seven medications**

# Our Current System Isn't Working...



# It's Inefficient and Costly...



SOURCE: Kaiser Family Foundation, 2010

## 30% of health care costs are wasted:\*

- Unnecessary Services (\$210 billion)
- Excess Administrative Costs (\$190 billion)
- Inefficient Delivery System (\$130 billion)
- Excessive Prices (\$105 billion)
- Fraud (\$75 billion)
- Missed Prevention (\$55 billion)

\* 30% = \$2.7 billion in Hawai'i

# It's Inequitable...

**The vast majority of Hawaii residents are covered due to the Prepaid Health Care Act (1974) . . .**

**BUT UP TO 100,000 REMAIN UNINSURED**

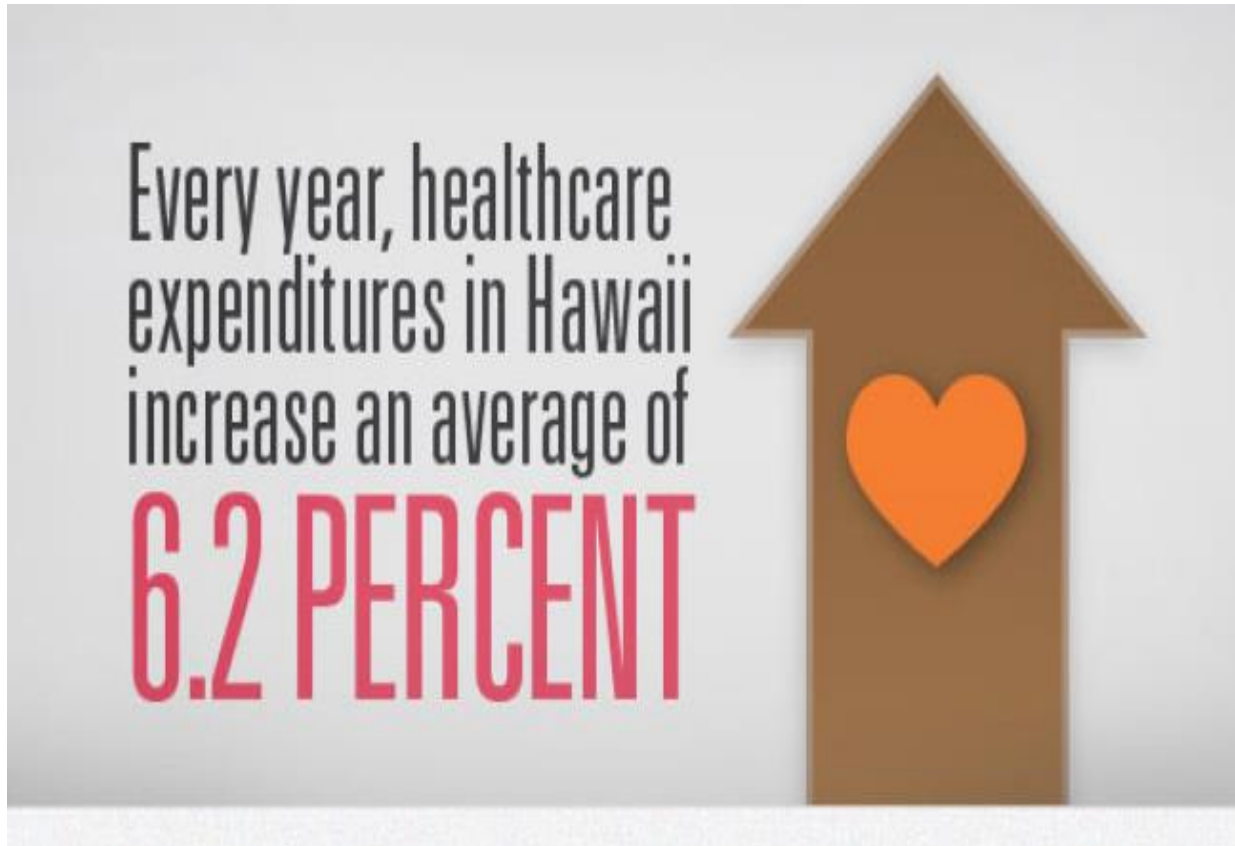


**60% below 200% of poverty**

**81% are between 19 & 64 years of age**

**Challenges with unequal access for minorities, rural residents, and people with behavioral health conditions.**

# ...and It's Unsustainable



*SOURCE: Kaiser Family Foundation, 2010*

## **If food costs had risen at same rates as medical inflation since 1930s:**

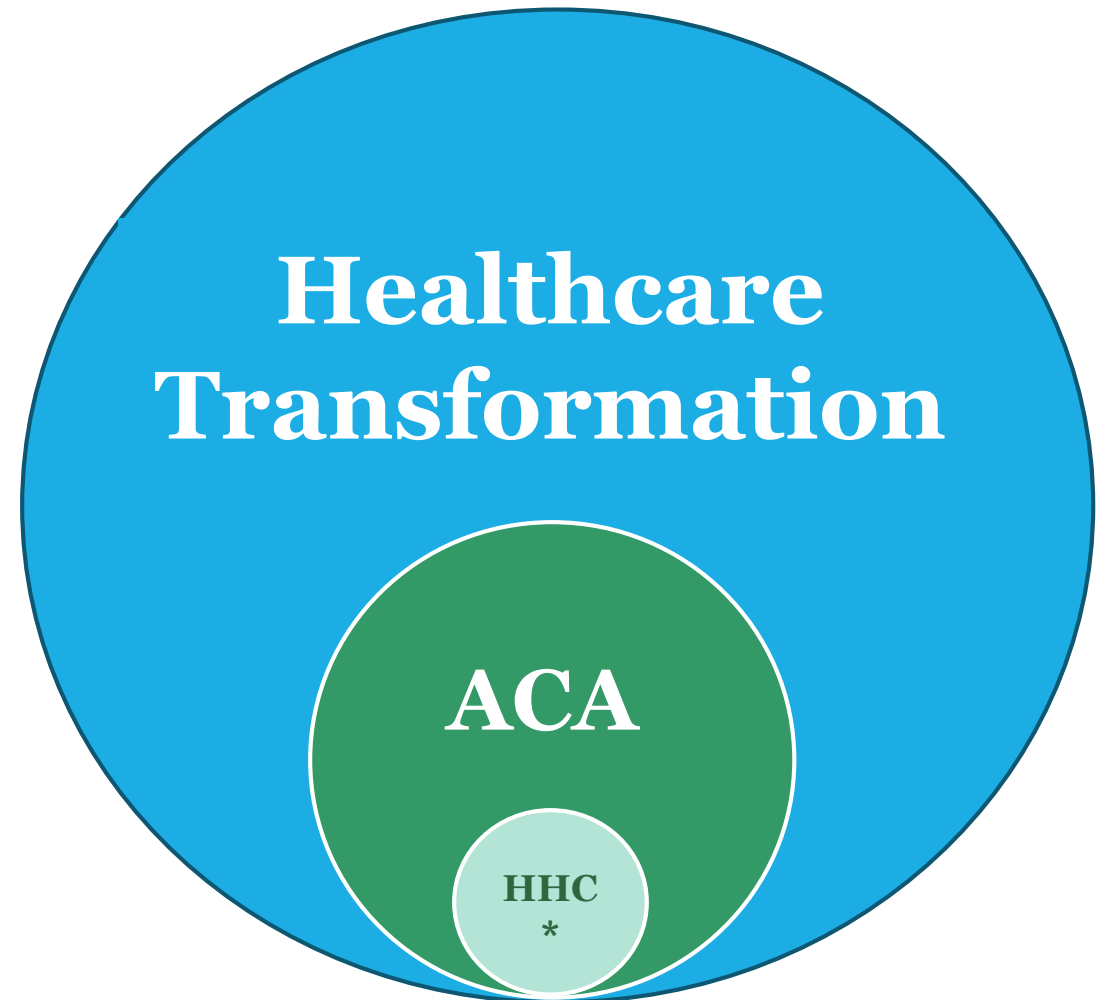
- 1 dozen eggs would cost \$80.20
- 1 dozen oranges would cost \$107.90
- 1 lb. of bananas would cost \$16.04
- 1 lb. of coffee would cost \$64.17

*SOURCE: American Institute for Preventive Health, 2007*

# What do we mean by “Transformation?”

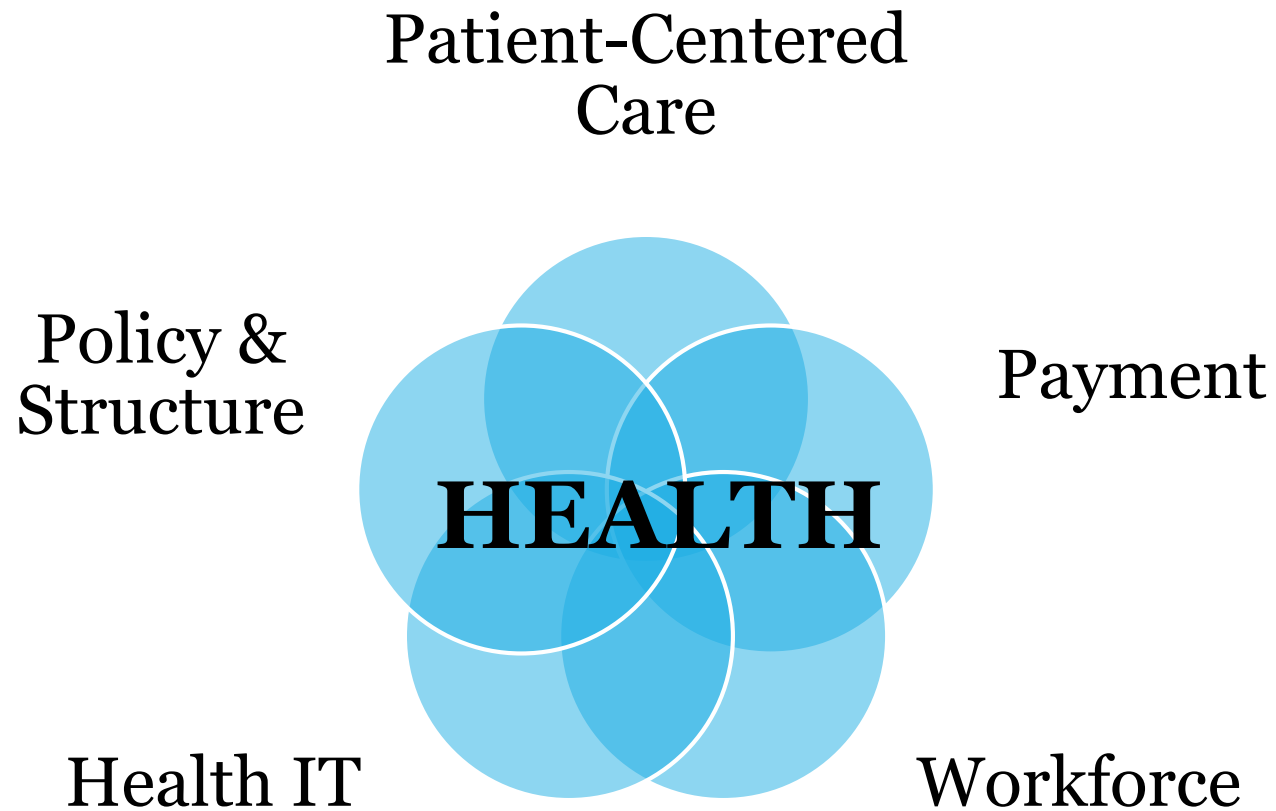
The ACA provides federal support for aspects of transformation, including the insurance exchange.

However, health care transformation is a much larger agenda that includes health care delivery, health care financing, data and health IT, workforce, and support for healthier individuals and communities.



\* Hawaii Health Connector

# Hawai'i's Transformation Plan





# Patient-Centered Care

Make healthcare patient-centered, focusing on the needs and preferences of patients and encouraging active participation in better health.

## Patient-centered strategies

- Patient Centered Medical Homes
  - Care coordination
  - Chronic disease management
  - Behavioral health
  - Oral health
- Address “super-utilizers” through patient-centered, appropriate and timely service, community care networks



# Payment

**Redesign our healthcare system to be economically sustainable.**

## **Payment/insurer strategies**

- Incentivize quality and efficiency by paying for standardized metrics and aligned processes
- Offer provider support for practice transformation
- Standardize and simplify key processes within the system
- Reduce waste and delayed care via telehealth



# Workforce

**Invest in collaborative strategies to meet workforce development and training needs.**

## **Workforce strategies**

- Prepare our system and providers to work in team-oriented mode
- Continuously identify, plan, and train for future healthcare workforce needs



# Health IT

**Utilize health information technology tools to improve access, increase efficiency, and reduce waste.**

## **Health IT strategies**

- Expand use of EHR and health information exchange
- Support technology to provide timely information to providers
- Collect, analyze, and report claims and clinical data



# Policy and Structure

**Provide all residents with access to high-quality, affordable healthcare.**

## **Policy strategies**

- Align State policy, funding and purchasing levers
- Create structure to coordinate public and private interventions for better healthcare
- Develop capacity to better support HIT, collect and analyze data, evaluate system



# Health

**Support coordinated efforts to improve health for all people in all communities.**

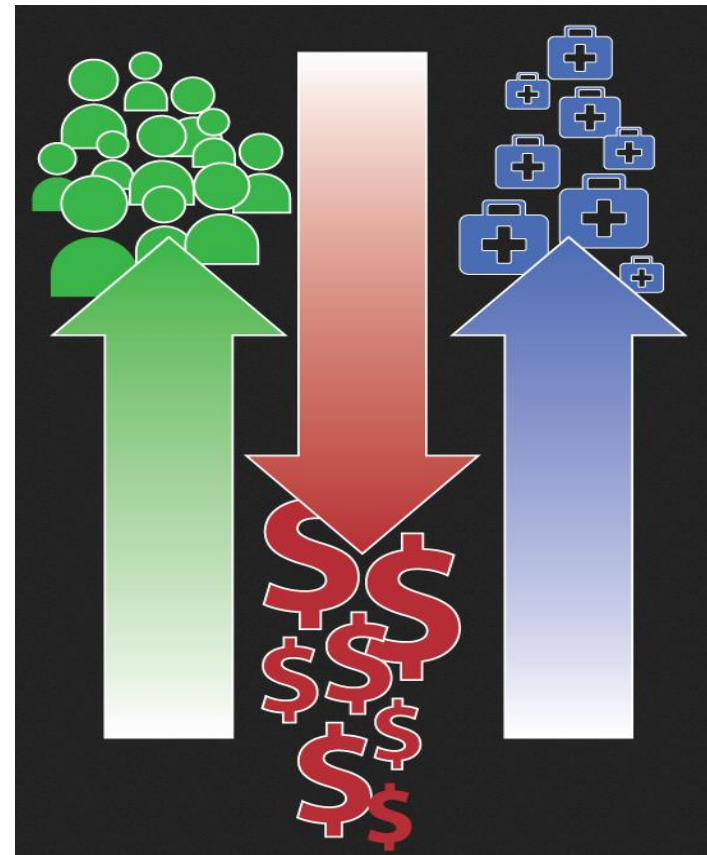
## **Health strategies**

- Support public health, education, economy, environment, transportation, housing, labor, public safety, etc.
- “Health in all policies”
- Invest in community wellness pilots
- Focus health care system on population health



# Results: “Triple Aim +1”

1. **Better care**
  2. **Better health**
  3. **Lower costs**
- +1** *Greater equity*



# **Status Quo Is NOT an Option**

- Healthcare **MUST** change.
- Government needs to lead and facilitate system-wide improvement.
- Healthcare sector aligns, collaborates, cooperates.



# The Road Ahead

- Apply for SIM Implementation grant from CMS
- Continue to work on transformation
- 2014 Legislature: State Healthcare Transformation Structure



***Mahalo!***

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