How Far Can States Take Health Reform?

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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

- White
- Black
- Overall U.S. Average = 103 Deaths per 100,000

<table>
<thead>
<tr>
<th>Category</th>
<th>White</th>
<th>Black</th>
<th>Overall U.S. Average</th>
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<tbody>
<tr>
<td>National average</td>
<td>94</td>
<td>194</td>
<td>103</td>
</tr>
<tr>
<td>Top 5 states average</td>
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<td>123</td>
<td>103</td>
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<tr>
<td>All states median</td>
<td>89</td>
<td>184</td>
<td>103</td>
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<tr>
<td>Bottom 5 states average</td>
<td>110</td>
<td>232</td>
<td>103</td>
</tr>
</tbody>
</table>

* 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.
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


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

Source: The Commonwealth Fund

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

- Decreased: -7.0% – 2.5% (6)
- Decreased: -2.4% – 0% (8)
- Increased: 0.1% – 4.0% (23)
- Increased: 4.1% – 7.0% (15)