



Alaska Health Care in 2020

Capacity Challenges in Alaska Drive Up Health Care Costs!

Despite being medically cleared to leave, hundreds of patients spend weeks in Alaska hospitals and nursing homes each year waiting for placement to a lower level of care.

Why you ask?

Because Alaska's health care system lacks fundamental capacity.

"We currently have a patient who has been ready to discharge for the last 117 days. He is still here because no nursing home is available to care for him."

"If you average it out over a year, we had about 350 patients each spend nearly 3 extra weeks in our hospital because there were no nursing homes or assisted living facilities available."

"We have a 13-year old kid with severe autism who has been in our hospital for the last 60 days. He does not need hospital care, but he is here because there is nowhere else to go."

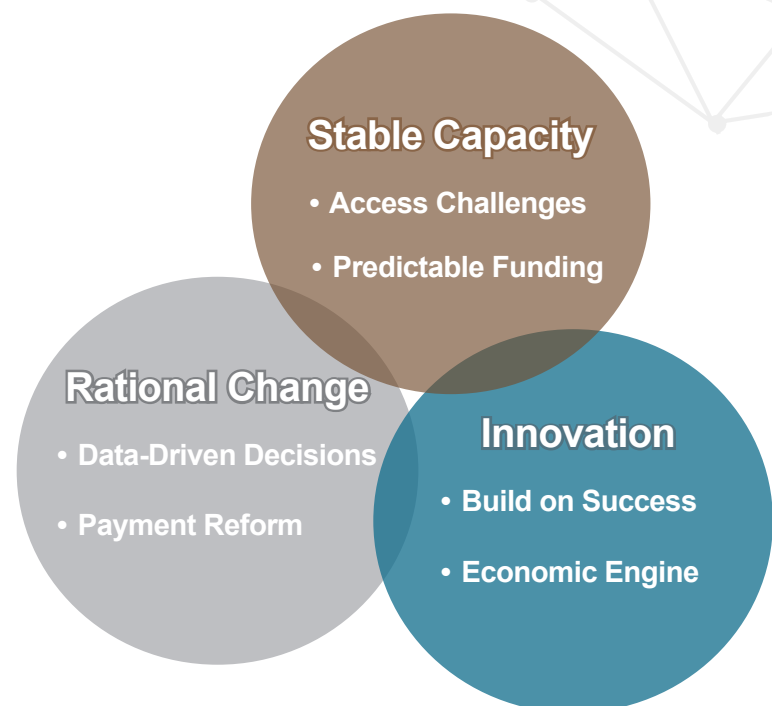
"We provided 8 months of uncompensated care to one of our nursing home residents because there was no assisted living facility available to care for her."

Think about the costs that could be avoided!

"We need to focus on smart, long-term reforms rather than unrealistic short-term cuts."



"Stable capacity, rational change, and innovation are key to transforming our system and cost of care."



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1

Stable Capacity

to ensure access to health care for all Alaskans

Recognize that Alaska's system of care is fragile, especially when it comes to capacity for services.

- **Access to Care Challenges**
Acute Care: Alaska has relatively few acute care beds per capita compared to the rest of the U.S., and 21% of those beds are not accessible from the road system.
- **Access to Care Challenges**
Long-Term Care: Alaska has the fewest nursing home beds in the country on a per capita basis, cumulative basis, and average beds per facility basis.
- **Access to Care Challenges**
Behavioral Health: According to national studies and statistics, Anchorage and the Mat-Su still need over 100 acute behavioral beds to begin to meet capacity needs.

2

Rational Change

to implement smart, impactful reforms for our system of care

Focus on long-term reforms to achieve change; not unrealistic cuts in the short-term.

- **Medicaid Spending:** General fund spending per enrollee has decreased 38% since 2013 despite providing coverage to 98,832 more Alaskans. We pay less today in Medicaid general fund than we did 4 years ago!
- **Data-Driven Decisions:** Alaska should adopt the Oregon model to focus Medicaid funding on services that prioritize prevention and disease management. Alaska should invest in data analytics to address cost of care.

3

Innovation

to build on progress made in quality of care and cost management

Clear the way for providers to innovate how health care is delivered in Alaska.

- **Coordinated Care Demo:** Providence Health & Services Alaska is piloting a care model to reduce unnecessary visits to the emergency room. After 1 year, it saw a reduction in Medicaid claims to the tune of \$30 million.
- **High Utilizer Mat-Su:** Mat-Su Regional is working to curb unnecessary visits to the emergency room by "high utilizers." After 1 year, it saw an average reduction of 61.7% for targeted participants.

- **Payment Reform:** Alaska should work directly with providers to move towards value-based payments by implementing DRG and acuity-based reimbursement.
- **Workforce Supply:** Nurse licensure compacting is a commonsense approach for workforce shortages.

Economic Engine: Based on figures from the U.S. Bureau of Labor Statistics, Alaska hospitals and nursing homes contribute an estimated \$4.5 billion to Alaska's economy.