The Reality and Promise of Health Reform in Minnesota

The Case for a Balanced Approach to Health Reform
David Letterman was born on April 12, 1947

• “Sometimes something worth doing is worth overdoing.”
Health Reform is Worth Doing
Need for Health Reform – Nationally and in Minnesota

• Costs are increasing dramatically
• Number of uninsured are increasing
• Quality of care is uneven
• Health outcomes are not as good as they should be
• There are great disparities in health status
Current U.S. expenditure for healthcare is $8,666/person.
Figure 6.
Number Uninsured and Uninsured Rate: 1987 to 2008

Numbers in millions, rates in percent

<table>
<thead>
<tr>
<th>Year</th>
<th>Number uninsured</th>
<th>Uninsured rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>30</td>
<td>12.3</td>
</tr>
<tr>
<td>1990</td>
<td>33</td>
<td>13.5</td>
</tr>
<tr>
<td>1993</td>
<td>35</td>
<td>13.7</td>
</tr>
<tr>
<td>1996</td>
<td>37</td>
<td>14.0</td>
</tr>
<tr>
<td>1999</td>
<td>40</td>
<td>14.3</td>
</tr>
<tr>
<td>2002</td>
<td>43</td>
<td>14.5</td>
</tr>
<tr>
<td>2008</td>
<td>46.3</td>
<td>15.4</td>
</tr>
</tbody>
</table>

1 The data for 1996 through 2003 were revised using an approximation method for consistency with the revision to the 2004 and 2005 estimates.
2 Implementation of Census 2000-based population controls occurred for the 2000 ASEC, which collected data for 1999. These estimates also reflect the results of follow-up verification questions, which were asked of people who responded "no" to all questions about specific types of health insurance coverage in order to verify whether they were actually uninsured. This change increased the number and percentage of people covered by health insurance, bringing the CPS more in line with estimates from other national surveys.

Notes: Respondents were not asked detailed health insurance questions before the 1988 CPS.
The data points are placed at the midpoints of the respective years.

Uninsurance Rate Trends in Minnesota

*Indicates statistically significant difference (95% level) from prior year shown.

Uninsurance Rates by Age, Select Years

Source: Minnesota Health Access Surveys

*Indicates statistically significant difference from previous year shown (95% confidence level).

^Indicates statistically significant difference from statewide rate (95% confidence level).

#Indicates statistically significant difference from previous year shown (90% confidence level).
Uninsurance Rates by Race/Ethnicity

Select Years


*Indicates statistically significant difference from previous year shown (95% confidence level).

^Indicates statistically significant difference from statewide rate (95% confidence level).
Sources of Insurance Coverage in Minnesota, Select Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Group</th>
<th>Individual</th>
<th>Public</th>
<th>Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>68.1%</td>
<td>4.8%</td>
<td>21.1%</td>
<td>6.1%</td>
</tr>
<tr>
<td>2009</td>
<td>57.4%*</td>
<td>5.1%</td>
<td>28.5%*</td>
<td>9.0%*</td>
</tr>
<tr>
<td>2011</td>
<td>56.4%</td>
<td>5.2%</td>
<td>29.2%</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

*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.
The Cost of a Long Life

Life Expectancy vs. Per Capita Spending (International Dollars)
Infant mortality rates by maternal race and ethnicity, 2007

Source: NCHS linked birth/infant death data set, 2007
Minnesota Infant Mortality Rate / Disparity Ratio Comparison

Infant Mortality Rate

- African American: 16.5
- American Indian: 16.5
- Asian: 6.2
- Hispanic: 7.3
- White: 6.5

Infant Mortality Disparity Ratio

- African American: 2.6
- American Indian: 2.6
- Asian: 1.0
- Hispanic: 1.2

In 2008, Minnesota Passed Landmark Health Reforms

• These reforms were built on the recognition that we had:
  – Uneven quality
  – Poor value
  – A lack of information
  – Payment and delivery incentives that were fundamentally misaligned
  – A system that paid for volume instead of value
Health Reform in Minnesota

Minnesota’s Three Reform Goals

• Healthier communities
• Better health care
• Lower costs
Minnesota’s Health Reform Act 2008

• Redesign Primary Care  
  – Health Care Homes

• Population Health  
  – Statewide Health Improvement Program

• Quality and Cost Payment Reform Supporting  
  – Healthcare Reform Review Council, E-health  
  – Statewide Quality Measurement System  
  – Provider Peer Grouping
E-Health

Minnesota also passed significant e-health measures including:

- E-prescribing mandate
- Interoperable health records mandate
- Office of Health Information Technology
Patient Protection and Affordable Care Act (ACA) 2010

- Health insurance exchanges
- Insurance market reforms
- Expand Medicaid; close Part D “donut hole” in Medicare
- Prevention and public health and wellness programs
- Information technology
- Waste and fraud reduction
- Health care delivery redesign
  - Accountable Care Organizations

Hey girl...

Let's join a coalition of consumer advocacy groups to call for robust patient protections in payment reform. And then celebrate your birthday.
Major Reforms

• No preexisting condition exclusion
• Guaranteed issue
• Rating rules
  – No health status
  – 3:1 maximum age rating
  – 1.5:1 tobacco use
• Single risk pools in individual and small group market
• Individual mandate
• Employer responsibility
Impact of Affordable Care Act Passes On Minnesota

- MN Legislature passes 2010 Health Care Delivery System Medicaid Payment Model, which results in DHS ACO project
- Early Medicaid expansion (March 2011) (DHS)
- Planning for health insurance exchange (Commerce)
- Gov. Dayton’s creates reform structure in 2011 that includes a task force with workgroups around access, health insurance exchange, care integration and payment reform, prevention and public health, workforce, and citizen engagement.
Governor’s Healthcare Reform Task Force

- Commissioners Lucinda Jesson, Mike Rothman, Ed Ehlinger
- Pete Benner, AFSCME
- Mary Brainerd, HealthPartners
- Michael Connelly, Xcel Energy
- MayKao Hang, Wilder Foundation
- Jan Malcolm, Courage Center
- Rolonda Mason, St. Could Area Legal Services
- Judy Russel-Martin, MN Nurses Association
- Dale Thompson, Benedictine Health System
- Doug Wood, MD, Mayo Clinic
- Therese Zink, MD, U of MN
- Representatives Steve Gottwalt and Joe Schomacker
- Senators Sean Nienow and Michelle Benson
Healthcare Reform Task Force: Work Groups

- Care Integration and Payment Reform
- Access
- Workforce
- Prevention and Public Health
Health Insurance Exchange Advisory Task Force

- Sue Abderholden, MN Alliance on Mental Illness
- Danette Coleman, Medica
- Philip Cryan, SEIU
- Mary Foarde, Allina
- Dorii Gbolo, Open Cities Health Center
- Robert Hanlon, Corporate Health Systems
- Alfred Babington Johnson, Stair Step Foundation
- Roger Kathol, MD, Cartesian Solutions
- Phil Norrgard, Fond du Lac Indian Tribe
- Stephanie Radtke, Dakota County Community Services
- Daniel Schmidt, Great River Office Products
- Representatives Joe Atkins and Tom Huntley
- Senators Tony Lourey and Ann Rest
- Commissioners Jesson, Rothman, Ehlinger
Health Insurance Exchange Work Groups

- Governance
- Navigator
- Finance
- Adverse Selection, Market Competition, Value
Health Reform (Triple Aim)  
MN version

– Improve health: improve the health of all Minnesotans and reduce disparities

– Reduce costs: Improve efficiency and effectiveness

– Foster effective and positive community engagement with health care, public health, and insurance
State Public Health Rankings

1. Infectious Disease  
2. State public health expenditures  
3. Binge Drinking  
4. Disparities  
   (geographic)  
   (racial/ethnic)  
   Issue dependent
# Top Causes of Death: U.S. 2000

*Source: National Center for Health Statistics*

<table>
<thead>
<tr>
<th>Cause of Death</th>
<th>Number of Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heart disease</td>
<td>710,760</td>
</tr>
<tr>
<td>Cancer</td>
<td>553,091</td>
</tr>
<tr>
<td>Stroke</td>
<td>167,661</td>
</tr>
<tr>
<td>Chronic lower respiratory disease</td>
<td>122,009</td>
</tr>
<tr>
<td>Unintentional injuries</td>
<td>97,900</td>
</tr>
<tr>
<td>Diabetes</td>
<td>69,301</td>
</tr>
<tr>
<td>Influenza/pneumonia</td>
<td>65,313</td>
</tr>
<tr>
<td>Alzheimer’s</td>
<td>49,558</td>
</tr>
<tr>
<td>Kidney disease</td>
<td>37,251</td>
</tr>
<tr>
<td>Septicemia</td>
<td>31,224</td>
</tr>
<tr>
<td>All other causes</td>
<td>499,283</td>
</tr>
</tbody>
</table>
# Leading Causes of Disease 2010

<table>
<thead>
<tr>
<th>Minnesota</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cancer</td>
<td>Heart Disease</td>
</tr>
<tr>
<td>2. Heart Disease</td>
<td>Cancer</td>
</tr>
<tr>
<td>3. Stroke</td>
<td>Chronic Lower Resp</td>
</tr>
<tr>
<td>4. Accidents</td>
<td>Stroke</td>
</tr>
<tr>
<td>5. Chronic Lower Resp</td>
<td>Accidents</td>
</tr>
<tr>
<td>6. Alzheimer’s</td>
<td>Alzheimer’s</td>
</tr>
<tr>
<td>7. Diabetes</td>
<td>Diabetes</td>
</tr>
<tr>
<td>8. Kidney Disease</td>
<td>Kidney Disease</td>
</tr>
<tr>
<td>9. Suicide</td>
<td>Flu/Pneumonia</td>
</tr>
<tr>
<td>10. Flu/Pneumonia</td>
<td>Suicide</td>
</tr>
</tbody>
</table>
Proportional Contribution to Premature Death

Genetic predisposition: 30%

Social circumstances: 15%

Environmental exposure: 5%

Health care: 10%

Behavioral patterns: 40%

## The “Real” Top Causes of Death U.S. 2000

<table>
<thead>
<tr>
<th>Cause of Death</th>
<th>Number of Deaths</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobacco</td>
<td>435,000</td>
<td>18%</td>
</tr>
<tr>
<td>Diet/activity</td>
<td>365,000</td>
<td>15%</td>
</tr>
<tr>
<td>Alcohol</td>
<td>85,000</td>
<td>4%</td>
</tr>
<tr>
<td>Microbial agents</td>
<td>75,000</td>
<td>3%</td>
</tr>
<tr>
<td>Toxic agents</td>
<td>55,000</td>
<td>2%</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>43,000</td>
<td>1%</td>
</tr>
<tr>
<td>Firearms</td>
<td>29,000</td>
<td>1%</td>
</tr>
<tr>
<td>Sexual behavior</td>
<td>20,000</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Illicit use of drugs</td>
<td>17,000</td>
<td>&lt;1%</td>
</tr>
</tbody>
</table>

Source: Mokdad et al, JAMA 2004 March 10; 291 (10):1238-45

- Less than High School graduation 245,000
  - (over 1 million deaths could have been avoided between 1996 to 2002 if all adults in US would have had a college education)
- Racial segregation 176,000
- Low social support 162,000
- Individual level poverty 133,000
- Income inequality 119,000
- Community level poverty 39,000

Galea, et.al., American Journal of Public Health August 2011, Vol 101 no. 8
Health and Social Problems are Worse in More Unequal Countries

Index of:
- Life expectancy
- Math & Literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness – incl. drug & alcohol addiction
- Social mobility

Public Health = Longer Lives

25 of the 30 years of life gained in the 20th Century resulted from public health accomplishments.
FIGURE 2  The 10 leading causes of death as a percentage of all deaths—United States, 1900 and 1997

1900
- Pneumonia
- Tuberculosis
- Diarrhea and enteritis
- Heart disease
- Stroke
- Liver disease
- Injuries
- Cancer
- Senility
- Diphtheria

1997
- Heart disease
- Cancer
- Stroke
- Chronic lung disease
- Unintentional injury
- Pneumonia and influenza
- Diabetes
- HIV infection
- Suicide
- Chronic liver disease

Percentage
0 10 20 30 40
Clara Barton

died on April 12, 1912

“I have an almost complete disregard of precedent, and a faith in the possibility of something better. It irritates me to be told how things have always been done. I defy the tyranny of precedent. I go for anything new that might improve the past.”
Health System Dynamics

Areas of Emphasis

Healthy Public Policy & Public Work

Medical and Public Health Policy

DISEASE AND RISK MANAGEMENT

DEMONCRATIC SELF-GOVERNANCE

World of Transforming...
- Deprivation
- Dependency
- Violence
- Disconnection
- Environmental decay
- Stress
- Insecurity
- Etc...

By Strengthening...
- Leaders and institutions
- Foresight and precaution
- The meaning of work
- Mutual accountability
- Plurality
- Democracy
- Freedom
- Etc...

World of Providing...
- Education
- Screening
- Disease management
- Pharmaceuticals
- Clinical services
- Physical and financial access
- Etc...

Safer, Healthier Population

Becoming no longer vulnerable

Targeted protection

Becoming Vulnerable

Becoming Afflicted

Vulnerable Population

Afflicted without Complications

Developing Complications

Afflicted with Complications

Dying from Complications

Society's Health Response

Primary prevention

Secondary prevention

Tertiary prevention

Adverse Living Conditions

General protection

Targeted protection

Screening

Disease management

Pharmaceuticals

Clinical services

Physical and financial access

Etc...

We need to integrate clinical medicine and public health

• Health issues of today require prevention and treatment.
  – Chronic diseases
  – Injuries (TZD is great example)

• We can’t afford the cost of just clinical interventions.

• Social determinants of health are becoming increasingly important

• We need to maximize the skills of clinical and public health professionals.
Deaths Prevented And Change In Health Care Costs Plus Program Spending, Three Intervention Scenarios, At Year 10 And Year 25.

Milstein B et al. Health Aff 2011;30:823-832
Deaths Prevented And Change In Health Care Costs Plus Program Spending, Three Intervention Scenarios, At Year 10 And Year 25.

Milstein B et al. Health Aff 2011;30:823-832
Annual Costs (Health Care And Program Spending), Three Layered Intervention Scenarios, Year 0 To Year 25.

Milstein B et al. Health Aff 2011;30:823-832
Annual Deaths, Three Layered Intervention Scenarios, Year 0 To Year 25.

Milstein B et al. Health Aff 2011;30:823-832
How our healthcare money is spent

![Pie chart showing the distribution of healthcare spending. 95% on Medical Care, 5% on Public Health.]

Proportional Contribution to Premature Death

- Behavioral patterns: 40%
- Genetic predisposition: 30%
- Social circumstances: 15%
- Environmental exposure: 5%
- Health care: 10%

Challenges to Achieving Health

• 46th in state funding of public health
  – $249/person in 2006 - $49/person in 2011
  – Lost tobacco endowment
  – SHIP funding reduced by 70%
  – Slow degradation in general fund

• Reduction in local public health funding

• Budgeting/planning is built around short-term thinking.

• Changing view on the role of government in health.
  – Bill to eliminate department of health

• Mistrust of government
  – Newborn Screening

• Lack of understanding about public health
Henry Clay
Born April 12, 1777

- US politician and lawyer. He is remembered as the "Great Pacificator"; he negotiated the Missouri Compromise of 1850
- “Government is a trust, and the officers of the government are trustees. And both the trust and the trustees are created for the benefit of the people.”
To create a healthy community

• We need a balance and rational investment in all aspects of our health system.
• We need to integrate clinical care, public health, social services, and education.
• We have to think of health in all policies
“Public health is what we, as a society, do collectively to assure the conditions in which people can be healthy.”

-Institute of Medicine (1988), *Future of Public Health*
Current U.S. expenditure for healthcare is $8,666/person.
Individual health is influenced by the health of the community.
Place matters
Community matters

Health Outcomes
How our healthcare money is spent

- Medical Care: 95%
- Public Health: 5%