

STATE HEALTH POLICY

STATE HEALTH POLICY BRIEFING PROVIDES AN OVERVIEW AND ANALYSIS
OF EMERGING ISSUES AND DEVELOPMENTS IN STATE HEALTH POLICY.

This *State Health Policy Briefing* presents the issues identified by NASHP's state leadership as their most significant priorities for improving their health systems. As Academy members discussed their priorities, a set of broader themes emerged. These larger policy goals are:

- Connect People to Needed Services
- Promote Coordination and Integration in the Health System
- Improve Care for Populations with Complex Needs
- Orient the Health System toward Results
- Increase Health System Efficiencies

This briefing also provides a more detailed list of states' priorities presented in four major categories of state health policy: Coverage and Access; Health Systems Improvement; Special Services and Populations; and Long Term and Chronic Care.

NATIONAL ACADEMY
for STATE HEALTH POLICY

Briefing

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State Policymakers' Priorities for Improving the Health System

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The National Academy for State Health Policy's state leadership met in July 2009 to identify the most critical issues state health policy officials expect to face over the next several years. NASHP's steering committee membership spans across branches and agencies of state government, providing a unique perspective on the issues facing states without regard to traditional programmatic boundaries. This report captures the Academy's deliberations and presents Academy members' informed insights on states' priorities for improving their health systems.

The meeting was convened in the context of a very challenging policy environment. The parameters of federal health care reform were beginning to take shape; yet there was considerable uncertainty about its ultimate form and its potential effect on state resources and policies. Although participating state officials were certainly conscious of the national debate, the Academy's discussions deliberately focused on identifying state health policy priorities irrespective of the outcome of federal health reform.

In addition, states are in the midst of the most severe fiscal crisis in recent memory. Academy members expressed the clear realization that in the near term significantly fewer resources will be available to address their state health priorities. Yet, they also recognized the pressing need to improve their state health systems and were seeking ways to forge ahead with policy reforms and initiatives that would have a lasting beneficial effect on the health status of their states' populations.

It was within this policy environment that NASHP's state leadership convened to identify health policy issues that they and their colleagues view as priorities for improving their health systems.

CROSS-CUTTING THEMES

Five themes that cut across all topics and programs emerged as priorities for improvement:

Connect People to Needed Services. An effective health care system begins with connecting people to the services they need. States are seeking to expand health insurance coverage to new groups of people. States are examining public and private health insurance benefits to make sure they address developmental needs and prevention. States are streamlining eligibility determinations and enrollment processes, engaging in outreach and public education, and defining more accessible system entry points. States are working to complement health care services with public health and community-based prevention services.

Promote Coordination and Integration in the Health System. The fragmented health care system leads to poor care, delayed care, medical errors and a tremendous amount of waste. Improving coordination through a strengthened primary care and public health system is viewed by states as essential to improving individual health outcomes. Primary care case management and patient centered medical homes are examples of models adopted by states to increase continuity of care and enhance care coordination. Achieving integration of behavioral and primary care services and integrating financing and service delivery for persons dually eligible for Medicare and Medicaid were flagged by states as particular priorities.

Improve Care for Populations with Complex Needs. People with complex medical and social needs are at the greatest risk for poor outcomes. States perceive many opportunities to improve care while reducing costs associated with this group. States have a dominant role in organizing, purchasing, and financing health and long term care for persons with complex needs. States are seeking ways to better integrate the primary, chronic, and long-term care delivery systems that provide services to these populations. Reaching a better balance in the allocation of public resources between institutional care and services and supports provided in the

community is a high priority, as is reforming delivery systems to be person-centered rather than defined by provider or program needs.

Orient the Health System toward Results. States view the shift from paying for procedures and volume toward measuring and rewarding quality and value as critical to health system improvement. Developing contracting standards and payment reforms that enhance the quality of health care services and improve the performance of health systems continues to be a top state priority. To better align policy goals with systems results, states want to develop data-driven outcome measures, draw upon a stronger evidence base, reduce health disparities, and publicly disseminate data on the performance of health systems and providers. States view increased consumer engagement as a critical component of this shift.

Increase Health System Efficiencies. Tightly constrained resources at the state level have moved efforts to improve efficiency to the top of the agenda. States are working to invest in prevention and population-based interventions to reduce the incidence and the burden of chronic disease. States recognize that system inefficiencies increase costs and add unnecessary complexities to service delivery. Making better use of health information technologies, applying the vast evidence base to state policy development, and aligning state regulatory authority with practices that promote efficiency are all state priorities. States view having the necessary health care work force, with an examination of appropriate scope of practice, as critical to system efficiency.

SPECIFIC PRIORITY ISSUES IDENTIFIED BY ACADEMY MEMBERS

The Academy members' discussions were organized around four major categories of state health policy: Coverage and Access; Health Systems Improvement; Special Services and Populations; and Long Term and Chronic Care. Within each of these four broad categories, which make up the core of health policy responsibilities at the state level, Academy members identified their most important priorities to tackle over the next several years.

Coverage and Access. Having health insurance and a regular source of care are associated with better health outcomes. States are striving to provide health insurance coverage and

access to care for their populations. Top state priority issues are:

- Maintain coverage and access in difficult financial times; define the core populations and benefits that are most essential to preserve if programs must be scaled back
- Foster public/private sector collaboration
 - Facilitate the purchase of individual insurance coverage
 - Create buy-in and premium assistance programs
 - Analyze the role of barebones plans; understand their effect on access and safety-net providers
 - Consider the implications of mandating the purchase of coverage
- Identify innovative ways to cover new populations, such as young adults who are particularly likely to lack insurance
- Determine how to meet the health care needs of undocumented populations in the context of public policies that make them ineligible for most forms of coverage
- Address payment rate adequacy so public coverage provides meaningful access to services
- Increase and streamline enrollment and retention in existing programs
 - Identify policies to reduce enrollment churning
 - Reengineer processes to reduce administrative burdens
 - Adopt tools such as web-based applications and data matching
- Enhance access through strengthening the roles of Community Health Centers and taking advantage of delivery systems innovations such as retail clinics and telemedicine
- Strengthen the health care workforce by addressing scope of practice definitions, use of mid-level providers, payment policy, and workforce development partnerships

Health Systems Improvement. States are seeking to integrate their own efforts and coordinate with the private sector to reduce fragmentation and pursue greater value, quality and efficiency. Top state priority issues are:

- Change the focus of state policy discussions from cost

containment to value, using evidence to drive payment reforms and benefit design

- Develop improved measures of quality and value and integrate them into payment methods and purchasing decisions
- Adopt approaches designed to achieve greater value: outcomes research, tort reform, transparency of quality and price, better use of regulatory authority, increased primary care capacity and integration of care delivery
- Pursue the development of a robust Health Information Technology infrastructure that is integrated with system improvement goals
- Be strategic when state spending must be cut
- Foster cross-sector collaboration and community capacity to support health systems improvement
- Engage consumers to increase their awareness of costs and expectations of quality
- Improve management of chronic illnesses and care for high cost populations
- Address provider shortages by changing definitions of scope of practice and allowing new categories of providers

Special Services and Populations. Life circumstances create unique healthcare needs at different points in the life cycle or for particular populations. For persons with complex needs, states must bridge multiple delivery systems to provide effective care. Top state priority issues are:

- Focus on areas of high spending and poor outcomes: mental health, substance abuse, long term care, chronic care/co-morbidities, obesity, autism, and oral health
- Increase attention to prevention and targeted early interventions
- Develop a coordinated approach to providing care to persons with complex needs that brings together health and social systems, addresses people's needs holistically, and reduces fragmentation
- Tackle service coverage boundary issues within and between public and private insurance so patient needs are met

- Address benefit disparities that arise as individuals move between specialized delivery systems
- Develop and implement purchasing standards for services for special populations, e.g. provider qualifications, training, benefits; develop outcome measures with more refined risk adjustments; align payment strategies across systems
- Improve end-of-life care to correspond with patient and family wishes
- Improve the provision of chronic care to promote better outcomes and enhance quality of life
- Move from a provider-centered system to a person-centered system; incorporate supportive employment, housing and counseling as part of a holistic approach
- Enhance recruitment and retention of the long term care workforce
- Strengthen the evidence base in long term and chronic care to better inform policy decisions

Long Term and Chronic Care. Persons who require assistance with daily activities over the long term due to disability or chronic health conditions often have complex needs that can only be met by multiple providers and delivery systems. States are seeking ways to more effectively organize, finance, and deliver long term and chronic care services. Top state priority issues are:

- Rebalance the continuum of care to increase funding for community supports that will enable more people needing long term services to receive them in their own homes
- Integrate financing and coordinate care for persons who are dually eligible for Medicare and Medicaid
- Reform payment methodologies and support systems change for both chronic and long term care to enhance quality and improve coordination
- Integrate delivery systems for primary, chronic, behavioral, and long term care

MOVING FORWARD

States' priorities for improving their health systems include some of the most difficult issues to tackle. Some have been persistent challenges, benefiting from incremental progress, even as they remain high on state reform agendas. Others have emerged as priorities because the accumulation of state experience coupled with an expanding knowledge base of successful policy approaches bring within reach solutions to certain complex problems. National action on health reform likely will assist states in advancing some of their priorities. Nonetheless, state leadership will continue to be essential for addressing crucial issues ignored by federal reform and for developing state-specific strategies for implementing the reforms that have been enacted.

NATIONAL ACADEMY for STATE HEALTH POLICY

About the National Academy for State Health Policy:

The National Academy for State Health Policy (NASHP) is an independent academy of state health policy makers working together to identify emerging issues, develop policy solutions, and improve state health policy and practice. As a non-profit, non-partisan organization dedicated to helping states achieve excellence in health policy and practice, NASHP provides a forum on critical health issues across branches and agencies of state government. NASHP resources are available at: www.nashp.org.

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