



# **THE HAWAI'I HEALTHCARE PROJECT**

**TRANSFORMING HEALTHCARE TOGETHER**

**Transformation Council**  
**July 25, 2012**



# Importance of Transformation

## **1. Costs are Unsustainable**

- 1999-2007 **healthcare inflation 114%**;  
**wages** grew only **27%**
- Total spending on healthcare (US) = **17%** of GDP (2x European nations)
- State of Hawaii = **25%** of revenues goes toward healthcare



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# Importance of Transformation

## 2. Quality is Uneven

- Don't/can't use electronic data systems
- Don't focus on primary care
- Don't focus on patients and manage care well



# Importance of Transformation

## 3. Inequities in Coverage

- Hawaii: 83,000 – 100,000 uninsured
  - >40% below 133% of poverty
- Unequal access for minorities, rural residents, people with behavioral health problems



# Importance of Transformation

## **4. Disjointed population health and delivery systems**

- Dramatic increase in obesity rates
  - Links to serious, chronic conditions
  - Estimate: adds between 10-21% to healthcare costs
- Traditionally, insurance hasn't paid for preventive/wellness services that might reduce obesity



# The ACA is Hawaii's Ally

- Universal coverage reduces financial pressures on providers and allows focus on quality outcomes, sustainability and “system-thinking”
- Moves away from fragmented care toward new models of care (PCMH, ACO)
- Requires competent use of health IT
- Measures and reports on quality



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# The Hawaii Healthcare Project

- Public-private partnership model
- Stakeholder-based initiative: providers, payers, policymakers, consumers
- Convened Phase 1 in March 2012 with creation of committees (“domains”)





# Phase 1 – Identifying Priorities

1. Delivery System
2. Payment Innovation
3. Health Information Technology
4. Government Policy and Purchasing
5. ACA/Prepaid Health Act Reconciliation





# Delivery System Priorities

1. Align **Patient-Centered Medical Homes** across public and private plans
2. Build capacity for **Community Care Networks** to provide physicians with tools for improved patient care coordination
3. Explore feasibility of **Accountable Care Organizations (“ACO-like”**



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# Payment Innovation Priorities

- 1) Encourage **Pay-for-Performance** with definitions and metrics
- 2) Support **Shared Savings** and **Bundled Payments** models as means to bend cost curve



# Health IT Priorities

- 1) Accelerate adoption of **Electronic Health Records**
- 2) Support **Health Information Exchanges**
- 3) Establish **Clinical/Claims Repository** with analytic capability



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# Phase 2: Implementation

- Define standards and metrics for PCMH to implement pilot program in Med-QUEST (July 2013)
- Determine strategies to support Community Care Networks
- Seek administrative simplification to allow physicians to focus on delivering care
- Identify health IT, workforce development and practice transformation needs



# Next Steps

- Continue meetings with Government Policy and Purchasing Domain
- Convene ACA/PHCA Reconciliation Domain
- Finalize implementation plan
- Start public/stakeholder outreach campaign



***Mahalo!***



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