

Six Month Report • Part 2

**SLOWING THE PREMIUM COST
INFLATION CURVE WHILE
COMPLETING ACCESS**
A List of 22 Study Topics
Sonoma County Health Care Crisis Initiative

Part of the **Six-Month Report**
of the Academic Year 2002-2003
Sonoma County Health Care Crisis Initiative at SSU

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- 1• We must pay particular attention to the new critical health care cuts coming to the County and our towns and people from the impacts of the State budget fiasco – These need to be listed and costed as they become known – and the intolerable cuts must be fought and worked with creatively.
- 2• We must put very high priority on protecting specific vulnerable populations, such as children, aged, low-income, agricultural workers in the County. This is part of our basic “social contract”.
- 3• It is worthwhile to consider and explore cooperative HMO-consumer study and dialogue among major stakeholders, at least in a case study.
- 4• It would be key to study utilization patterns in Sonoma County and some of its subsidiary parts. (A “black hole” in utilization data from the last years in the Health Plan of the Redwoods makes this subject more complex and more important. It is necessary in preparing purchaser, union, and consumer calculations of fair premium and service prices and treatment strategies to come. It may become possible to do such research in tandem with a statewide study which is under consideration elsewhere.
- 5• It would be important to study and explore generating community-county health plan cooperation – for planning and potential collaborative study and action.
- 6• It is most important to generate several master calculations:

- • Primary cost scenarios of common coverage for all Sonoma County citizens (for instance, all parties (or significant subsections) using one or more of the California 9 Options)
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- Net net net cost of public health care for uninsureds
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- • Master list of budget shortages for Sonoma County health care and a list of the cut-back outcomes (including some policy options, such as for the cutoff of outpatient services for seriously mentally ill planned for July 1) and assess alternative funding modes for critical services
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- Master calculation model for needed adjustments to physician compensation, hospital reimbursement rates, etc. – showing costs if matters were more equitably set

7• A major national consulting firm recently showed a modestly lower cost for point-of-service design. It can allow contracting all licensed providers into a health care system (thus for potential cost and system design values). This recent subject deserves further study.

8• Major purchasing parties working with two or more primary health plans can study the possible utility of incorporating adjusted risk-sharing across “total” populations (for sub-sets of the Sonoma County economy).

9• Research needs to be done to identify-consider-possibly incorporate additional humane cost-containment design elements into the health plans and health system operating in the county:

- * improvement in plans for primary care-sensitive treatment,
- * methods coming into place for reduction in medical errors,
- * case management methods improvements (especially for chronic conditions),
- * alternate medicine and humane cost containment benefit formulae
- * each party bringing up its ideas.

10• We need to discuss developing courses and field training in interest-based bargaining principles that can be applied specifically to health care issues in Sonoma County

11• It would be healthy to conduct periodic consumer satisfaction surveys for country residents

12• We need to increasingly figure out how to increase public testing and reporting to the public about ecology and health hazards now and over time – public hazards and personal.

13• Study and design further sophistication of the Initiative website, its resource links, link support for other key community and county health-care-related organizations and associations, and how to increase the user-friendliness of the website, and especially the

online library, in facilitating academic and community member gathering of information. The Nursing Department webmaster is also founding webmaster for this Initiative website.

14• Study of health plans in other counties, states, and countries would be most helpful in the search for formulae and approaches potentially helpful to Sonoma County health care plans and systems.

15• It is timely to study the small district hospital crisis in the County, including possible formulae for appropriately adjusting the daily reimbursement rate differentials among small and large hospitals in the County. Also for study are impacts of nursing and other professional shortages (and ways to respond), and possible collaborative strategic planning strategies among those hospitals in these circumstances. The Association of California Health Care Districts is showing marked interest in working with the parties on preparing for foundation funding applications.

16• Premium pricing studies can open doors of understanding to what may be the most important “cost drivers”. This can lead us towards appropriate responses.

17• It is highly important to study prevention and application of medical care cost offset effects. Public county-wide research and applications can locally ground principles of quality care and lower costs and medical-care-cost-inflation trend lines.

18• Study of the economic impacts of provider contracting strategies

19• Prescription drug cost lowering strategies and systems need to be studied. A breakthrough in this sphere could save both significant premium dollars and have a moderating effect on the inflation “trend” line.

20• Important health care information technology (IT) developments are being thought through and are taking place. More information is needed about collaborations within the county and about successful work in, I believe, Santa Barbara County funded at least in part by the California Health Care Foundation.

21• Updates on community planning in the county for emergency situations, earthquake, attack need to be shared with the public – with the public treated as important shareholders.

22• On critical shortages of health professionals, further develop integrated system of academic articulation, planning, and accelerated training among public institutions (high schools, junior college, university, graduate school), including incentives for professional trained here to stay here and contribute. John Walton has been named Project Director of the Healthcare Workforce Development Roundtable, with a kind of feasibility study grant for the California Endowment.

Note: Comments are welcome, especially items to be added and clarifications