Wyoming Healthcare Commission

Vision for a Wyoming Healthcare System

December 2004

The Goal

The Wyoming Healthcare Commission envisions a better-organized statewide healthcare system enabling more Wyoming citizens to access higher quality and more affordable care.

This statewide healthcare system would provide for the healthcare needs of Wyoming citizens, but eliminate the added cost created by excess capacity in some areas, lack of services in others and unknown quality throughout.

At the same time, the system would promote preventive care and facilitate coordinated access to needed care through the creation of larger risk pools or purchasing pools. These larger pools will also serve to reduce the fluctuations in risk experience and stabilize insurance premiums.

Both the delivery system and the purchasing pools would be managed by a Wyoming Health Policy Board using an open health information technology platform to create more accountability and more informed decision-making on the part of providers, consumers, employers and regulators.

Economic benefits are gained in three ways:

1. Creating a more rational and accountable healthcare system that realigns incentives resulting in more appropriate and cost-conscious use of medical resources.
2. Accessing the economies of scale and market power of larger purchasing groups.
3. Reducing the number of uninsured and reducing the strain of uncompensated care and cost shifting on the businesses and individuals who buy insurance in the commercial market.

What it will take to get there…

The Commission believes a two-track approach is necessary to achieve these goals.

1. The first track provides the infrastructure for a more rational and accountable delivery system that encompasses Wyoming's unique rural characteristics:
   - A regional or statewide delivery system that incorporates non-traditional community care settings such as school-based clinics and public health services along with a variety of qualified providers to address rural health issues.
   - An information system that serves as a statewide backbone for data exchange among providers, employers, consumers and regulators with a common data repository for both clinical and administrative information to:
     - Streamline and simplify administrative processes;
     - Facilitate data analysis to improve quality of care and focus on the most effective interventions;
     - Reduce duplicative services; and
     - Identify service and resource allocation issues.

2. The second track integrates many of the small to medium-size insurance pools in Wyoming into one large insurance pool (initially the focus would be on public sector pools). Benefits include:
   - Stabilization of insurance rates by reducing the fluctuations in risk experience;
   - Increased access by providing a mechanism for partial premium contributions by more than one entity (e.g. two employers can both contribute to one person's coverage);
   - Implementation of agespecific prevention & intervention programs; and
   - Dissemination of accurate disease and drug information.

For every problem, there is a solution…

Problem #1: High impact local decision-making based on non-healthcare issues such as economic development, community image and pride rather than objective allocation of healthcare resources across the state.

Solution: A "right-sized" Wyoming Healthcare System governed by a Wyoming Healthcare Policy Board responsible for dealing with statewide issues, such as trauma care, emergency transportation, technology and facility resource management, and the provision of data-driven, evidence-based information to all stakeholders.

Problem #2: A health insurance market dominated by small groups with volatile risk experience and escalating insurance premiums.

Solution: Creation of large insurance pools to help reduce the fluctuations of risk experience and stabilize insurance rates. These pools would also help consumers become more sophisticated consumers by developing realistic consumer expectations about cost and outcomes, implementing age specific prevention/intervention programs and disseminating accurate disease and drug information.

Problem #3: Data that is inaccessible, fragmented and proprietary that cannot be used to support logical administrative or clinical decision-making. This results in duplicated care, high administrative costs and a lack of coordination across delivery systems.

Solution: A core statewide information and data collection system supported and used by all employers, providers, consumers and regulators to gather, analyze, and distribute data that will support evidence-based care and streamlined claims payment.

Problem #4: A shortage of providers that negatively impacts cost and access to care for our citizens.

Solution: Greater virtual and telemedicine support for rural providers as well as a coordinated care system that relies on triage and a collaborative team of providers, including a variety of qualified non-physician providers in nontraditional care settings (e.g. nurses, pharmacists, dieticians). Better use of what Wyoming already has may reduce the need to recruit additional providers.

Problem #5: A healthcare system that delivers inconsistent care, unnecessary expense, and an unhealthy reliance on litigation as it fails to emphasize accountability, personal responsibility, or realistic expectations.

Solution: An evidence-based system that emphasizes and provides tangible incentives for clinical guidelines, error reporting, outcomes and cost analysis, and public health management while also addressing consumer and provider responsibilities and attitudes through full sharing of information.

Problem #6: A small majority of the population consumes the vast majority of the resources.

Solution: Use data to identify potential high users, coordinated teams of caregivers to care for this population, and a more balanced approach to heroic measures and end-of-life care.

How does this affect me?

Consumers - Consumers will face a much less bewildering system that readily provides information about the care that is needed, the costs, and the expectations for providers and themselves. In exchange for taking more personal responsibility for prevention and early intervention and having more realistic expectations regarding reasonable care, consumers will have greater access to more affordable care delivered by a collaborative team of providers.

Purchasers - Employers and other purchasers will have access to a more integrated healthcare system that provides more affordable options and broader access to care for their employees or beneficiaries. One goal is to provide a mechanism for all coverage provided by employer(s) for an individual to be integrated into one coverage plan (e.g. contributions allowed from two different employers, workers compensation, Medicaid, children's health plan etc.). This maximizes efficiency, reduces overlap in coverage and makes managing benefits easier for the consumer, the employer, and the administrator.

Physicians - Physicians continue to practice medicine independently and may contract with any health carrier. They will be provided incentives to use electronic medical records and to comply with quality guidelines and reporting requirements to assure consistent quality care that can be communicated to patients and families. Telemedicine, and a more appropriate distribution of resources by the Health Policy Board will help support rural providers and efforts to recruit new physicians to the state.

Other Providers - The emphasis on an expanded team of providers, including those in nontraditional settings, means that providers other than physicians will be incorporated more proactively into the delivery of care in Wyoming. Greater use of physician extenders, such as nurses, nurse practitioners, physicians assistants, pharmacists, dieticians and other less expensive professionals will increase access to and the cost-effectiveness of care, and may reduce the need to recruit new physicians.

Hospital Facilities - Certain facilities will be required to modify services currently provided. In some cases, this will mean an expansion of services and in others a reduction or elimination. Because a state board will be responsible for decision-making other economic development opportunities can be provided so that communities asked to limit their services will not be penalized. Currently, every community and private hospital feels the need to maximize revenue regardless of the aggregate impact on healthcare costs in Wyoming.

In the end, it's all good…

A more efficient and rational system of delivering and consuming healthcare for the people of Wyoming:

- Better educated consumers of healthcare
- Improved access to appropriate preventative, diagnostic and treatment services
- Higher quality of healthcare
- Simplified administration
- Reduced cost-shifting
- More cost-effective care

Questions that need further investigation/exploration

1 – Build on the Rural Healthcare Study to outline a state-wide delivery system **Budget $400,000**

- What services are needed in which areas?
- What services are redundant and need to be eliminated?
- How can the state provide for services not sustainable within our borders?
- How should transportation for emergency services be organized?
- How should transportation for services only offered outside the state be organized?
- What should the Wyoming Health Policy Board (WHPB) look like?
  - What responsibilities should it have?
  - What legal authority should WHPB decisions have?
  - Appeal process?
  - Who should be on the board?
  - How to minimize politics/corruption?

2 – Purchasing pools **Budget $200,000**

- Who should be pooled?
- Can we start with ALL public employees (State, County, City, School, Fire, Police), or are there legal or other reasons to just start with a subset?
- Can the first pool include public employees and Medicaid beneficiaries?
- How can the Wyo-Care concept fit into this model?
- Can the work Hank Gardner is doing be brought to bear on these issues?
- Can the pool have multiple funding sources such as those envisioned in the Wyo-Care model?
- What will it take to entice private employers to join in this pool or form their own pool?
- Can one pool purchase coverage from multiple carriers, or does it have to buy from just one?
- Can one pool offer multiple benefit packages or just one?
- How can we hold the pools responsible for the educational tasks envisioned?

3 – Age specific prevention/intervention programs **Budget $ 75,000**
(to be done in conjunction with the Wyoming Department of Health)

- Literature search followed by personal interviews with those involved in the programs that appear to be the most successful.
- Development of program recommendations.
- Who is responsible for research and implementation?

4 – Consumer education programs **Budget $ 50,000**
(to be done in conjunction with the Wyoming Department of Health)

- What has worked?
- What can and should be done by purchasing pools?
- What can and should be done by other stakeholders?

5 – Data base investigation **Budget $200,000**

- Investigate databases used at integrated systems like Kaiser Permanente, the VA and Mayo.
- How do they collect information from different sources?
- Modify their functional specifications to fit the needs of Wyoming providers, payers, regulators and other stakeholders.
- Work with the banking industry on the creation of a combination health plan card and debit (credit?) card that accepts only IRS approved healthcare expenditures. Improve cash flow to physician offices? Simplify claims processing?

6 – IT II Study completion **Budget $ 40,000**

- Contract was let for $389,000. The subcommittee needs additional money for operational expenses.

Total for all projects: $965,000