

# How Far Can States Take Health Reform?

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National Congress on the Under and Uninsured  
September 22, 2008

# Presentation draws heavily from...

Alan Weil, “How Far Can States Take Health Reform,” *Health Affairs* vol. 27, no. 3 (May/June 2008)

# States Are Leading the Way



# Principles of Federalism Suggest Federal and State Roles



## Federal Role Offers:

- Efficiency
- Fewer border issues
- Ability to redistribute resources

## State Role Offers:

- More responsiveness to local economic and political conditions
- Experimentation



# Are States Really Laboratories?

- There is almost no use of experimental methods.
- There is limited transfer of knowledge either from state to state or from state to national.

# Barriers to State Action



- Employee Retirement Income Security Act (ERISA)
- States lack jurisdiction over more than half of the people within their borders
- Waiver negotiations and the lack of stable federal funding

- Budget constraints



# How can federal policy help states lead?

- Develop Medicaid data with the same quality and availability that exists for Medicare.
- Revitalize the research and demonstration component of Section 1115 waivers and move away from budget neutrality.
- Make a national investment in the spread of lessons learned.



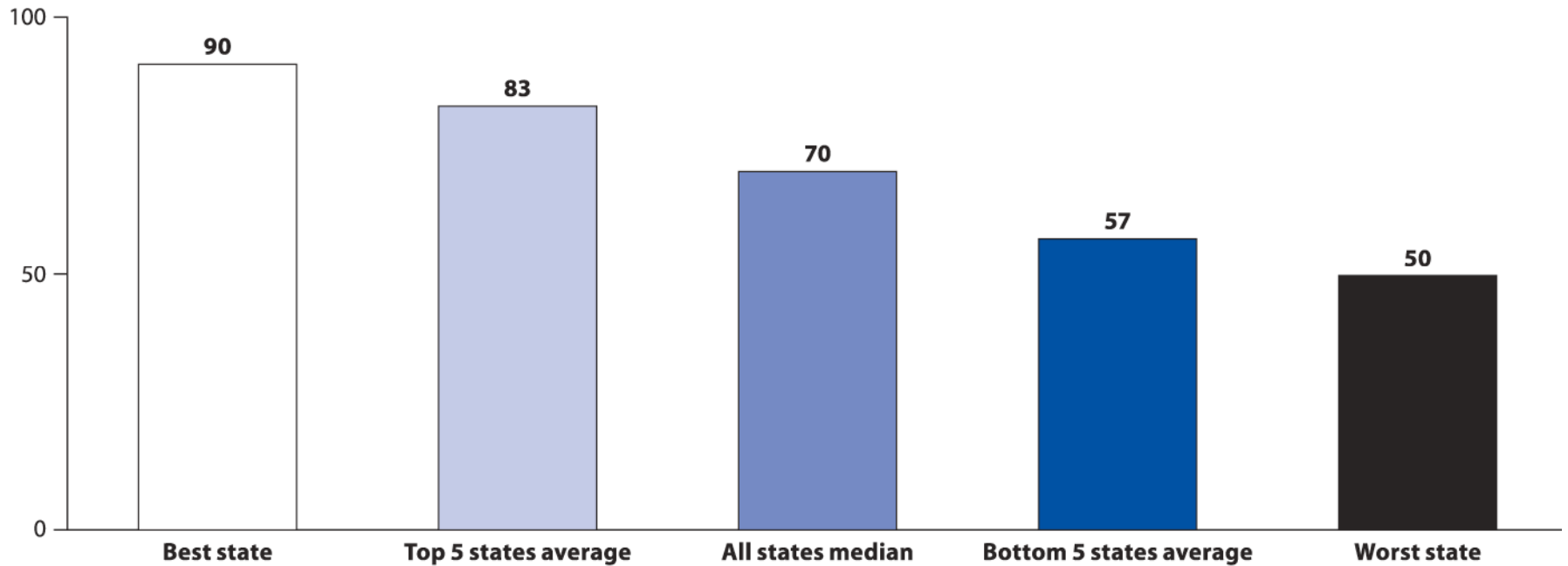
- Create ERISA safe harbors.

# We Pay a Price for State Variability



## State Variation: Surgical Infection Prevention, 2005

Percent of adult surgical patients who received appropriate timing of antibiotics to prevent infections\*



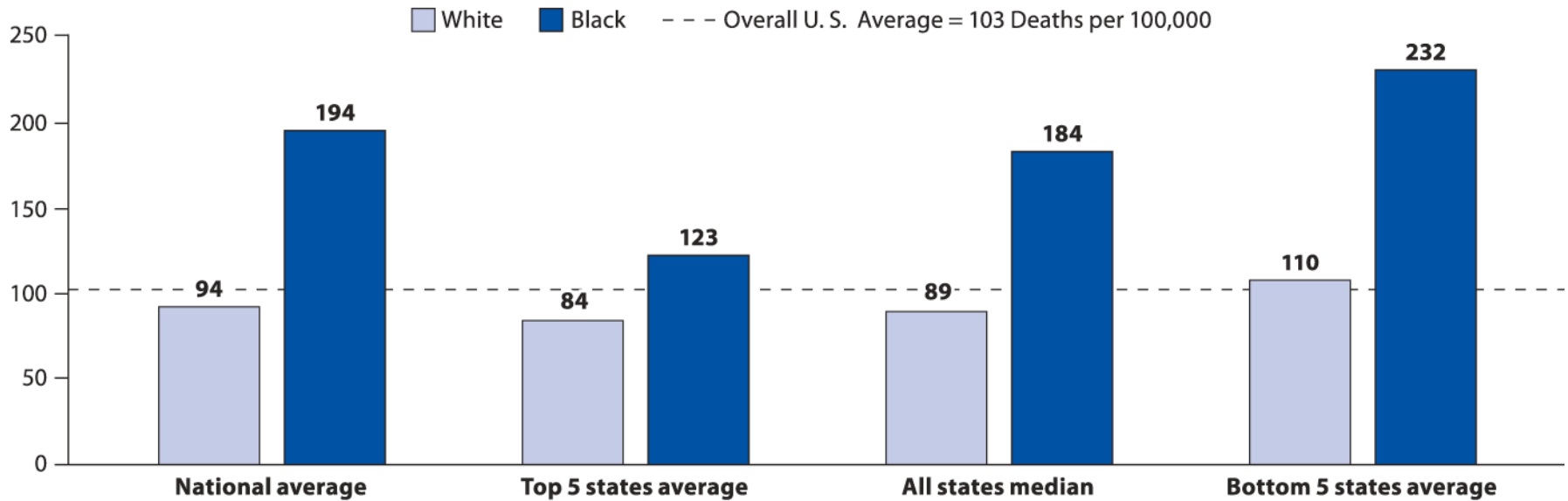
\* Comprised of two indicators: before and after surgery.

DATA: 2005 CMS Hospital Compare

SOURCE: Commonwealth Fund State Scorecard on Health System Performance, 2007

# Mortality Amenable to Health Care by Race, National Average and State Variation

Deaths\* per 100,000 Population



\* Age-standardized deaths before age 75 from select causes; includes ischemic heart disease

Note: Top 5 states refer to states with smallest gap between national average and black.

Bottom 5 states refer to states with largest gap between national average and black.

DATA: Analysis of 2002 CDC Multiple Cause-of-Death data files using Nolte and McKee methodology, *BMJ* 2003.

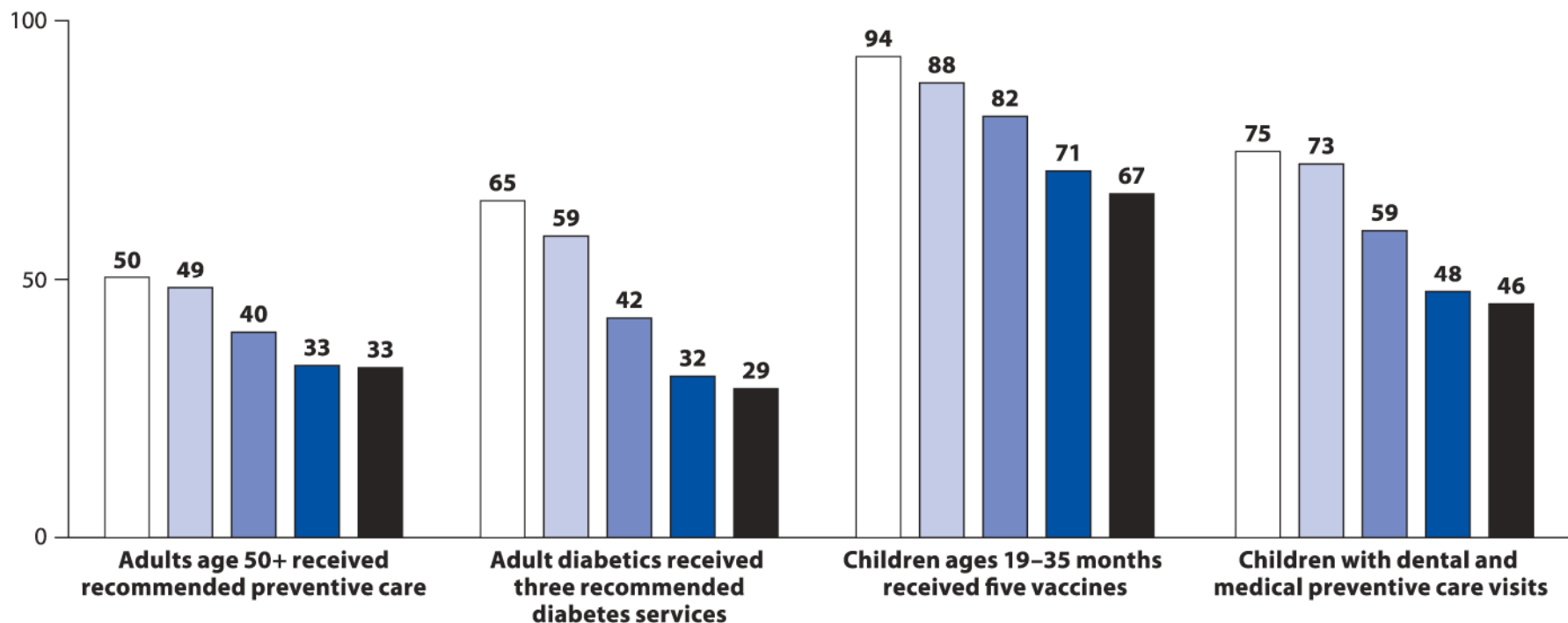
SOURCE: Commonwealth Fund State Scorecard on Health System Performance, 2007



# State Variation: Ambulatory Care Quality Indicators

Percent

Best state
  Top 5 states average
  All states median
  Bottom 5 states average
  Worst state



DATA: Adult preventive care – 2002/2004 BRFSS; Adult diabetic preventive care – 2002/2004 BRFSS;  
 Child vaccines – 2005 National Immunization Survey; Child medical and dental visits – 2003 National Survey of Children’s Health  
 SOURCE: Commonwealth Fund State Scorecard on Health System Performance, 2007



# Relying on State Leadership Has Risks

- If states don't have the right tools and resources, we may wrongly conclude that certain policies are ineffective.
- A few state successes can become an excuse for prolonged federal inaction.

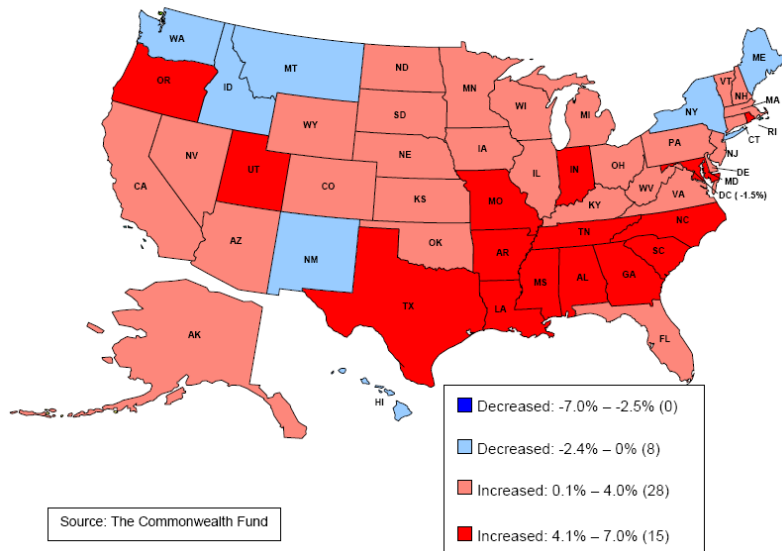


## A Joint Venture

- Commit nationally to universal coverage & other reforms while maintaining state flexibility.
- Combine the resources, stability and uniformity of federal involvement with the dynamism, local involvement, and creativity of states.

# The Importance of Federal Leadership

Percentage Change between 1999-2000 and 2005-2006 in Uninsured Adults Ages 18-64 by State



Percentage Change between 1999-2000 and 2005-2006 in Uninsured Children Ages 0-18 by State

