

Impacts of the ACA on the Health Care Community in Arizona

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Health Care in Crisis

- More people entering the system
- Shortage of health professionals
- Dependence on acute care delivery models
- Professional results
- Skyrocketing costs

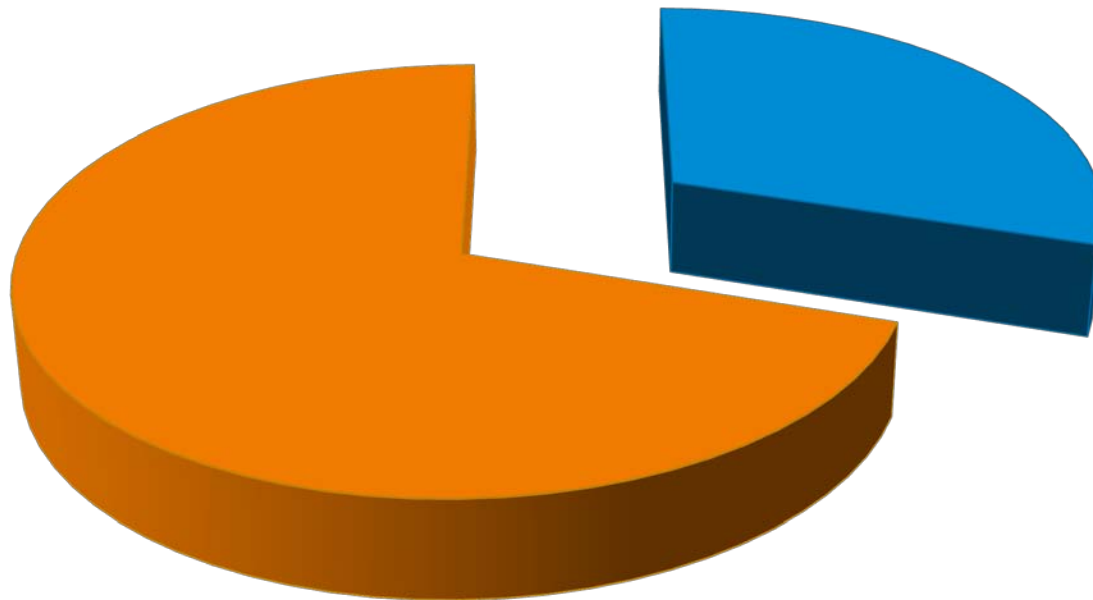
How Much Are We Spending?

2.5 Trillion

Spent in the U.S. on health care in 2009

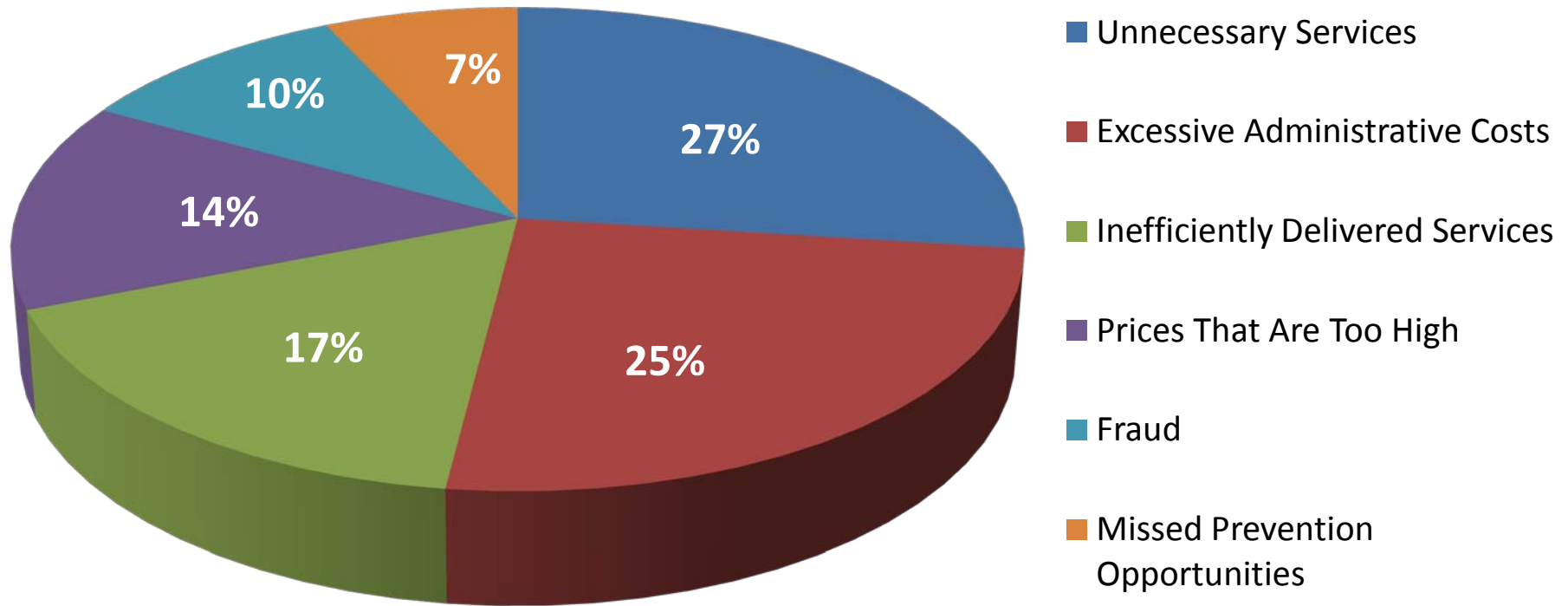
How much is waste?

\$765 Billion



**30% of
2009 total
Health care
Spending**

Of the \$765 Billion in Waste...



Source: US Healthcare Costs - Where is the Money Going? Institute of Medicine. Web. October 2013. Retrieved from: <http://resources.iom.edu/widgets/vsrt/healthcare-waste.html>

Note: Adapted from US Healthcare Costs - Where is the money going? Institute of Medicine. Web. October 2013. Retrieved from: <http://resources.iom.edu/widgets/vsrt/healthcare-waste.html>

How We Compare

- #37 in World Health Organization Ranking by Country (2000)
- #29 Life Expectancy (2010)
- Costs > **50% higher** than next most costly

State of Health in U.S. Today

- Americans are getting far too little bang for our healthcare dollar
- We are a **sick care system**, not a health care system
- Status quo is unacceptable

Courtesy of Kim VanPelt, Director-State Health & Policy, St. Luke's Health Initiatives

Health Reform

- Access and Coverage
- Quality Care
- Cost

Why is Reform Needed?

- Nearly **1 in 5** **Arizonans** lacks health coverage
- Medical debt significant cause of financial security
- Growth in healthcare costs are unsustainable, crowding out other public spending, personal income

Courtesy of Kim VanPelt, Director-State Health & Policy, St. Luke's Health Initiatives

Health in Arizona

- More than **1 million Arizonans** entering system
- Move from fee-for-service to pre-paid service
- **Accountable Care Organizations** emerging and driving cost savings
- Technological advancements altering traditional health care
- Health providers incentivized to provide **right level** of affordable care
- An aging population living longer

Principles for Reform

- Encouraging healthy behaviors
- Improving access to early, preventive care
- Changing how health care is delivered
- Changing the incentives
- Eliminating waste

Courtesy of Kim VanPelt, Director-State Health & Policy, St. Luke's Health Initiatives

Improving Quality, Lowering Costs

- Coordination of care, integration
- Community-based care
- Chronic disease management
- Primary care
- Prevention
- Incentivizing value-based health care

Courtesy of Kim VanPelt, Director-State Health & Policy, St. Luke's Health Initiatives

Medicaid Expansion

- Over 300,000 Arizonans will benefit
- Supported by the Governor, passed by the Legislature
- Restores the will of the voters
- Approximately 60 percent of voters support restoration or expansion
- Eligibility screening began October 1, coverage begins on January 1, 2014

Courtesy of Kim VanPelt, Director-State Health & Policy, St. Luke's Health Initiatives

Improvements to Coverage

- Prohibits many insurance plans from charging cost sharing for preventive services
- Requires many individual and small group plans to provide behavioral health coverage
- Prevents discrimination in pricing based on pre-existing conditions
- Essential benefits chosen by Arizona allows for coverage of many services
- Those who have self-insured or grandfathered plans will not benefit from essential benefits, elimination of cost-sharing

Courtesy of Kim VanPelt, Director-State Health & Policy, St. Luke's Health Initiatives

Changes in Care Delivery

- Accountable Care Organizations and other models aimed at rewarding outcomes
- Penalties for inappropriate hospital readmissions
- Movement towards medical home model where care is coordinated
- Integration of acute care and behavioral healthcare

Courtesy of Kim VanPelt, Director-State Health & Policy, St. Luke's Health Initiatives

Public Health Workforce Shortage

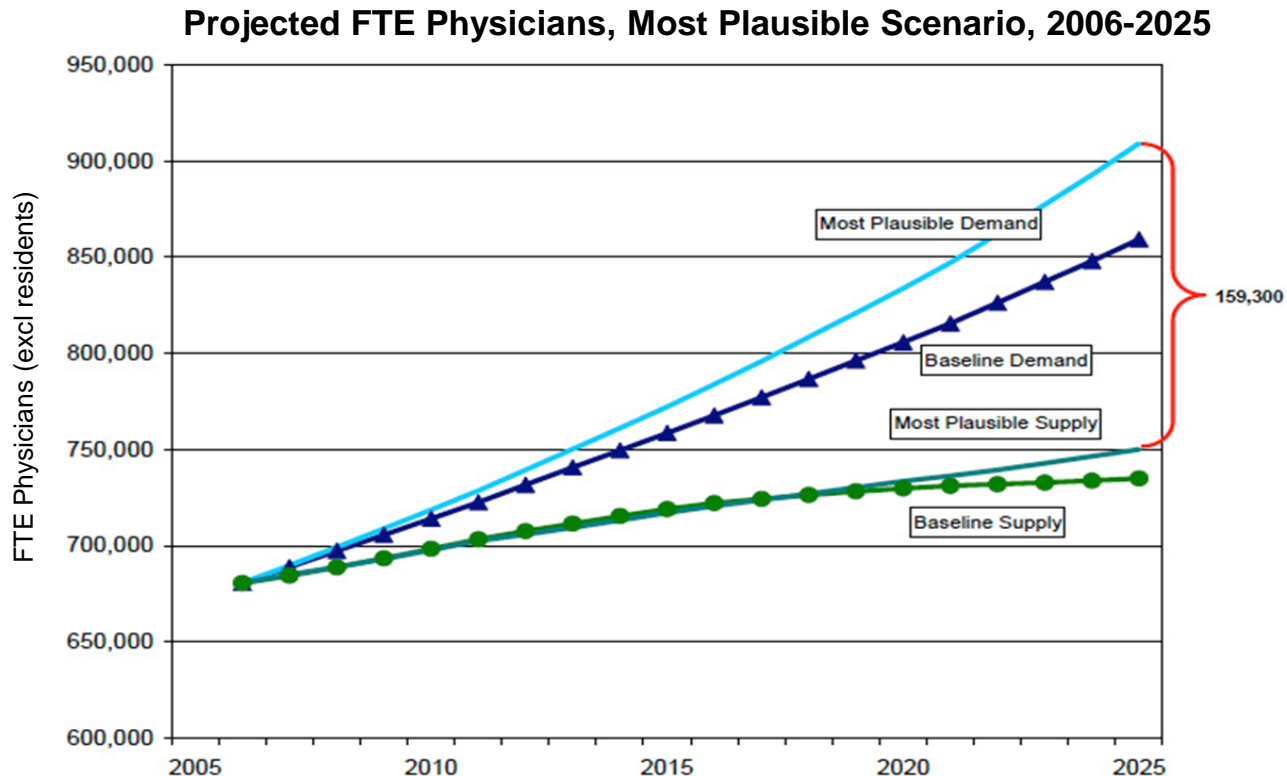
By 2020

- > 250,000 public health worker shortage
- Public health schools have to triple the # of grads to meet projected needs

Courtesy of Kim VanPelt, Director-State Health & Policy, St. Luke's Health Initiatives

Physician Shortage

- By 2020, the U.S. will be short over 90,000 physicians
- The largest shortage – 45,000 primary care physicians



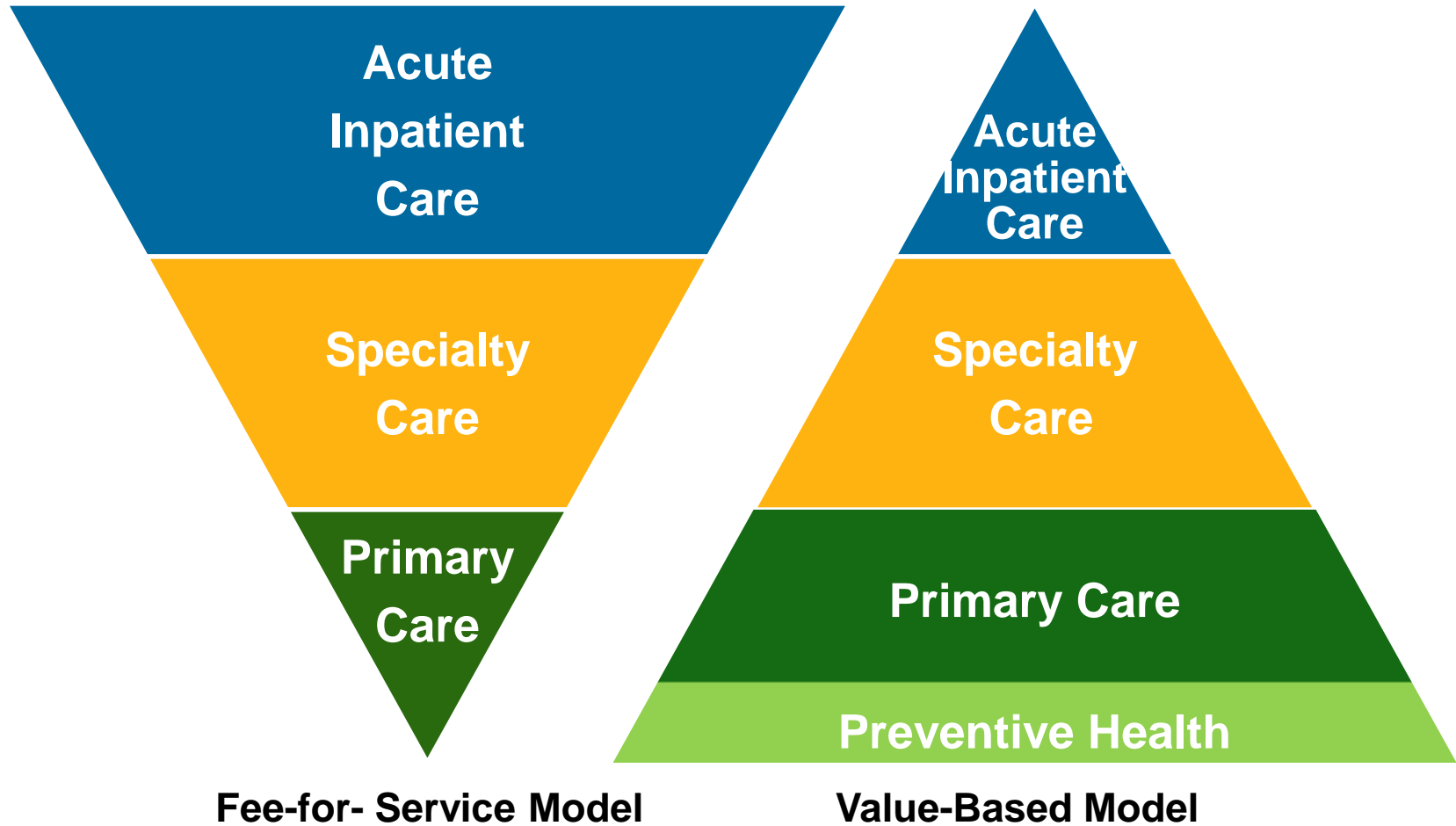
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Health Workforce & the ACA

- \$1.5 b National Health Service Corps
- \$230 m Teaching Health Centers
- \$168 m PCP Training
- \$32 m Physician Assistant Training
- \$45 m NP Training & Practice
- \$5 m State Health Workforce Grants

Courtesy of Kim VanPelt, Director-State Health & Policy, St. Luke's Health Initiatives

Transformation of Clinical and Financial Models



Courtesy of Jacque J. Sokolov, MD, Chairman & CEO, SSB Solutions

Thank you!

Questions?