



Alaska options for health care reform and administrative improvements to the Affordable Care Act

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This publication is an abbreviated version of the Policy Brief “Alaska Options for Health Care Reform and administrative improvements to the Affordable Care Act” published by the Alaska Policy Forum. The complete Policy Brief can be found at www.AlaskaPolicyForum.org.

Policy recommendations

Patients are the most important part of the health care system and they should be in charge of their own health care. There is nothing inherently different about health care as a service than any other economic activity. Health care providers should be paid for their work, and to the extent possible prices for health services should be set, not by government, but by economic efficiency and the natural movement of supply and demand in the market.

These practical steps would put patients in charge of their health coverage without complete repeal of the ACA:

1. Reform the ACA through Administration and incremental legislative actions.
 - promote greater use of 1332 and 1115 waivers.
 - provide patient-centered alternatives, such as health savings accounts and catastrophic health insurance plans, to the essential health benefits in the ACA.
 - extend the use of short-term, limited-duration health insurance plans.
 - allow the purchase of health insurance across state lines.
 - permanently withdraw the cost-sharing reduction subsidies and allow the exchanges to collapse sooner rather than later. Because of adverse selection, the exchanges are currently in a financial death spiral. More taxpayer money will not improve the long-term outlook of the exchanges.
 - repeal the Obamacare taxes.
2. Promote price transparency, so patients become true consumers of health care and know the real cost of the services they are receiving.
3. Change the tax code and allow equal treatment for individuals and families, so they can benefit from the same tax deductions that employers now receive for providing employee health benefits.
4. Enact meaningful reform of Medicaid and Medicare entitlements and make them true, targeted, safety-net programs, as they were originally designed.

Specific measures for Alaska

In addition to administrative changes the Secretary of Health and Human Services can make to the ACA, which are outlined in the complete Policy Brief, Alaska can enact its own health care reform, regardless of federal actions. Here is a sample of policy options available to Alaska policymakers under current federal law:

1. Aggressively pursue 1332 and 1115A waivers

Under these two sections, Alaska can request, and the current Administration can approve, significant changes in the implementation of the ACA without action by Congress.

2. Pass state legislation to limit state contributions to the Medicaid expansion

The Alaska legislature can pass laws that limit the amount of state responsibility for Medicaid expansion costs to 10 percent or to a fixed amount of expansion costs.

3. Repeal Certificate of Need laws

Research now shows that state Certificate of Need laws do not decrease health care costs, but that they do limit patient choices by banning investment and construction of new health care facilities.

4. Expand and promote the use of private association health plans

These plans would allow small private groups and individuals to join together to purchase health insurance in the same way large groups do.

5. Cap or freeze Medicaid enrollment

Medicaid, as originally intended by Congress, should be targeted to help the most vulnerable patients, while encouraging patients with means to gain access to affordable private health insurance coverage.

6. Eliminate or decrease waste, fraud, and abuse in the Medicaid program

A high percent of Medicaid costs do not increase care or access for enrollees. The massive bureaucratic nature of the program makes it a target for cheating and financial crime.

7. Expand and promote telemedicine

While Alaska has made improvements to telemedicine in recent years, there are many opportunities for expansion.

8. Reduce reimbursement rates for Medicaid to those of Medicare

Alaska is one of only two states which reimburses Medicaid at higher rates than Medicare.

9. Protect direct primary care

Alaska should protect direct primary care from state regulatory insurance laws and consider integrating it into the state's Medicaid system.

10. Encourage Price Transparency

Alaska can encourage health care price transparency to create better health care consumers.

11. Implement Right to Shop for state employees

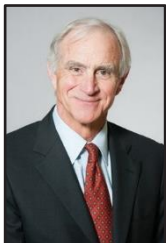
Incentivizing public employees to shop for value in health care can lower state costs and improve patient options

12. Reduce maintenance of certification requirements and licensing laws

To address provider shortages, Alaska should aggressively relax barriers to medical practice which will increase access to health care for patients.

13. Reduce number of Medicaid Optional services

Alaska currently offers many optional Medicaid services that are not available to senior citizens on Medicare. Altering Medicaid to only cover the federal mandatory benefits would reduce costs significantly.



Dr. Roger Stark is a health care policy analyst and a retired physician. He is the author of two books including *The Patient-Centered Solution: Our Health Care Crisis, How It Happened, and How We Can Fix It*. He has also authored numerous in-depth studies on health care policy, including *Health care reform: lowering costs by putting patients in charge*.