



Lessons for State Policy Makers from Kaiser Permanente

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Prescription for Pennsylvania

Prescription for Pennsylvania is a set of integrated practical strategies for improving the health care of all Pennsylvanians, making the health care system more efficient and containing its cost.



Right State | Right Plan | Right Now

Functioning Insurance Markets

- PA is only 1 of 2 states that does not limit rating factors insurance companies can use to rate small group or individual health coverage.
- Our efforts to make our insurance market more functional through adjusted community rating, rate bands, standardized health plans, minimum medical loss ratios, rate reviews to eliminate costs for health care-acquired infections, avoidable ER and hospitalizations failed due to a strong insurance lobby.
- We are counting on federal reforms to address this important need

Payment Reform

- State Action is an important tool to reform payment
 - If state convenes payers to talk about payment reform to improve health, no antitrust issues
 - State must lead the meeting and attend all meetings of payors
 - PA has included other stakeholders to assure trust in the process.
 - PA tells each payor how much to pay each provider based on payer patient ratio in the practice.
 - Have used it for PCMH & Chronic Care Model for 800 PCPs.
- Need to apply it to larger units to foster integration, ownership and shared cost savings.

Accountable Care Networks

- Want to include PCPs, specialists, hospitals in a larger unit with greater integration, incentives to work together to improve quality and reduce costs.
- We will use state action to bring payors together to work with health systems to agree on quality measures and shared savings mechanisms.
- The trust and excellent quality improvement and cost reduction outcomes that we are beginning to see through our PCMH/CC Learning Collaboratives has fostered excitement about expanding this to the next level.
- Query: Can states working with stakeholders and through payment reform work to massage our fragmented health systems into something that is more Kaiser like?

HIEs and EMRs

- Electronic health records and health information exchanges will be critical to:
 - Provide real time exchange of clinical information.
 - Use patient registries to manage the entire patient population and measure individual and group outcomes.
 - Be connected to decision support and clinical guidelines.
 - Support pay for performance and accountability.
- Stimulus funding helps with costs of the HIE and helps with costs of the EMR for some hospitals and health care providers that have high Medicaid patient load, but not for a lot of the doctors.

Conclusion

- No matter what comes out of Washington, D.C., states are going to continue to play a large roll in quality and cost issues of health care.
- We need to use our power through state action, as payers, through licensing and legislation to transform payment to force integration, accountability, elimination of Never Events, and continuous quality improvement.
- If we can't get Kaiser to move into our states than we need to try to figure out how to mold our fragmented systems into something that begins to perform like Kaiser.