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# HEALTH REFORM IN MN: STATUS AND IMPACT

MN Rural Health Conference

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Diane Rydrych

Director, Health Policy Division

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# Overview

- Why Health Reform?
- Health Reform Components
- What’s Happening in MN Now?
- What Are the Next Steps/Challenges?

# WHY REFORM

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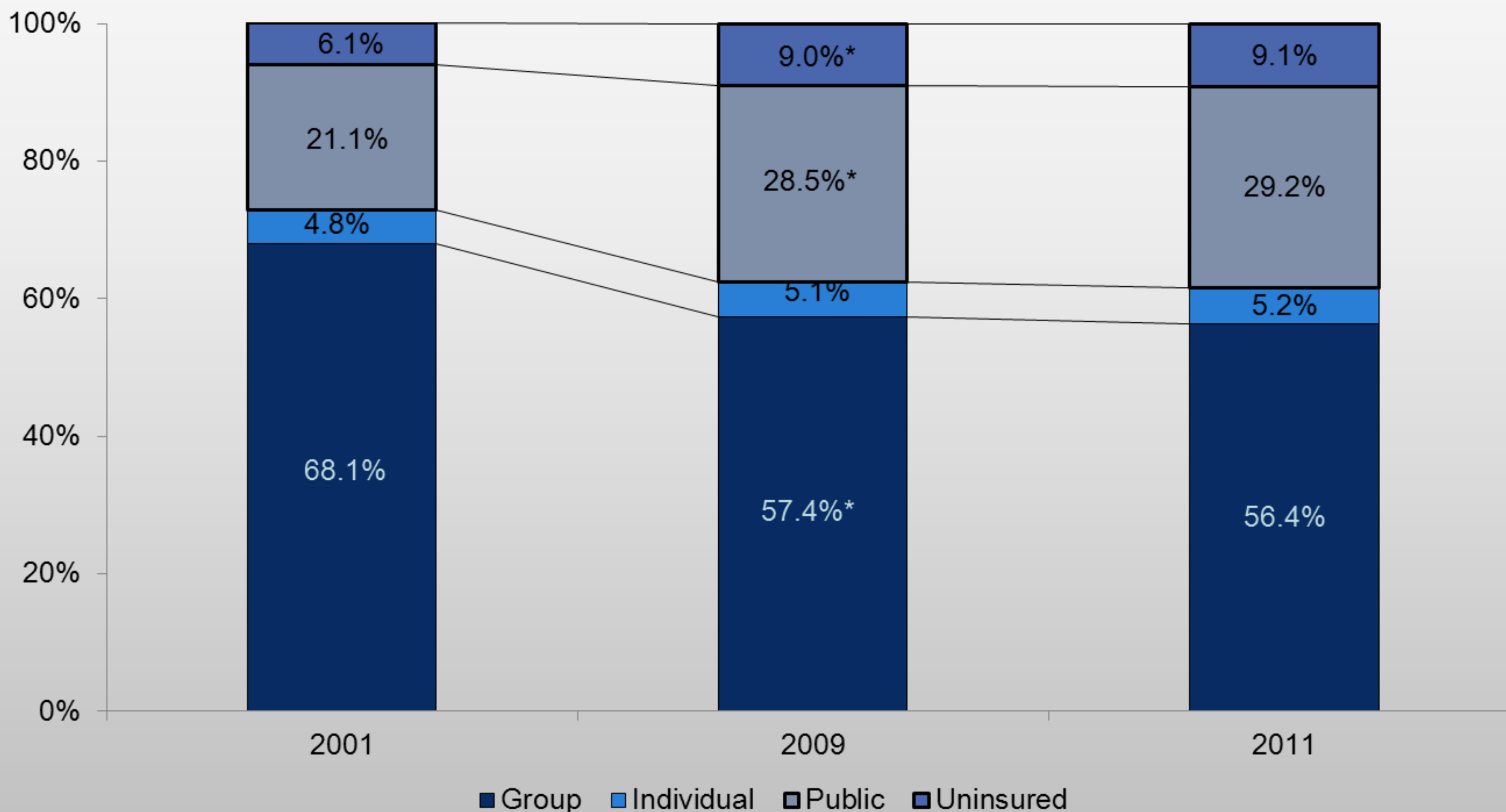
# Sources of Insurance Coverage in Minnesota, Select Years

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*Indicates statistically significant difference to year shown (95% level).
Estimates that rely solely on household survey data differ slightly from annual estimates that include both survey and administrative data.
Source: Minnesota Health Access Surveys, 2009 and 2011.

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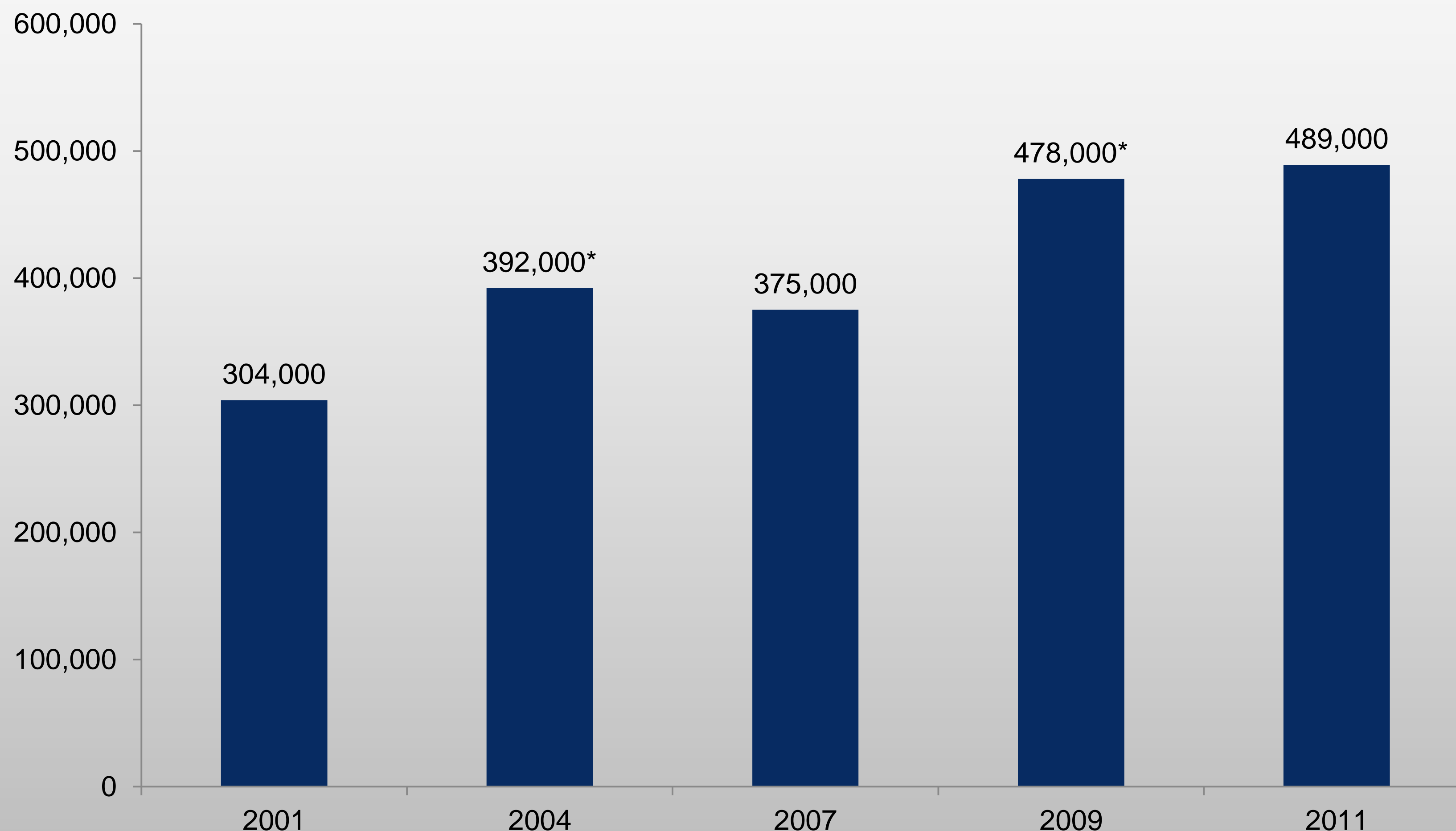
# Estimated Number of Uninsured in Minnesota, 2001 to 2011

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*Indicates statistically significant difference (95% level) from prior year shown.
Source: 2001, 2004, 2007, 2009, and 2011 Minnesota Health Access Surveys

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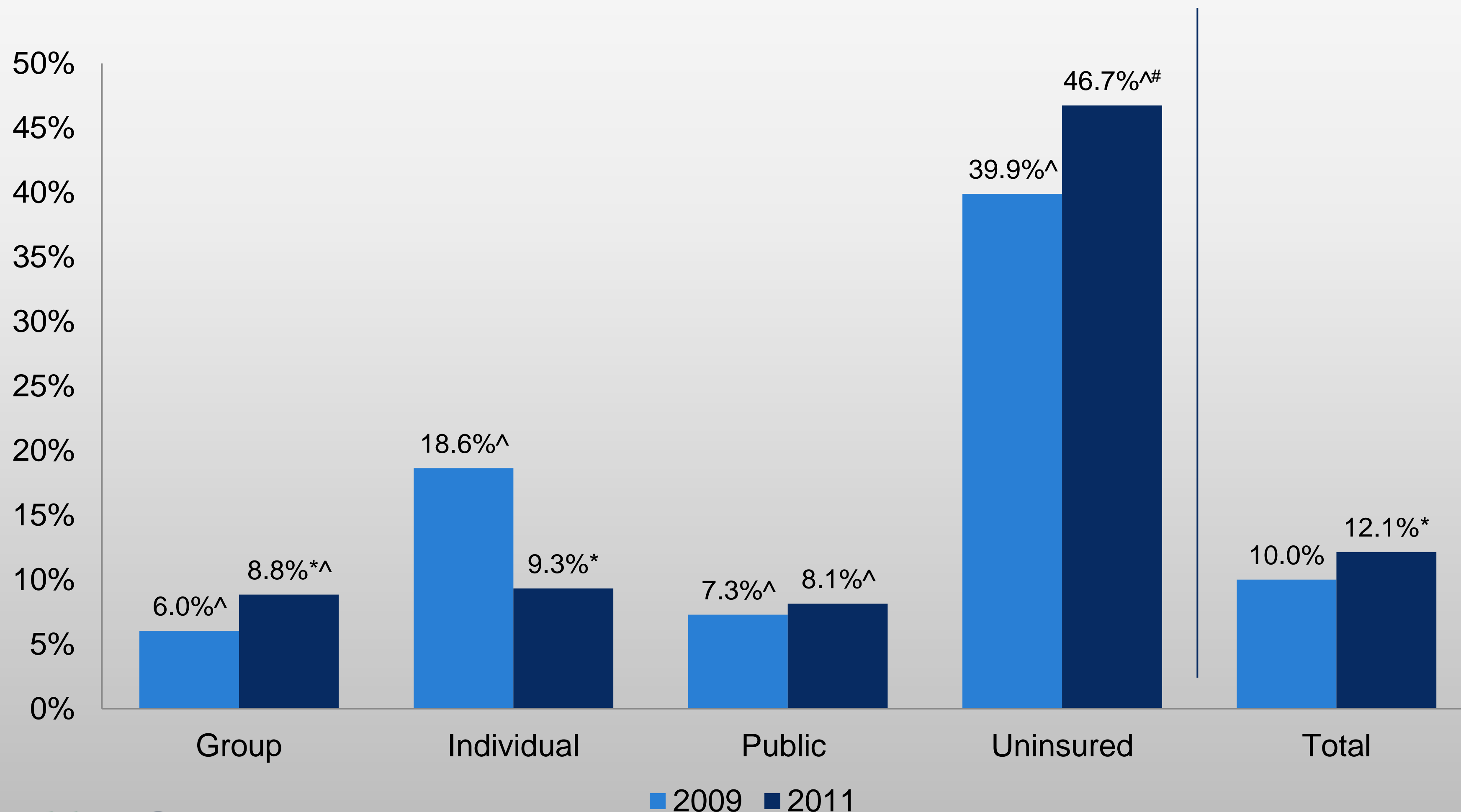
# Percent of Minnesotans Who Did Not Have a Usual Source of Care




*Indicates a statistically significant difference from previous year shown at the 95% level.
#Indicates statistically significant difference from previous year shown at 90% level.
^Indicates a statistically significant difference from statewide rate within year at the 95% level.

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# Main 4 Reasons for Lack of Coverage Among the Uninsured, 2011

| | Did not Take-up of ESI When Offered | Did Not Purchase Coverage Directly | Reason for Loss of Coverage |
|---|---|---|---|
| Too expensive/ could not afford | **47.6%** | **73.6%** | |
| Too much hassle/ paperwork | | 3.6% | |
| Not eligible for reason other than health | 5.5% | 3.4% | |
| Don't like benefits package | 6.9% | | |
| Expect to be covered shortly | | 2.9% | |
| 18 or older so does not qualify as dependent | 5.2% | | |
| Job that provided coverage ended | | | **32.7%** |
| No longer eligible for public insurance | | | 14.9% |
| Did not get information to stay on coverage | | | 11.6% |
| Just moved to state, haven't gotten coverage | | | 8.1% |

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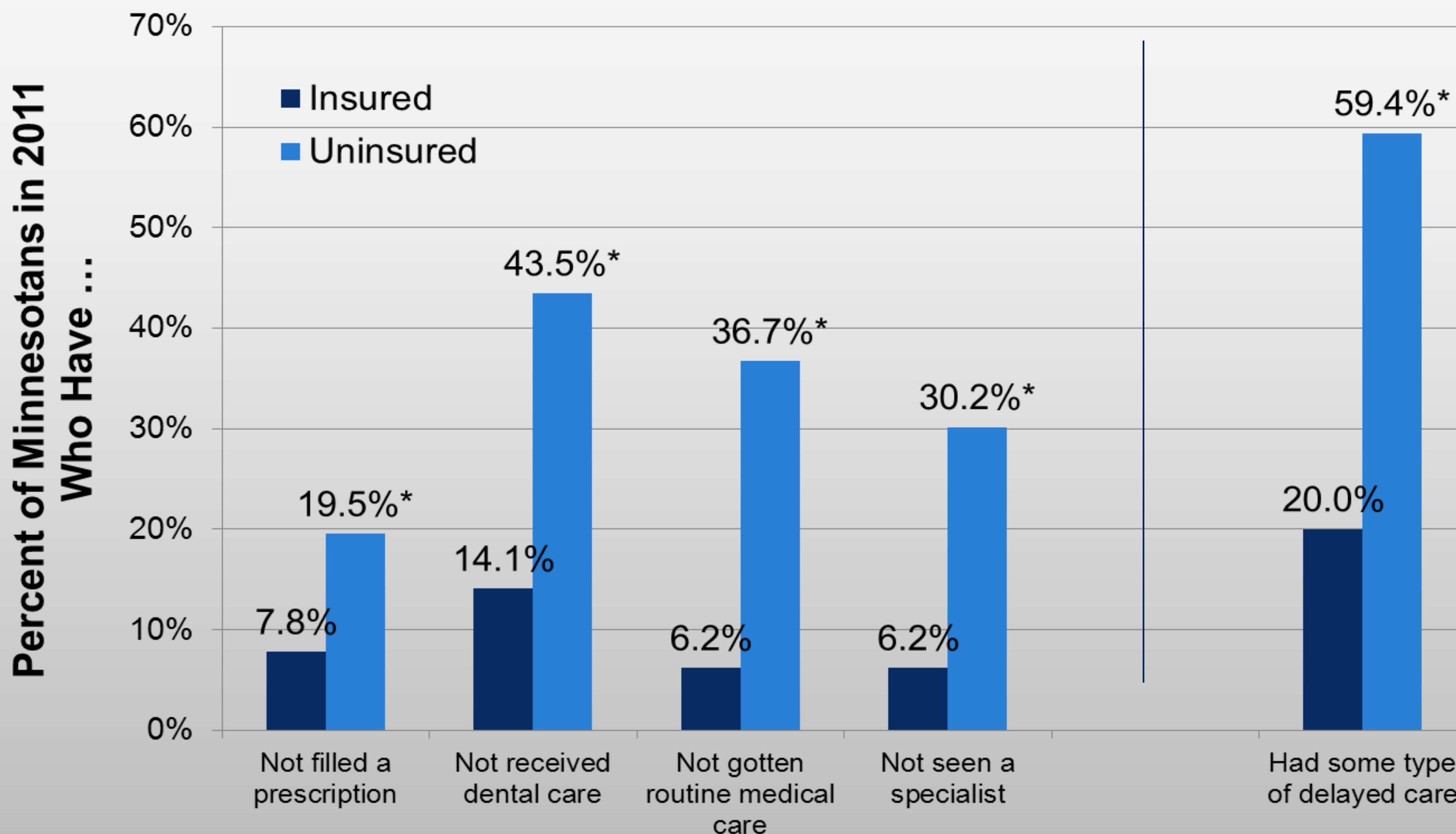
# Barriers to Care Because of Costs, 2011
## (Unmet Health Care Need)




*Indicates statistically significant difference between insured & uninsured
Source: 2011 Minnesota Health Access Survey

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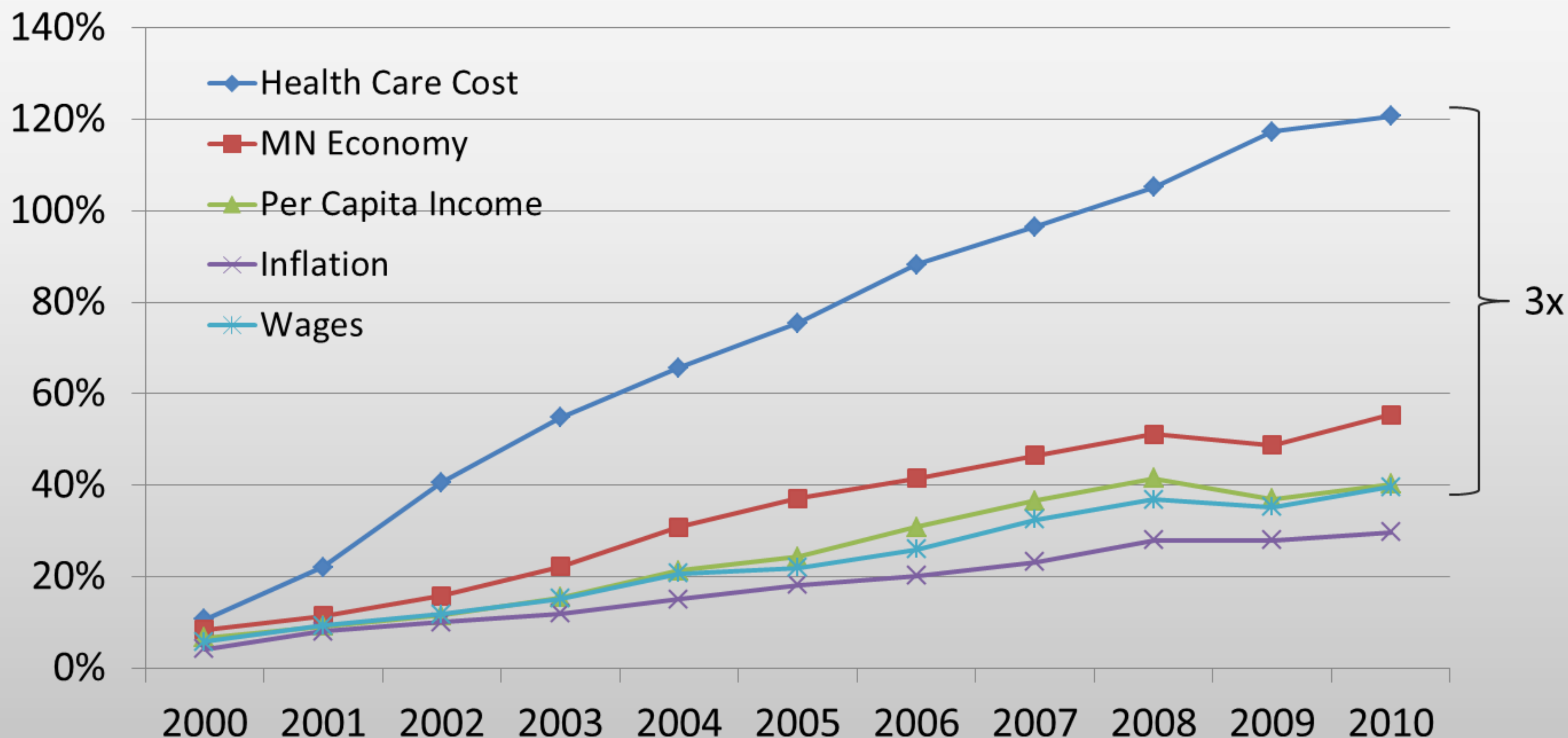
# Health care cost growth exceeds growth in income and wages




Source: HEP analysis of annual health plan reports, preliminary

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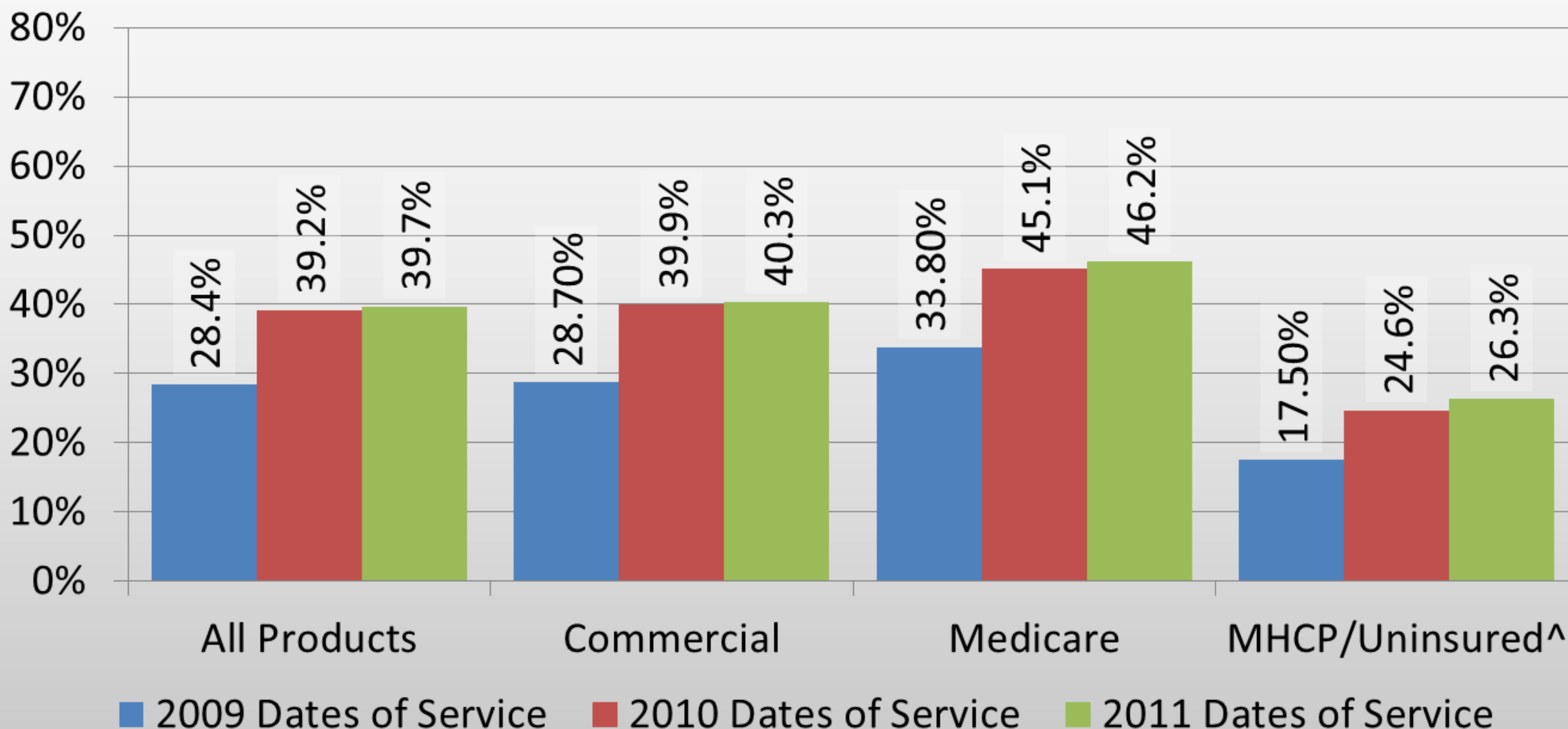
# Example: Percent of Minnesota diabetics who receive optimal diabetes care (ODC)




Source: Statewide Quality Reporting and Measurement System, Health Economics Program

^MHCP are Minnesota Health Care Programs, which include Medicaid and MinnesotaCare

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# REFORM COMPONENTS

# Affordable Care Act (ACA) Framework

- Coverage Expansion
- Health Insurance Market Reform
  - Standard benefit options (essential benefits and benefit tiers)
  - Dependent coverage (through 25 years)
  - Market rules (e.g., remove lifetime limits, remove ability to rescind coverage, require offer of plan)
  - Consumer protection
  - No cost sharing for prevention in qualified health plans
- Payment/Delivery System Reforms
  - Medicare shared savings, Pioneer ACOs
  - Medical Homes/Behavioral Health Homes
  - HIT incentives
- Workforce

# WHERE ARE WE NOW?

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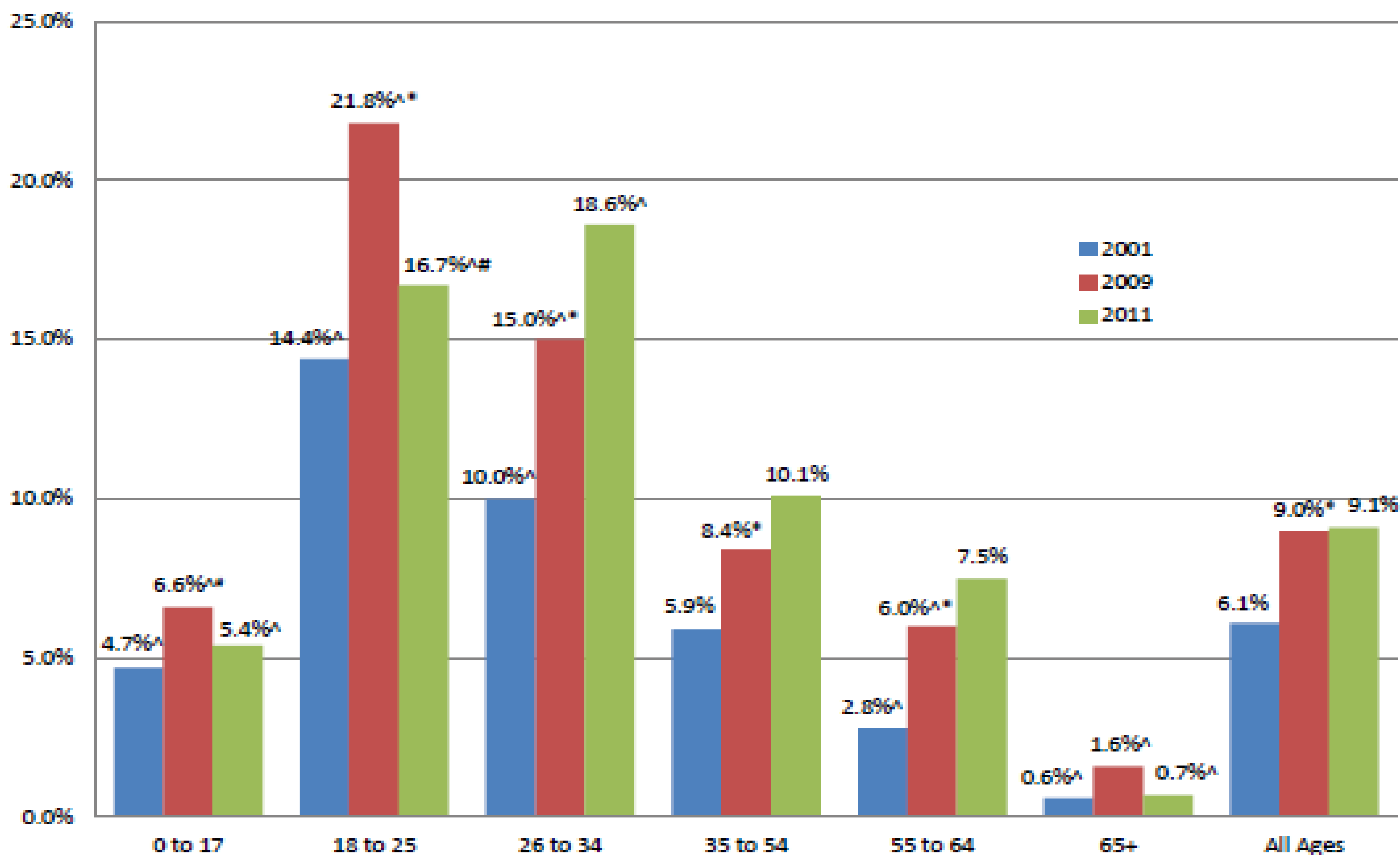
# Rates of Uninsurance in Minnesota by Age, Select Years



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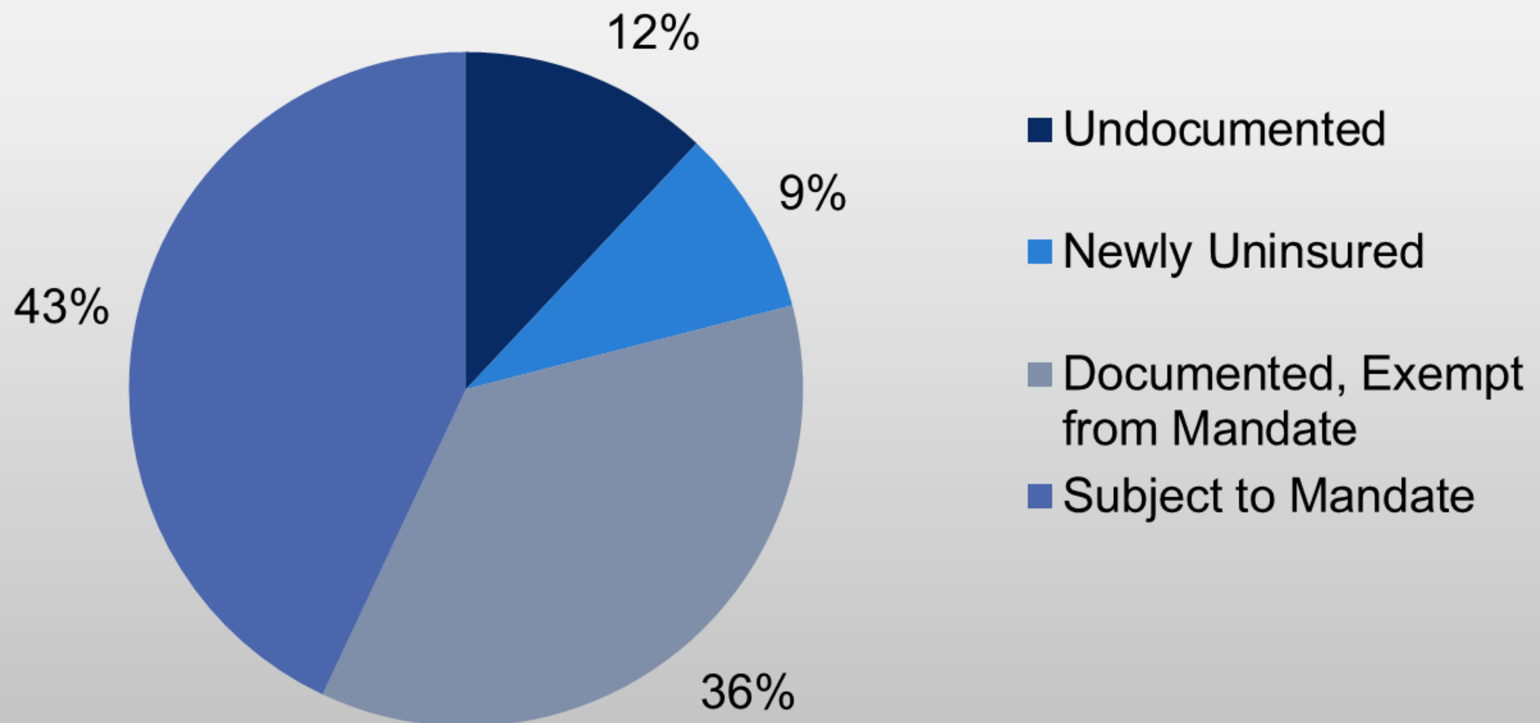
# Distribution of Minnesota's Uninsured, 2016

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Source: Analysis of impact of MN insurance exchange by Gruber & Gorman for Minnesota Departments of Commerce and Management & Budget (http://mn.gov/commerce/insurance/images/ExchATFgruber-gormanUpdate4-12.pdf)

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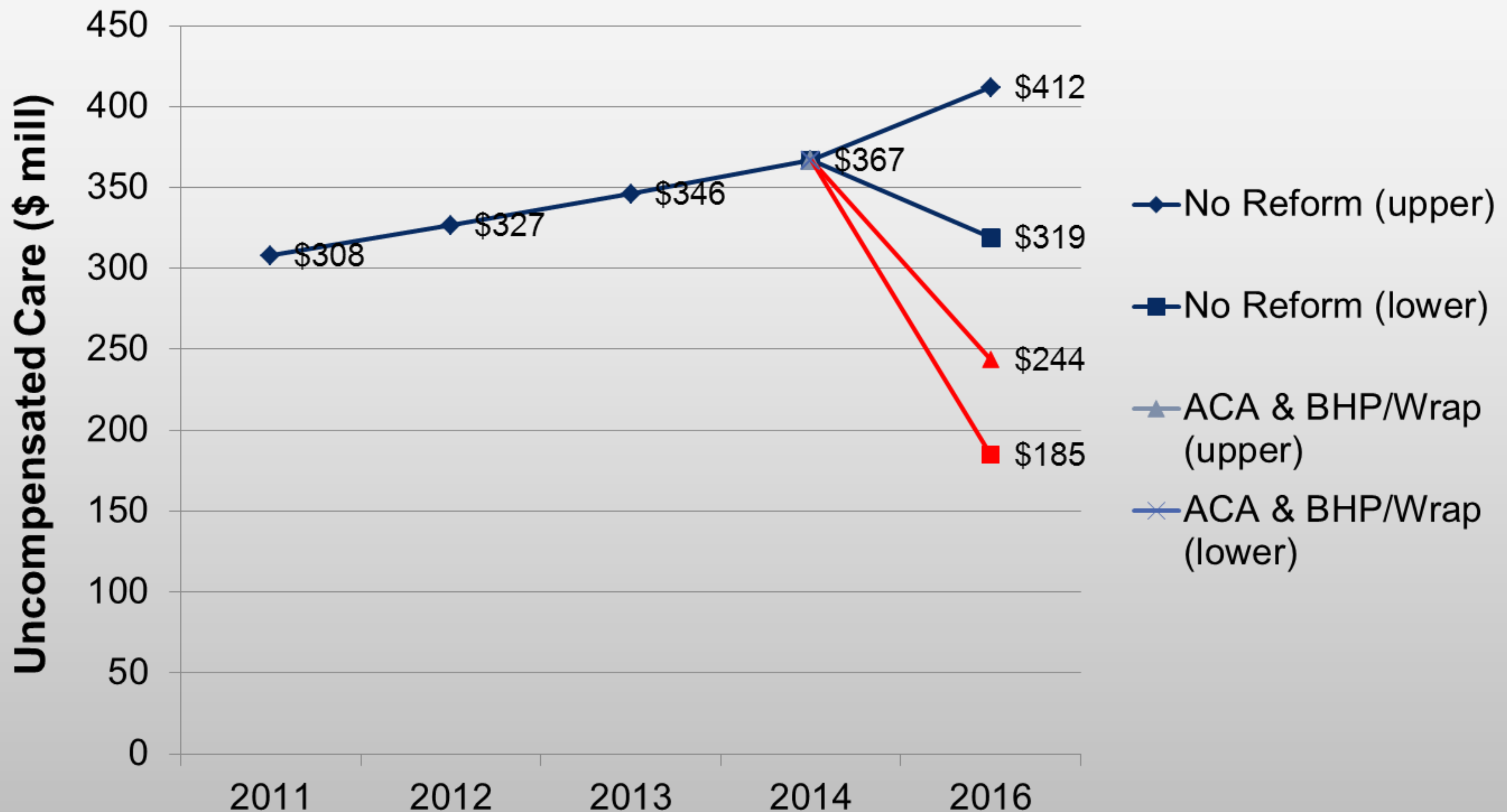
# Estimated Effect of ACA Implementation on Hospital Uncompensated Care

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MDH analysis of data from annual hospital reports

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# Payment reform

- Market moving towards TCOC/shared savings models
  - 1/3 – 2/3 in commercial market?
  - Many are still ‘upside only,’ with no downside risk sharing

- 3 of 32 Pioneer ACOs in MN: Allina, Fairview, Park Nicollet (HP)
- Medicare Shared Savings Program ACO: Essentia Health
- Health Care Delivery System Demonstration
- Alternative models

- Bundled payment models (inpatient/acute, post-acute)

# Technology

- HITECH
  - Beacon: childhood asthma, adult type II diabetes
  - Shared Services
  - EHR adoption/MU incentives
  - Connectivity grants: hospitals, LPH, LTC
- MEIP
  - 1,000 + hospitals have been paid $26M
  - 1,700 + providers have been paid $22M

# Innovative Models

- Courage Center: Community-Based Medical Home for Non-Elderly Disabled
- ICSI: Care Mgmt of Mental and Physical Comorbidities
- Mayo Clinic: Patient-centric electronic environment for improving acute care performance
- Sanford: Primary/Behavioral Health Integration

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# Minnesota State Innovation Model (SIM)

- MN was one of 6 states awarded a grant ($45 mill)
- Minnesota's Model: address the current fragmentation and integrate services for the whole person across the continuum of care
  - transform our delivery system to improve health and lower costs for people with complex health needs
  - emphasize care models that integrate behavioral health, long-term care and social services
  - close the current gaps in health information technology
  - ensure that the majority of providers are able to securely exchange data
  - create up to 15 Accountable Communities for Health
  - accelerate adoption of ACO models in Minnesota with aim to have more Minnesotans cared for in a shared-savings model

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# Common Threads

- Care coordination
  - Across settings
  - Across communities
- Managing complex patients
- Leveraging technology
- Leveraging data
- Learning/spreading what works….lowering costs

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# Risks/Challenges

- Consolidation/Merger/Affiliation
  - History of rural collaboration
- HIT/EHR Interoperability – and costs
- Cost pressures with MA expansion
- Rural issues
  - Small populations
- Integration with community services/public health
- Workforce needs
  - Primary care
  - New providers/changed provider roles
- Alignment