



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

**Department of  
Health and Social Services**

DIVISION OF HEALTH CARE SERVICES  
Director's Office

4501 Business Park Blvd., Suite 24, Bldg L  
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June 10, 2013

The State of Alaska is excited for the opportunity to participate in the super utilizer policy academy. We have some of the highest health care costs in the nation and have been looking at ways that we can partner with other agencies to help contain costs. The key is to control costs rather than shift them.

We recently began a project identifying super-utilizers of emergency rooms. We selected individuals who are high utilizers of the emergency room and have placed them in either case management or care management. Care management is the more restrictive of these two options by assigning specific providers to the individual. If the individual inappropriately uses the emergency room Medicaid does not pay for these services. Under case management that restriction does not exist.

For chronic conditions, we have been reviewing our data quarterly and focusing on the top 80 utilizers. Approximately 60% of these individuals are placed into case or care management. Using this model, we are not making a large enough impact on our budget. We believe that what we can learn from this policy academy will help us to streamline these processes and make a definite impact.

State Name: Alaska

Team Leader: Margaret Brodie, Director Health Care Services  
4501 Business Park Blvd., Bldg. L  
Anchorage, AK 99503  
Phone: (907) 334-2520  
Email: [Margaret.brodie@alaska.gov](mailto:Margaret.brodie@alaska.gov)

Sincerely,

A handwritten signature in blue ink, appearing to read "Margaret C. Brodie".

Margaret C. Brodie  
Director, Health Care Services

STATE CAPITOL  
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Governor Sean Parnell  
STATE OF ALASKA

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June 5, 2013

Ms. Krista Drobac  
Director, Health Division  
Center for Best Practices  
National Governors Association  
444 North Capitol Street, NW, Suite 267  
Washington, DC 20001

Dear Application Review Committee,

This letter extends my support for the Alaska proposal and application for participation in the Developing State-Level Capacity to Support Super-Utilizers Policy Academy. I am optimistic that participation in the Academy will afford us the tools to both successfully improve and expand existing case management efforts and also to implement new measures to coordinate services for individuals identified as super-utilizers.

I have appointed the following individuals to serve on Alaska's Policy Academy team:

Margaret Brodie, Director, Division of Health Care Services (Team Lead)  
Craig Christenson, Deputy Commissioner, Health Care Policy  
Melissa Stone, Director, Division of Behavioral Health  
Dr. Alex Malter, Medical Director, Medicaid  
Mike Lesmann, Special Assistant, Office of the Governor

Under the capable leadership of Margaret Brodie, the Alaska delegation to the Policy Academy is committed to developing a plan that will help us, along with our stakeholders, to address the challenges of super-utilizers and related obstacles that are exclusive to Alaska.

Thank you for this opportunity. We look forward to participating in the Academy.

Best regards,

A handwritten signature in blue ink that reads "Sean Parnell".

Sean Parnell  
Governor



**Demonstrated commitment from relevant leaders across state government – 20 points.**

The Department of Health and Social Services Medicaid agency is well prepared to undertake this important effort. There exists a core group of partners, both internal and external, committed to collaborate on the development of super utilizer care models.

Alaska's Medicaid program is very unique in that it operates in an environment exclusive of managed care. Of the approximately 130,000 recipients enrolled throughout the year, approximately 50,000 are adults. Nearly 40% of the Alaska Medicaid beneficiary population is Alaska Native/American Indian and about 40% of that subset receives care from Medicaid enrolled tribal health care providers. The land mass of Alaska exceeds that of any other state, and is two and a half times the size of Texas, with much of the state inaccessible by road. Health care providers in frontier Alaska, primarily through the tribal health system, have developed an innovative three tiered health care delivery system of paraprofessionals or community health aides, working in village clinics with regional and sub-regional health care delivery systems overseeing care delivery.

Medicaid is the largest portion of the state's budget exceeding \$1.5 billion in 2013. With State revenues declining it is imperative to control costs. The team will be led by the Medicaid Director and include Directors from Behavioral Health, Senior and Disability Services , Public Assistance, Public Health, and HIT. Also included on the team are individuals from the State's Health Care Commission, The Mental Health Trust Authority, the Office of Rate review, Alaska Native Tribal Health Consortium and the Alaska State Hospital and Nursing Home Association. The strategy of the team leader will be based on state needs, stakeholder input, and best practices as demonstrated on established models with the ultimate result of effective, affordable care being delivered at the right place and the right time. By utilizing these entities we will be able to:

- Focus on prevention rather than episodic sick care
- Provide better coordinated care
- Enhance integration of primary medical care and behavioral health services
- Manage chronic conditions through early identification and management of health problems
- Have more efficient use of services
- Control high cost medical services

The State of Alaska is proposing to include the following individuals on the team:

Margaret Brodie, Director, Division of Health Care Services (Team Lead)

Craig Christenson, Deputy Commissioner, Health Care Policy

Mike Lesmann, Special Assistant, Office of the Governor  
Melissa Stone, Director, Division of Behavioral Health  
Duane Mayes, Director, Division of Senior and Disabilities Services  
Dr. Alex Malter, Medical Director, Medicaid

**Health Information Technology/Data Analytics capability – 15 points**

The Division of Health Care Services (DHCS) completed its initial Medicaid Information Technology Architecture (MITA) State Self-Assessment (SS-A) in 2008 to support the current MMIS Replacement Project. The initial MITA SS-A did not include all of the elements needed to support development of this SMHP and as a result, a MMIS SS-A Update was conducted to revisit As Is and To Be business processes, assess MITA maturity levels according to MITA Framework 2.01 and develop a Technical Assessment and HIT Roadmap.

The approach taken during planning for Alaska’s EHR Incentive Program administration was to review MITA business processes, and to identify and integrate the EHR Incentive Program processes into Alaska’s MITA structure and existing day-to-day operations. In cases where processes did not exist, new ones were developed. Examples of these processes would include Alaska’s EHR Incentive Program eligibility determination, verification of member volume, attestation receipt and validation, and certain audit functions.

Alaska’s SMHP provides an understanding of activities DHCS is employing to implement section 4201 Medicaid provision of the ARRA, focusing on the implementation of the EHR Incentive Program. Subsequent sections of the SMHP provide a detailed description of the plan to implement and administer Alaska’s EHR Incentive Program, including Alaska’s plans to:

- Establish, administer, and oversee the program;
- Obtain stakeholder input to assist with development and implementation of meaningful use definitions;
- Capture attestations and report data electronically;
- Disburse and monitor incentive payments;
- Update the State’s electronic systems to improve functionality and interoperability;
- Pursue incentives to encourage adoption, implementation, or upgrade of certified EHRs and meaningful use by eligible professionals (EPs) within their practices and by eligible hospitals (EHs) throughout the state;
- Ensure Privacy and Security of electronic Protected Health Information (ePHI); and
- Prevent fraud, waste and abuse



The ultimate goals for the State of Alaska are to ***improve access to and quality of health care health care for Alaskans***. The DHSS vision for the future of HIT is a multi-year vision that consists of existing and planned projects and initiatives that will significantly contribute to Alaska's health care transformation. By leveraging implementation of new technologies such as a modernized MMIS, extending web based access to providers and members, EHRs, and HIE networks, DHSS will do its part in supporting a health care system for Alaska that places individual Alaskans, their families and communities at the center of their health care experience and ultimately shift the focus from treatment to prevention.

The State of Alaska is in the process of replacing its 25 year old Medicaid Management Information system. Currently, our capacity for "hotspotting" can be done on a weekly basis after our claims adjudication process. We are able to run reports that identify high utilizers as well as their primary and secondary diagnosis. After October 2013 our new Medicaid Management Information System will adjudicate in real time. We will be able to pull timely data at any time and we can build reports that will provide us this information on a daily basis so that we can more timely identify the supports needed for the individual.

#### **Comprehensive stakeholder engagement plan – 20 points**

The team will be comprised of senior management within the State of Alaska Department of Health and Social Services. In addition, the team will work with Alaska State Hospital and Nursing Home Association, Primary Care Association, Alaska Mental Health Trust Authority, Alaska Native Tribal Health Consortium, and the Executive Director of the Health Care Commission. We anticipate that by working with these entities we will be able to pick up on individuals that have no health insurance as well as those individuals covered by public and private insurance. The Department of Administration for the State of Alaska is the entity responsible for the state health insurance plan. Between the State of Alaska Department of Administration, Blue Cross Blue Shield and Medicaid, we will be identifying the majority of the individuals that have some sort of health care coverage. By partnering with the Primary Care Association and the Hospital Association we should be able to identify the super utilizers that are not covered by health insurance. This partnership will ensure that we are actually addressing, rather than cost shifting, the problem of super utilizers.

**Alaska Primary Care Association (APCA):** The APCA and its member Community Health Clinics are currently engaged in the T-CHIC project and DHSS's medical home pilot project. The APCA membership serves 90,000 Alaskans; a number that is expected to grow as APCA's membership and the patient population grow. APCA members are critical Medicaid providers and key partners for Medicaid recipients.

**The Alaska Mental Health Trust Authority:** (The Trust) serves as a catalyst for change and improvement in the systems that serve Trust beneficiaries, which includes people with mental illness, chronic alcoholism and addictions, developmental disabilities, Alzheimer’s disease and other dementias, and traumatic brain injury.

**The Alaska Native Tribal Health Consortium:** a not-for-profit tribal health organization managed by Alaska Native tribal governments and their regional health organizations. The Consortium was created in 1997 to provide statewide Native health services.

**Alaska Health Care Commission:** The Health Care Commission which was established in state statute to serve as the state health planning and coordinating body, is responsible for providing recommendations to the governor and the legislature on comprehensive statewide health care policy and strategies for improving the health of Alaskans.

**The Medical Care Advisory Committee:** is a public advisory group charged with advising the State’s Medicaid agency, the Alaska Department of Health and Social Services, on Medicaid policy and program changes.

**Alaska State Hospital and Nursing Home Association (ASHNA):** a unified association providing effective statewide leadership to address health care delivery challenges affecting all Alaskans.

**Anticipated outcomes and challenges – 20 points**

The anticipated outcome of this project will be a network of resources from primary care, behavioral health, hospitals and payers that provides for the on-going identification and the comprehensive case management of these individuals. It can also give us valuable insight into the Patient Centered Medical Home Model that we are hoping to implement within the next two years.

In the Medicaid program there are high rates of diabetes, cardiovascular disease, tobacco and substance abuse, obesity, and behavioral health issues. Alaska has a unique health care delivery system where the majority of the health care in rural areas is provided by health aides. Incorporating super-utilizers in some of these areas may be impractical or impossible.

We anticipate that participation in the Policy Academy will help us to implement a case model that will result in improved quality of care, better outcomes, fewer disparities in care, reduced mortality, fewer preventable hospital admissions, and lower costs for all payers.

Timeline:

Stake stakeholder input from a variety of internal	July 15, 2013
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stakeholders	
Stakeholder input from a variety of external stakeholders including at a minimum, Medicaid Advisory Committee, Medical Home Pilot Sites, Alaska Primary Care Association	July 1, 2013 – August 31, 2013
Identify Data Sources for identification of Super-utilizers	August 31, 2013
Analyze, modify, develop advanced procedures, definitions and protocols for data collection.	September 30, 2013
Identify the data collection roles and responsibilities for all data collection entities involved.	September 30, 2013
Develop case management models.	October 31, 2013
Create a plan and reporting structure to track progress.	October 31, 2013
Assign 100 recipients to each case management model.	November 30, 2013
Track recipient progress	Monthly
Prepare Interim Report	January 31, 2014
Provide Legislature with update on progress	February 15 2014
Meet with internal and external stakeholders to identify efficiencies and challenges.	March 31, 2014
Compare case management models	April 30, 2014
Identify and implement best practices	July 1, 2014
Prepare strategic action plan	July 31, 2014

### Implementation prospects – 20 points

The State of Alaska is committed to implement a strategic plan upon completion of the Policy Academy. Alaska does not have any type of managed care and we have some of the highest health care costs in the nation. Some of our private payers are actually flying individuals to the lower 48 to have medical procedures completed because it costs the insurance company less to fly individuals and put them up in hotels than it does to have the same procedure completed here in Alaska. To obtain maximum control of our medical spending, we must work in collaboration with our providers, other payers, and within our own Department of Health and Social Services. For almost two years we have been working on implementing a Patient Centered Medical Home. We believe that this Policy Academy will help us to determine the next steps that we must take in payment reform.

The Health Care Commission has made the following recommendations in support of this initiative:

- The Commission recommends that the Governor direct State health care programs to seek to share and incorporate data on patient compliance by developing new provider payment methods and benefit design.

- The State of Alaska and other entities plan a patient-centered primary care transformation initiative incorporating the following strategies that the Commission found to be common to the start-up of successful programs studied as models. These successful models started with:
  - Financial investment by the initiating payer organization
  - Strong medical leadership and management involved in planning and development.
  - A collaborative partnership between payers and clinical providers.
  - A vision concerned with improving patient care, followed by identification of principles, definitions, criteria for participation, and tools and measures.
  
- The Alaska Health Care Commission recommends the State of Alaska utilize payment policies for improving the value of health care spending – for driving improved quality, efficiency and outcomes for each health care dollar spent in Alaska – recognizing that:
  - Local payment reform solutions are required for Alaska’s health care markets
  - Payment reform may not result in immediate cost savings, but efforts must begin immediately
  - Payment reform is not the magic bullet for health care reform, but is one essential element in transforming Alaska’s health care system so that it better serves patients, and delivers better value for payers and purchasers.

**Description of the super-utilizer population that will be served – 5 points**

We will initially target Medicaid beneficiaries. We will first identify the individuals who over utilize the emergency rooms and identify their primary and secondary diagnoses. These diagnoses will be utilized to determine into which case management model to place the individual. We will then data mine Medicaid claims for the following diagnoses:

Diabetes, COPD, Asthma, CHF, Depression, Pain Management, Addictions, Heart Disease, Heart Attack, Pneumonia, Obesity (BMI>25), Substance Abuse

Individuals will be placed in case management in the following order:

- Individuals that have two or more chronic conditions.
- Individuals with one chronic condition but are at risk for developing another.
- Individuals with at least one serious and persistent mental health condition.

Although we are targeting the Medicaid population we anticipate that we will be identifying many dual eligibles by applying this criteria.





ALASKA STATE HOSPITAL &  
NURSING HOME ASSOCIATION

May 30, 2013

Dear Application Review Committee,

I am writing this letter to convey my enthusiastic support for the Alaska proposal and application for participation in the *Developing State-level Capacity to Support Super-Utilizers* Policy Academy.

The Alaska State Hospital and Nursing Home Association has represented the health care needs and views of health care providers in Alaska for over sixty years. We represent the needs of our 30 plus health care facilities and thousands of patients who are cared for in our communities.

Alaska needs to continually challenge ourselves to look at complex problems like the cost of health care and the high utilization of these services in the context of our uniqueness. Our sparse population spread over hundreds of thousands of miles and our lack of health care infrastructure are two of the defining issues which make health care provision in Alaska unique.

The *Developing State-level Capacity to Support Super-Utilizers* Policy Academy would be an excellent opportunity for us to develop methods for dealing with high-utilization patients, particularly in remote areas.

As President and CEO of the Alaska State Hospital and Nursing Home Association, I affirm our commitment to working alongside the capable team appointed by Governor Sean Parnell to implement the plans developed through the Policy Academy. I am optimistic that the tools gained will greatly contribute to the improved the efficiency and efficacy of Alaska's health care system.

Thank you for this opportunity. We look forward to our state's participation in the Academy and the benefits it will afford our state.

Sincerely,

Karen Perdue  
President/CEO



PO Box 33400  
Seattle, WA 98133  
Toll-Free: 800.949.7536  
Office: 206.364.9700  
Fax: 206.368.2419  
[www.qualishealth.org](http://www.qualishealth.org)

May 30, 2013

Application Review Committee  
National Governors Association  
Hall of the States, 444 N. Capitol St., Ste. 267  
Washington, D.C. 20001-1512

Dear Application Review Committee:

On behalf of Qualis Health I am pleased to offer this letter of support in regard to the State of Alaska's submittal for participation in the "Developing State-level Capacity to Support Super-Utilizers Policy Academy".

Alaska's participation in the "Developing State-level Capacity to Support Super-Utilizers Policy Academy" will afford the opportunity to develop methods for dealing with high-utilization patients in a state that is challenged by geography, climate and a lack of health care infrastructure, particularly in rural areas. The team appointed by Governor Sean Parnell to implement plans developed through the Policy Academy will allow stakeholders to join together in contributing to improved efficiency and efficacy of Alaska's healthcare system.

As a national leader in improving care delivery and patient outcomes, working with clients throughout the public and private sector, including the State of Alaska, we advance the quality, efficiency and value of healthcare for millions of Americans every day. We deliver solutions to ensure our partners transform the care they provide, with a focus on process improvement, care management and effective use of health information technology.

We fully support this application and wish you future success in improving healthcare.

Sincerely,

A handwritten signature in black ink that reads "Jonathan R. Sugarman MD, MPH".

Jonathan Sugarman, MD, MPH  
President & CEO





THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

**Department of  
Health and Social Services**  
ALASKA HEALTH CARE COMMISSION  
Anchorage

3601 C Street, Suite 902  
Anchorage, Alaska 99503-5924  
Main: 907.334.2474  
Fax: 907.269.0060

May 30, 2013

National Governors Association  
Center for Best Practices

Dear NGA Application Review Committee:

I am writing in support of Alaska's application to participate in the *Developing State-level Capacity to Support Super-Utilizers Policy Academy*.

The Alaska Health Care Commission was recently established in state statute to foster development of a state plan to improve the affordability, quality and accessibility of health care, and to identify strategies for improving the health of all Alaskans. The Commission develops policy recommendations for the Governor and Legislature, and identifies how State government programs and other organizations are working to transform the health care delivery system so that it achieves the vision of Alaskans as the healthiest people in the country with access to the highest quality most affordable health care.

Alaska has the second highest per capita health care costs in the nation, a highly fragmented delivery system, and lacks integrated health systems and managed care in the private health care sector. These features coupled with unique geographic and climate challenges makes coordination and management of care for patients with multiple and complex conditions extremely challenging.

The Commission will be very interested in working with the team appointed by Governor Sean Parnell in implementation of the plan developed through the Policy Academy. I am hopeful that the tools and technical assistance provided by the Academy will contribute to improved efficiency and effectiveness of our state's health care system.

Thank you for this opportunity. I look forward to Alaska's participation in the Academy and the benefits it will ultimately afford vulnerable Alaskans with significant health care needs.

Sincerely,

A handwritten signature in cursive script that reads "Deborah Erickson".

Deborah Erickson  
Executive Director  
Alaska Health Care Commission

# The TRUST

The Alaska Mental Health Trust Authority

Dear Application Review Committee,

I am writing this letter to convey my enthusiastic support for the Alaska proposal and application for participation in the *Developing State-level Capacity to Support Super-Utilizers* Policy Academy.

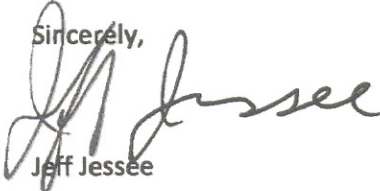
The Alaska Mental Health Trust Authority (The Trust) is an independent corporation of the State of Alaska whose mission is to improve the lives of beneficiaries including those with mental illness, substance abuse addictions, brain injury, Alzheimer's and other related dementias and developmental disabilities. We are a public foundation who provides funding around our beneficiary issues and provides budget, policy and planning recommendations to the governor, state departments and the legislature on all programs that serve our beneficiaries. All state programs that serve our beneficiaries are part of the Mental Health Budget, a separate appropriation bill that The Trust is responsible for making recommendations on to the governor and the legislature annually. We work closely with systems that serve our beneficiaries who are frequent users of Medicaid and emergency services because of the type of diagnosis and their frequently low incomes.

Alaska's uniqueness, including geographic and climatic challenges, lack of health care infrastructure in much of the state, and absence of managed care make The *Developing State-level Capacity to Support Super-Utilizers* Policy Academy an excellent opportunity for us to develop methods for dealing with high-utilization patients, particularly in remote areas.

As Chief Executive Officer of The Trust, I affirm our commitment to working alongside the capable team appointed by Governor Sean Parnell to implement the plans developed through the Policy Academy. I am optimistic that the tools gained will greatly contribute to the improved the efficiency and efficacy of Alaska's health care system.

Thank you for this opportunity. We look forward to our state's participation in the Academy and the benefits it will afford our state.

Sincerely,



Jeff Jessee

Chief Executive Officer