

***Innovation in Alabama:  
New Tools for Transformation  
OR  
Alabama Responds to Health Reform***



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# *Health Reform: Who knows?*

- ▶ Three major proposals circulating in Congress
- ▶ Much debate in Congress; consensus is elusive
- ▶ Strong public feelings; town hall meetings showed this
- ▶ Major impetus to do something this fall
- ▶ Presidential push
- ▶ No one knows what final outcome will be
- ▶ Good comparison tool at Kaiser Family Foundation
  - [Kff.org](http://Kff.org)

# *Major Issues for Medicaid*

- ▶ Increased cost burden for state; no way to pay for it
- ▶ Federal stimulus funds to end in January 2011 – what then?
- ▶ One-size-fits-all federal mandates
  - Regional differences make this illogical – AL vs. California or NY
- ▶ Unfunded mandates
- ▶ Increase in eligibles – nearly 50,000 in past two years
  - Primarily children and pregnant women
- ▶ Cost savings to be achieved by reducing fraud/abuse
  - Alabama has already eliminated much of this
  - Low fraud abuse rates based on national statistics

# *Major Issues for Medicaid*

- ▶ States must be ready for change
  - Accountability
  - Technology
- ▶ Information “Silos” have to go
- ▶ Greater emphasis on data and analytics
  - For decision-making
  - For quality improvement

# ***Innovation is a necessity, not an option!***

- ▶ Alabama Medicaid is a “Bare Bones” program
  - ▶ Efficient operation – 3% administrative cost
  - ▶ Drives state health care economy
  - ▶ Supports state health care infrastructure, especially in underserved areas
  - ▶ Budget of \$4.9 billion in FY09
  - ▶ And...on the forefront of HIT innovation!
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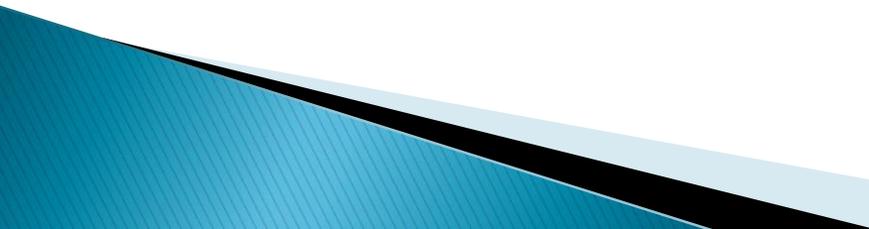
# *Medicaid Transformation*

- ▶ Alabama has made a significant commitment to Medicaid transformation as a means to improve health outcomes and the quality of care.
- ▶ Meaningful transformation includes improvements to:
  - Quality of care provided to recipients
  - Value to taxpayers who fund the program, and
  - Efficiency in which we do business with our providers and recipients
  - We believe the ultimate outcome will be *better health care at a lower cost*

# *Alabama's Strategies for Better Health Care at a Lower Cost*

- ▶ Building medical homes
  - ▶ Shared information / Support for Health Information Exchange (HIE)
  - ▶ Performance measurement
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# *Building Medical Homes*

- ▶ Patient 1st program begun in 1997
  - ▶ Statewide primary care case management program (PCCM)
  - ▶ Ensures access to primary care services for approximately 400,000 recipients
  - ▶ Cornerstone of current Medicaid transformation effort
  - ▶ Performance Measures / Incentives
  - ▶ HIT/ Data essential for quality, accountability efforts
  - ▶ AL chosen for National Medical Home Project in FY 10
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# *Sharing across providers and agencies*

- ▶ Electronic information – BCBS InfoSolutions
- ▶ Transition to Agency's *Q Tool* in 2010
  - Free to providers
  - Electronic Health Record; can exchange with EMRs
  - Designed by AL physicians and experts
  - Claims based, has BCBS and Medicaid information
  - ER Visits, RX history, DX information
- ▶ Health reform expected to support/require expanded use of health information technology

# *Health Information Exchange (HIE) is coming!*

- ▶ Essential ingredient of a reformed health care system
  - Key to providing better health care at a lower cost
  - Saves money
  - Reduces duplication
- ▶ Fills in gaps that lead to better patient care
- ▶ Federal Stimulus funding to create incentives for states

# *ARRA Impact on HIE / HIT*

- ▶ Clear federal commitment to HIT/HIE
  - ▶ 1<sup>st</sup> major grant announcement occurred on August 21<sup>st</sup>
  - ▶ State preparing application for ONC grant to move to independently administered Exchange that goes beyond Medicaid's efforts
  - ▶ Setting the state for health reform efforts
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# *No turning back*

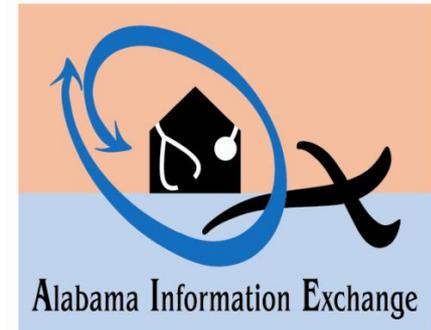
- ▶ With or without health reform, there's no turning back on HIT – it is here to stay
  - ▶ Data is available to make better decisions, improve patient health by using information
  - ▶ End result: Better health care at a lower cost.
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# *Together for Quality*



- ▶ Funded by a \$7.6 million transformation grant
- ▶ Designed by diverse public–private collaborative of state health leaders
- ▶ Built on existing resources
- ▶ Blends disparate systems
- ▶ Patient / client centered
- ▶ Based on medical home model
- ▶ Data–driven, quality–focused

# *Together for Quality*



- QTool** – Electronic health record and clinical support tool
- Q<sup>4</sup>U** – Care management for individuals with chronic illnesses
- Q<sub>x</sub>** – Information exchange between state health and human service agencies

# *QTool*



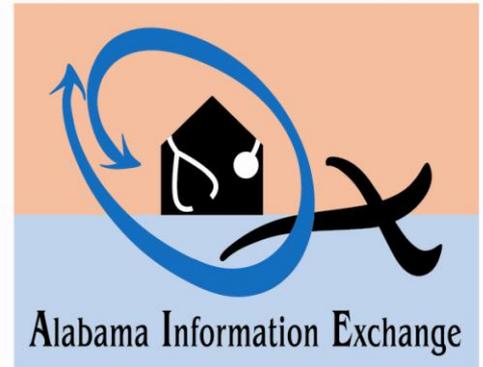
- ▶ **Electronic Health Record**
  - Medicaid and BCBS data
  - Patient Summary, History
- ▶ **Overlay of Clinical Rules and Alerts**
  - Asthma and Diabetes are targeted diseases
- ▶ **E–Prescribing**
- ▶ **Reduces potential for errors and duplication**
- ▶ **Free–standing or can connect to EMR systems**

*Q<sup>4</sup>U*



- ▶ Comprehensive chronic care management program
- ▶ More than 1,000 recipients in 8–county pilot
- ▶ 83 physicians in 54 practices testing system now
- ▶ Many early successes
- ▶ Long–term goal is to prevent strokes, kidney failure, amputations and other problems associated with chronic disease

Qx

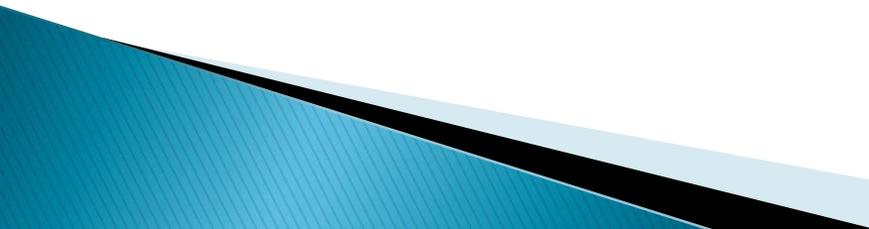


- ▶ Data exchange between state health and human service agencies on common clients
- ▶ Alabama Department of Senior Services first agency to connect
- ▶ Interoperability – systems talking to systems
- ▶ Building platform for others to follow
- ▶ Improved workflow from paperless, behind-the-scenes project

# *Performance / Quality Improvement*

- ▶ Q4U/ Together for Quality Medicaid Transformation Effort
  - ▶ Measures and monitors “missed opportunities” based on currently accepted clinical/scientific evidence/guidance
  - ▶ Certain patients with asthma and diabetes now monitored
  - ▶ Patients with higher risk targeted for intervention by care coordinators
  - ▶ Many patients have significant improvements after small or inexpensive interventions
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# *Performance / Quality Improvement*

- ▶ Alabama Medicaid leading Alabama HealthCare Improvement and Quality Alliance
  - ▶ Encouraging collaboration on guidelines and measures between organizations
  - ▶ Encouraging projects to improve quality of care and patient safety
  - ▶ ID critical elements that increase desired health outcomes
  - ▶ ID evidence-based interventions to enhance care
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# *What's Next?*

- ▶ Moving ahead to build Health Information Exchange independent of Medicaid
  - ▶ Taking full advantage of all federal dollars to meet Alabama needs
  - ▶ Continued focus on quality improvement
  - ▶ Monitor what's happening in Washington
  - ▶ Prepare for 2010 Legislature / FY 2011 Budget
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***For More Information***

[www.medicaid.alabama.gov](http://www.medicaid.alabama.gov)