

State Health Reform

Part 2

By Laura Tobler
Program Director, Health Program
National Conference of State Legislatures
303-856-1545 laura.tobler@ncsl.org

Recent state actions/proposals

- Reduce the number of uninsured.
- Focus on quality initiatives.
- Focus on appropriate care for chronic disease.
- Focus on prevention and wellness initiatives.
- Concurrent focus on "moderating" health costs.

Compared with Australia, Canada, Germany, New Zealand and the United Kingdom, the U.S. health care system ranks last or next-to-last on five dimensions of a high performance health system: quality, access, efficiency, equity, and healthy lives.

Source: K. Davis, C. Schoen, S. C. Schoenbaum, M. M. Doty, A. L. Holmgren, J. L. Kriss, and K. K. Shea, *Mirror, Mirror on the Wall: An International Update on the Comparative Performance of American Health Care*, The Commonwealth Fund, May 2007

Focus on quality ...

- Most new laws, bills and proposals address quality improvements.
- Broad state-wide quality initiatives.
- Focus on more specific goals, like reducing hospital errors.
- Focus on health information technology.
- Focus on reducing disparities in health/health care.

Improving quality of health care ...

- Maine Quality Forum - This group advocates for quality care and helps people make informed health care choices. Reports to consumers and the Legislature.

Web site is <http://www.mainequalityforum.gov>

- PA proposal to reduce hospital-acquired infections and hospital medical errors.
- At least 4 states (NJ, PA, VA, CO) recently announced/passed measures to reduce disparities in health/health care.

Minnesota...

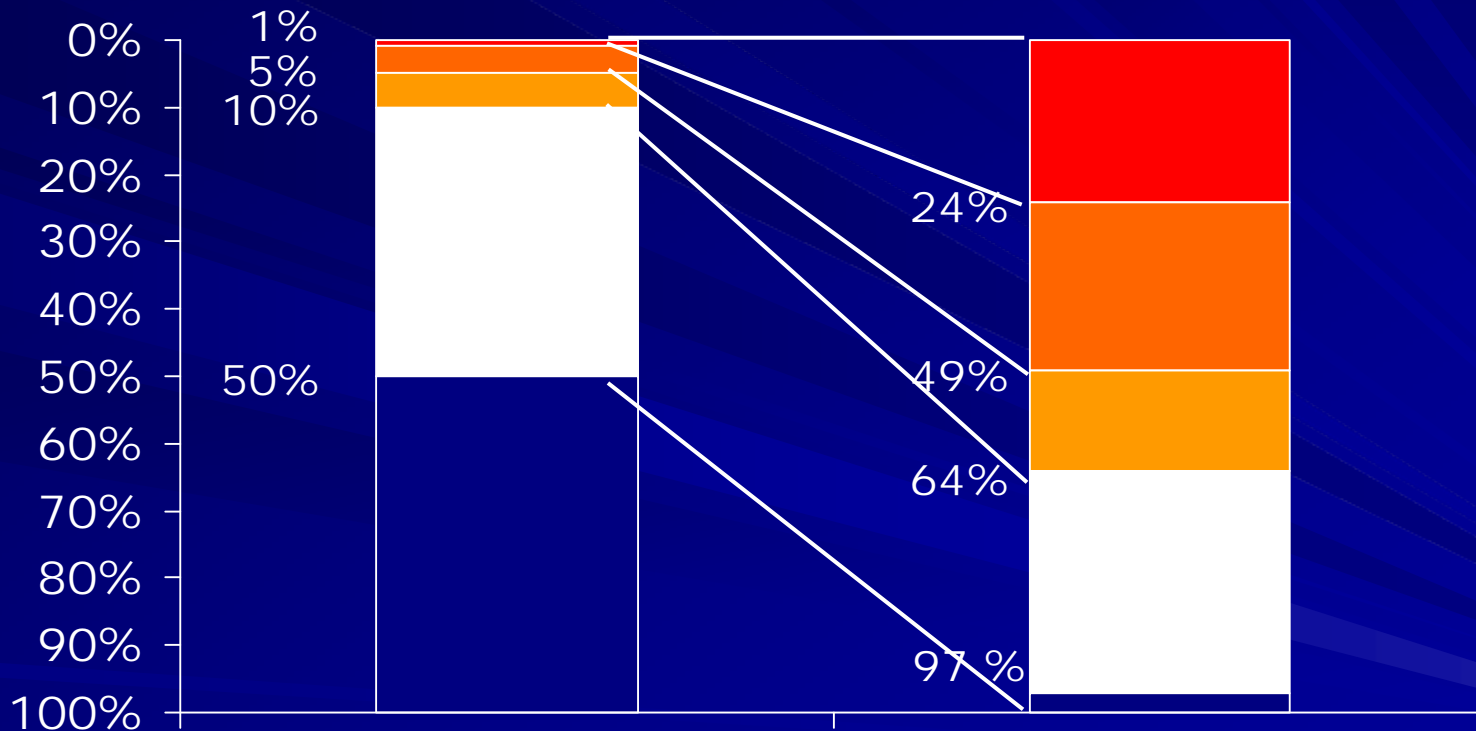
- Minnesota has several state-initiated groups working on quality including the Minnesota Smart Buy Alliance: A purchasing coalition that is a joint effort between state government, labor unions, and private business to improve quality and lower costs.
- minnesotahealthinfo.org: Web site that is a clearinghouse of health care information about the cost and quality of health care in Minnesota.

Focus more attention on management of chronic disease ...

- At least 7 of the 2007 health reform proposals/laws included aggressive programs to improve management of chronic disease.
 - CA (Governor's proposal)
 - IL (Governor's proposal)
 - MN (Governor's proposal)
 - PA
 - IN
 - WA

Health care costs concentrated in sick few: Sickest 10% Account for 64% of Expenses

Distribution of health expenditures for the U.S. population,
by magnitude of expenditure, 2003

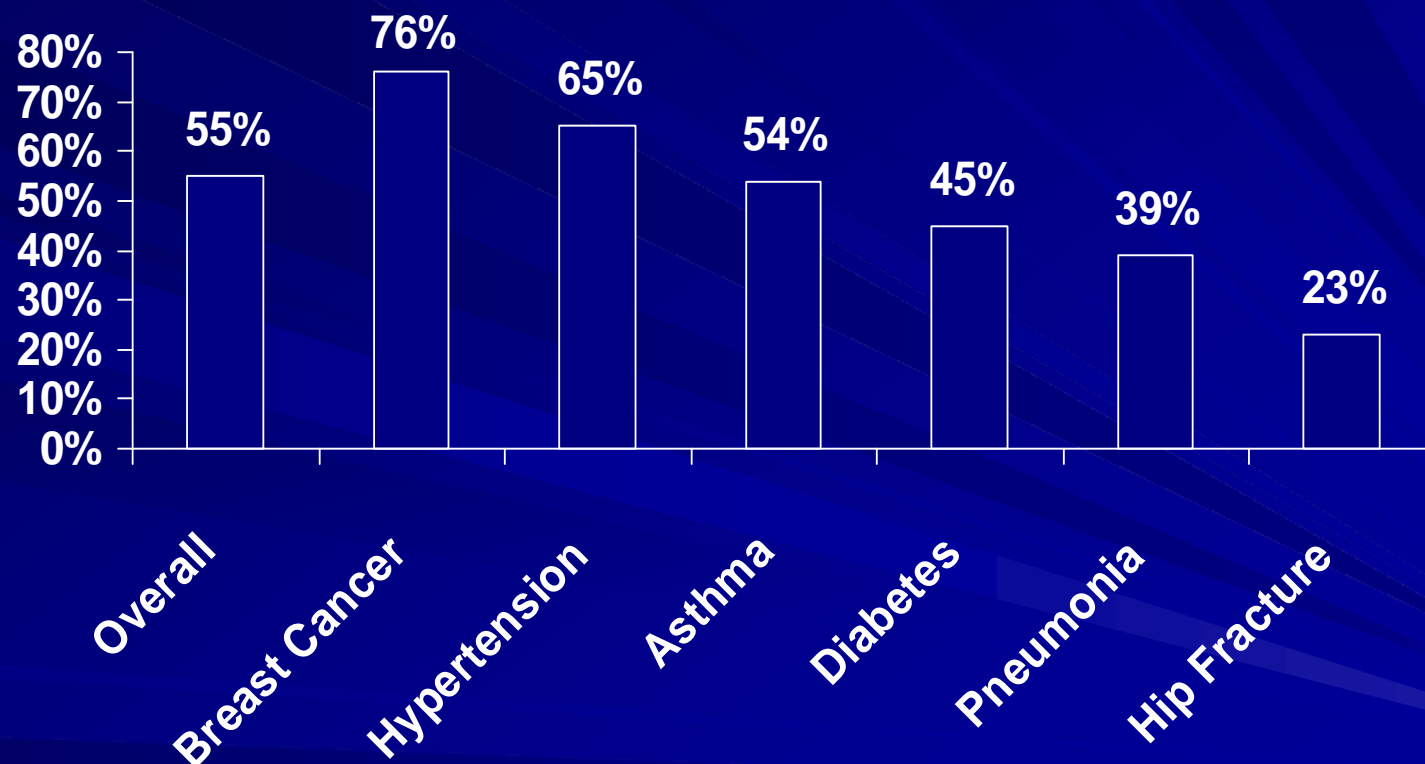


U.S. Population

Health Expenditures

Source: S. H. Zuvekas and J. W. Cohen, "Prescription Drugs and the Changing Concentration of Health Care Expenditures," *Health Affairs*, Jan./Feb. 2007 26(1):249-57.

Percentage of U.S. adults who receive recommended care for their conditions



Source: Elizabeth McGlynn et al., "The Quality of Health Care Delivered to Adults in the United States," *The New England Journal of Medicine* (June 26, 2003).

Vermont Blueprint on Health ...

- Establish a state-wide system of chronic care management.
- Change provider reimbursement system to encourage excellence in chronic disease management.
- Waive co-pays for patients who seek appropriate care.
- Implement community programs.

Pennsylvania ...

- PA established a Governor's Chronic Care Management, Reimbursement and Cost Reduction Commission in May 2007.
- Purpose is to design the informational, technological and reimbursement infrastructure needed for excellence in chronic care.

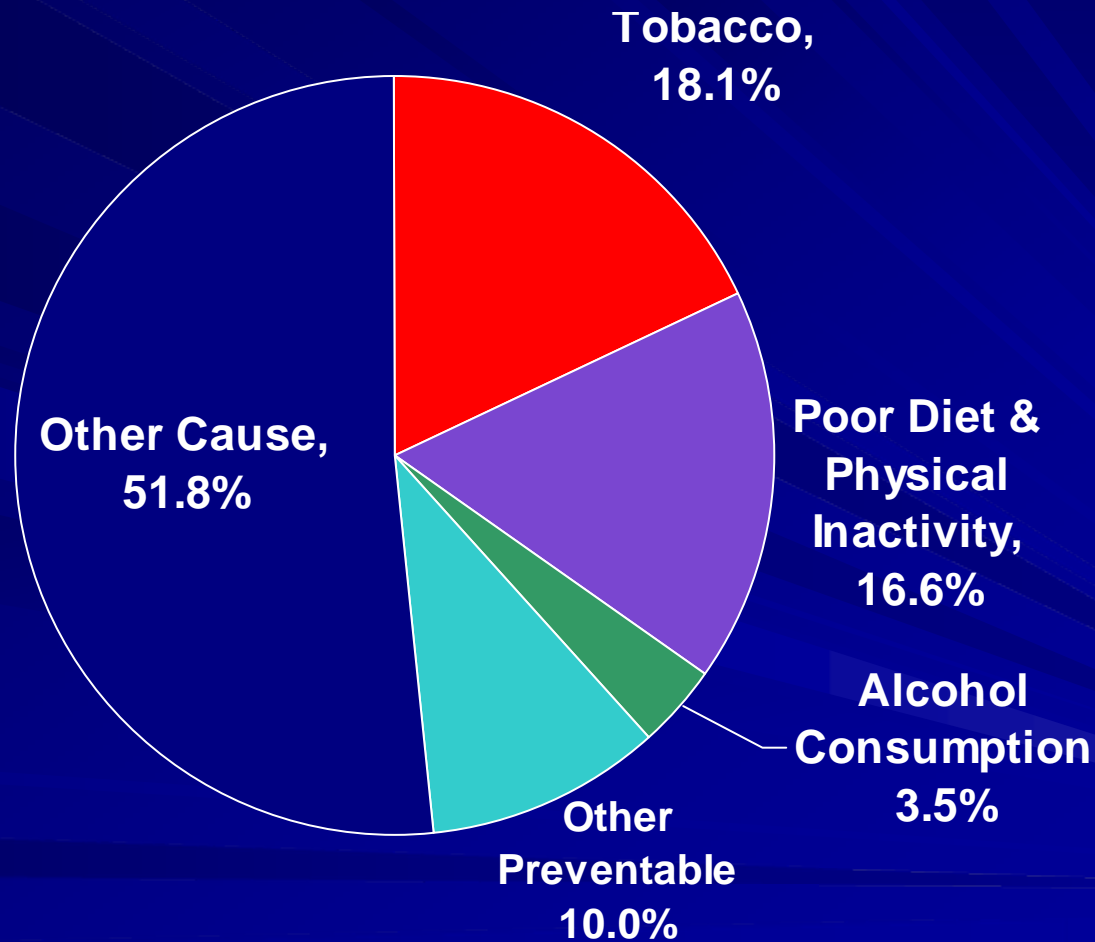
Washington ...

- SB 5930 --recommendations of the Blue Ribbon Commission on Health Care Costs and Access.
- Reimbursement changes.
- Establish chronic care management programs with evaluation.
- Department of Health provides training to providers regarding care of people with chronic conditions.

Focus on prevention to decrease the incidence of disease...

- Almost all 2007 health reform proposals/bills include prevention strategies and policies.
- Stand alone bills/laws to reduce trans fats in foods, reduce obesity, improve school-based food, ban smoking in public places and smoking in cars with children present, etc.

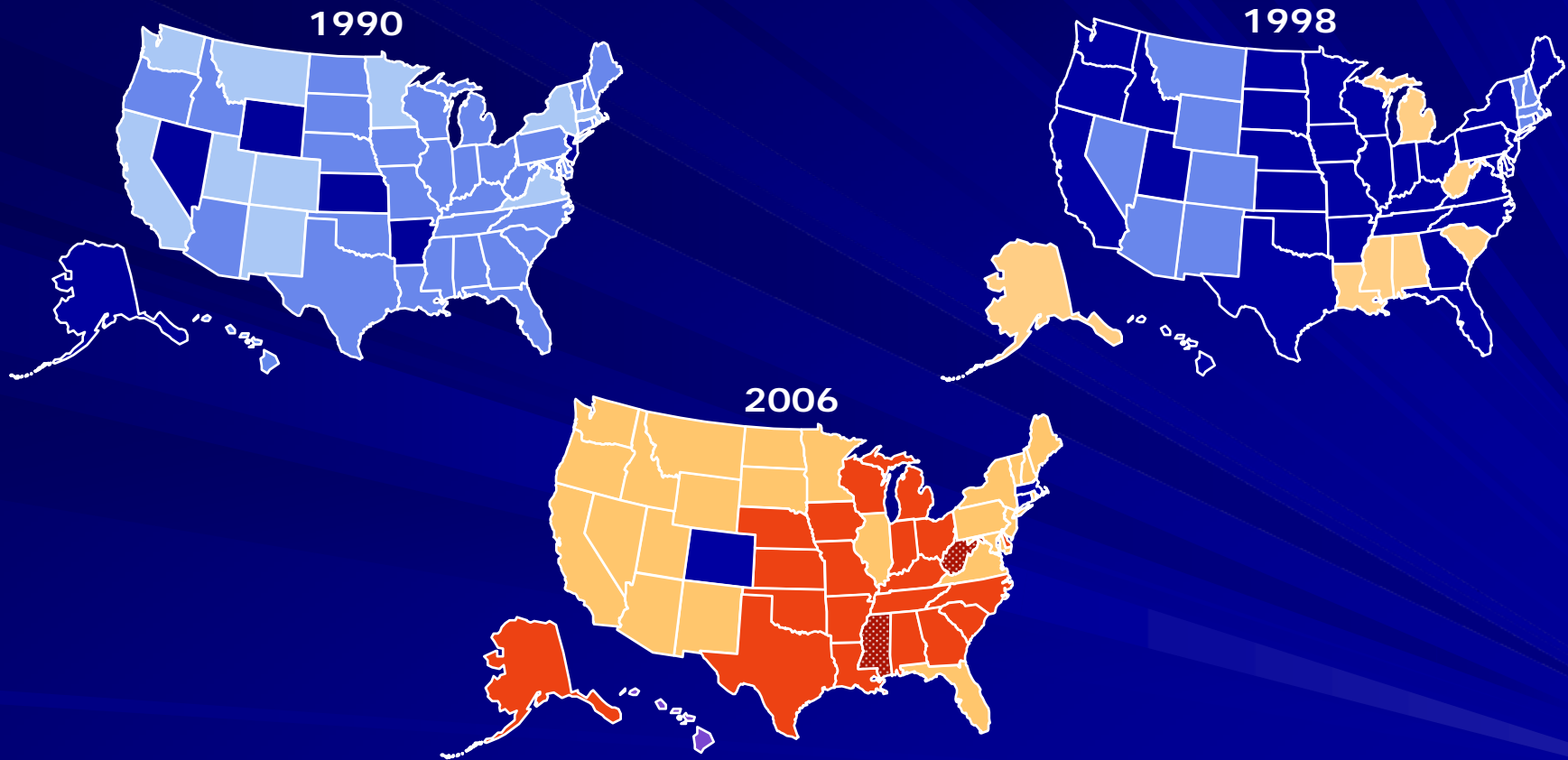
Causes of disease



Obesity Trends* Among U.S. Adults

BRFSS, 1990, 1998, 2006

(*BMI ≥ 30 , or about 30 lbs. overweight for 5'4" person)



<10% 10%–14% 15%–19% 20%–24% 25%–29% ≥30%

State-level estimated annual medical costs of obesity: Estimated Adult Obesity-Attributable Expenditures, by State (1998–2000).

State	(Millions \$)
AL	\$1320
AZ	\$752
CA	\$7675
D.C.	\$372
ID	\$227
KS	\$657
MD	\$1533
MS	\$757
NV	\$337
NY	\$6080
OH	\$3304
RI	\$305
TX	\$5340
WA	\$1330
WY	\$87

For a 50 state list, please go to <http://www.ncsl.org/programs/health/obesity.htm#Cost>

Source: U.S. Department of Health and Human Services. The Surgeon General's call to action to prevent and decrease overweight and obesity. [Rockville, MD]: US GPO, Washington. Wolf AM, Colditz GA. Current estimates of the economic cost of obesity in the United States. *Obesity Research*.1998;6(2):97–106. Wolf, A. What is the economic case for treating obesity? *Obesity Research*. 1998;6(suppl)2S–7S.

Reducing Obesity...

- Nutrition Standards/Education in Schools* CA, CO, CT, IL, IN, KS, LA, ME, MD, NM, NC, ND, NJ, OK, OR, PA, RI, SC, TX, UT, and WV
- BMI monitoring pilot programs for children AR, DE, IA, TX, WV, SC, TN, PA, MO, FL
- School PE and Physical Activity
Over 12 states have legislated standards, but many other states create standards through their Department of Education or School Districts.
- Over 12 states have passed legislation aimed at reducing obesity in adults.

*Nutrition standards may also be set by the Department of Agriculture within a state and not legislated.

Focus on wellness, prevention, and personal responsibility...

- An estimated \$450~\$550 billion of health spending goes to treatment of disease and injury that might have been preventable.
- State reforms:
 - **Indiana** Personal Wellness Responsibility Account, an HSA with \$1,100. Also wellness program tax credit for small business.
 - **Rhode Island** created a “wellness health benefit plan.”
 - **California** plans encourage healthy lifestyles and behaviors.
 - **Maryland** wellness for small businesses
 - **Kansas** reform options presented to Gov. include policies to improve personal responsibility and prevention.

For more information on state wellness initiatives, see the NCSL web site at: <http://www.ncsl.org/programs/health/WellnessOverview.htm>

Sources: Milken Institute An Unhealthy America: The Economic Burden of Chronic Disease Charting a New Course to Save Lives and Increase Productivity and Economic Growth

"Unless we can contain costs, while maintaining quality care, access to coverage will be unsustainable."

—Senator Richard T. Moore, one of the major architects of the Massachusetts' health reform law.

State strategies for moderating health costs...

- Move people into coverage status
- Consumer driven plans
 - Health savings accounts
- Examine insurance mandates
 - Required mandate reviews now in 18 states
- Certificate of need reviews
- Expanded use of "cafeteria plans"
 - MA, MO, RI, WA
- New purchasing coalitions

State strategies for moderating health costs..

- "Value-driven" health purchasing
 - MN's Smart Buy Alliance
- Evidence-based practices
- Cost transparency & disclosure
- Quality improvements
- Focus on wellness and prevention
- Scope of practice
 - PA
- Health information technology

Questions?

