

Current Programming for, and Impending Challenges with Medicaid

Presentation for Commonwealth North
September 29, 2011

Bruce Lamoureux, Chief Executive
Providence Health & Services Alaska

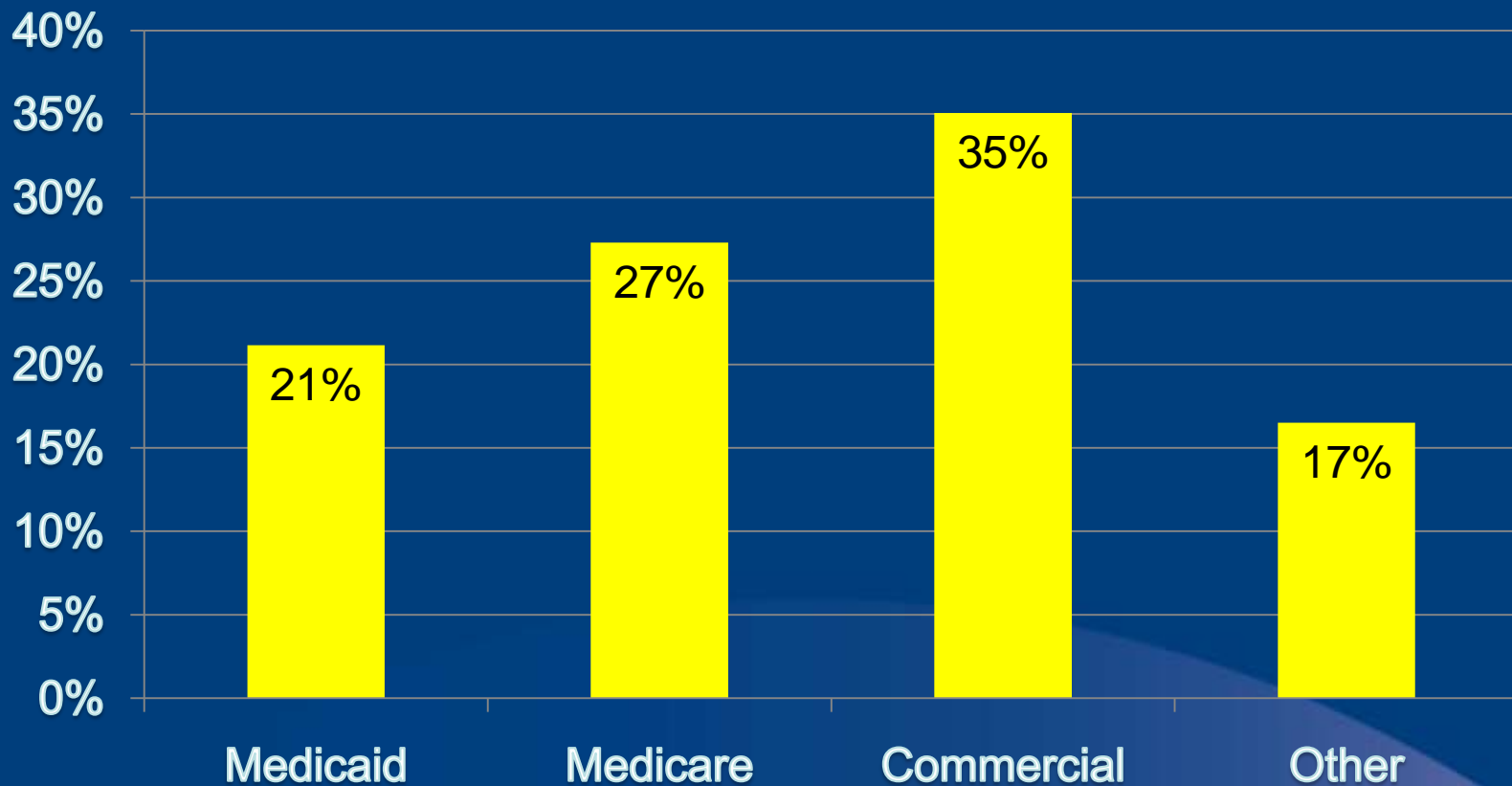
Presentation Roadmap

- Current programming elements
- Economics for Medicaid within PHSA
- Macro context for Medicaid
- Anticipated challenges
- Potential solution set elements
- Examples of actions taken
- Questions & comments

Providence's Medicaid Programming

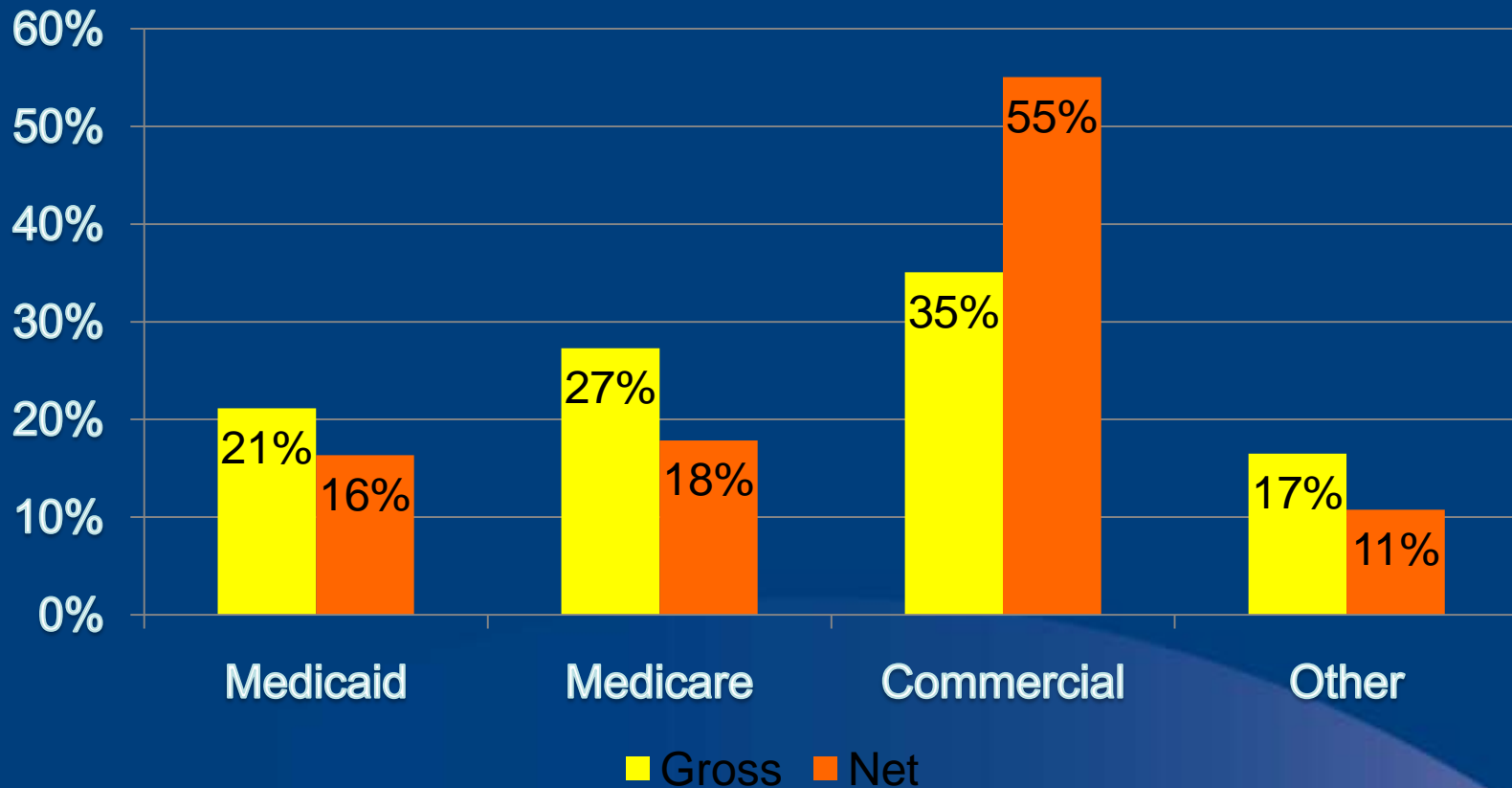
- Acute care
- Assisted living
- Behavioral health
- Clinics & ambulatory venues
- Home health
- Hospice
- Long-term care
- Physician services

Gross Revenue (Price) Percentages



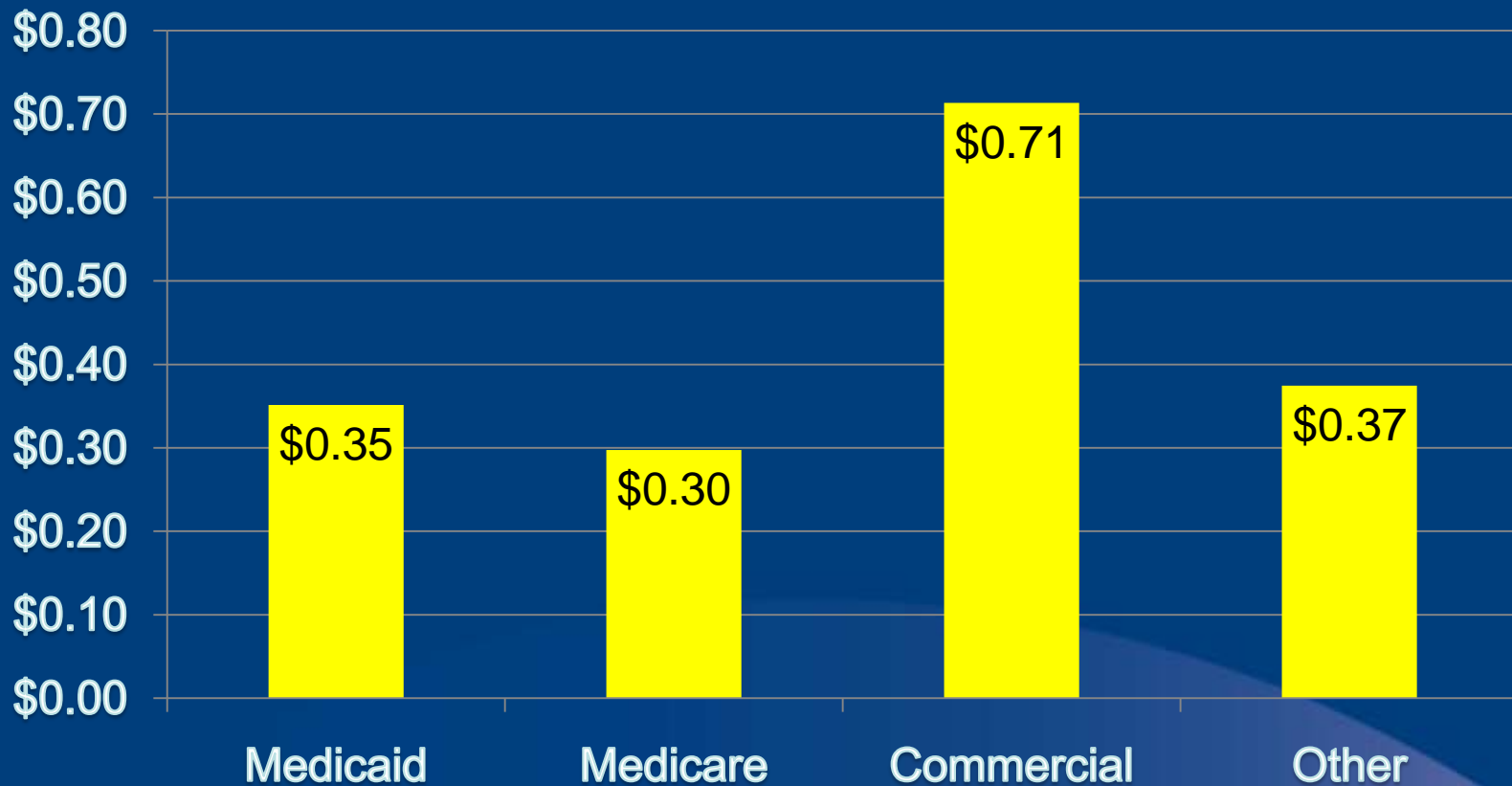
Source: PHSA year-to-date gross revenue mix at August 31, 2011

Gross & Net Revenue Percentages



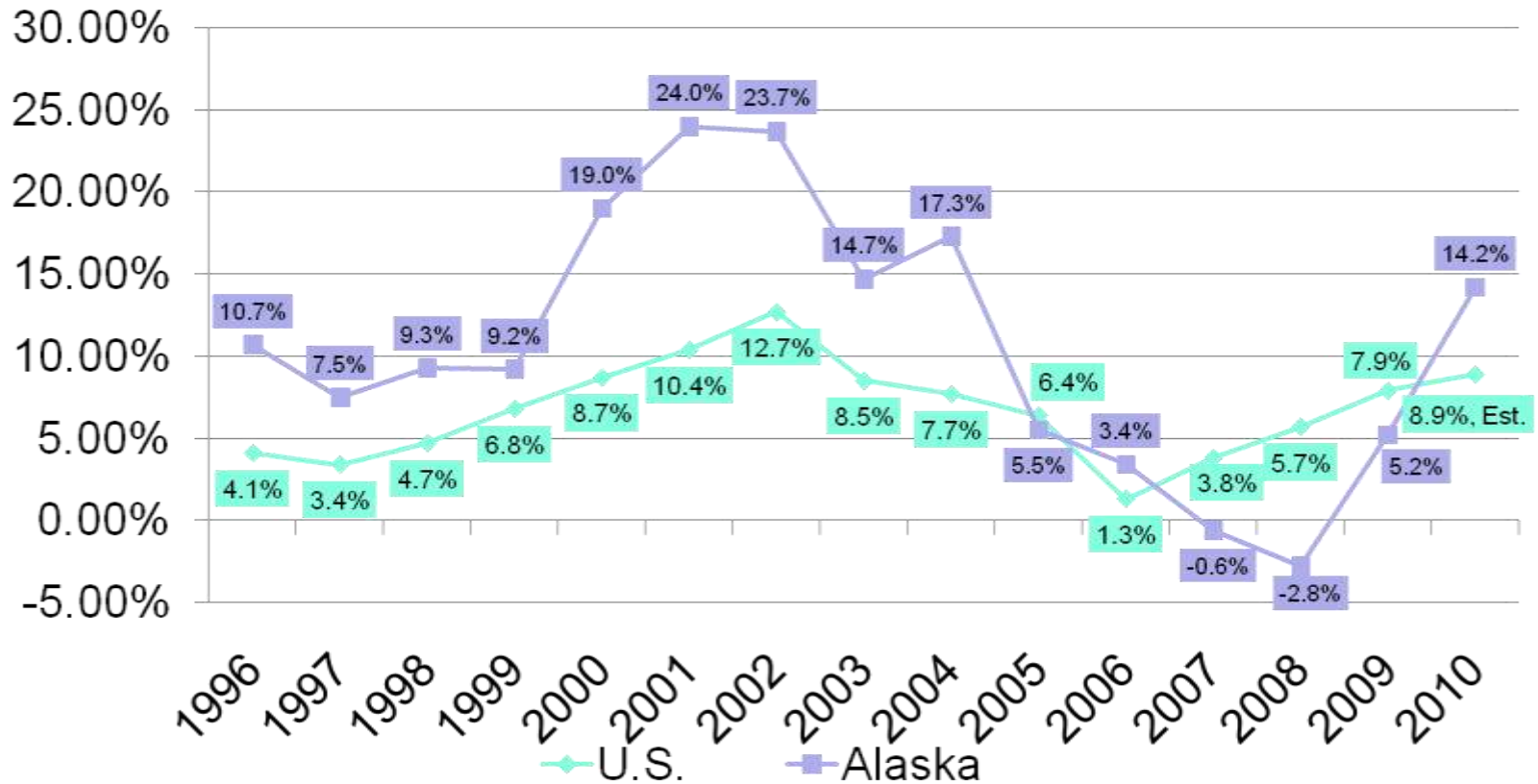
Source: PHS A year-to-date revenue mix at August 31, 2011

Collection Rates



Source: PHSA year-to-date revenue mix at August 31, 2011

Medicaid Spending Growth, U.S. and Alaska, 1996 - 2010



Source for U.S.: KCMU Analysis of CMS 64 Data, FY 2008, 2009, and 2010 based on KCMU survey of Medicaid officials in 50 states and D.C. conducted by Health Management Associates, 2009.

Payment Comparisons

2009 Payment Levels for Level 5 Office Visit (99215)				
	Office Site		Hospital Site	
Alaska Medicaid	\$	209.11	\$	209.11
Alaska Medicare	\$	164.32	\$	135.62
Washington Medicaid	\$	76.00	\$	59.62
Montana Medicaid	\$	129.21	\$	104.39

Anticipated Challenges

- Unit expense growth = cost escalation
- Enrollment growth = cost escalation
- Public health issues = cost escalation
- Regulatory changes = cost escalation
- Unintended results = cost escalation
- Labor shortages = cost escalation

Medicaid Cost Containment Actions

Medicaid Cost Containment Actions Taken in FY 2011	Alaska	Number of US States
Provider Payments	No	36 + DC Yes
Pharmacy Controls	Yes	30 Yes
Benefit Reductions	No	13 + DC Yes
Eligibility Cuts	No	1 Yes
Copays	No	5 Yes
Changes to Application & Renewals	No	0 Yes
Long-term Care	No	10 Yes

Source: Kaiser Family Health Foundation, <http://www.statehealthfacts.org>

Potential Solution Set Elements

- Shift funding into new delivery model(s).
- Shift funding into disease management.
- Compel patient engagement in health.
- Use carrots & sticks for quality & safety.
- Incent use of technology in care.
- Incent MDs across the care continuum.
- Experiment with risk shifting....

Examples in Use or Planned

- Patient-centered medical home
- Electronic Intensive Care Unit (eICU)
- Electronic health record (AeHN, Epic)
- Value-based purchasing
- Competitive contracting

QUESTIONS & COMMENTS