The Agenda for Health Care Transformation in Hawaiʻi
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
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
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
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
• Public well-being
• State provides health care for 40% of population
• Spends 25% of state budget on health care
<table>
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<th>New Day Plan Focus</th>
<th>“Triple Aim”</th>
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<tr>
<td>• Community Health Centers</td>
<td>• Better health</td>
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<td>• Workforce shortages</td>
<td>• High quality</td>
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<td>• Health IT</td>
<td>• Reducing the cost curve</td>
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<td>• Public health infrastructure</td>
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<td>• Patient-centered care</td>
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<td>• Universal healthcare</td>
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<td>• Public-Private initiative</td>
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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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