



Transforming Arizona Medicaid Health Delivery at the Point of Care

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Arizona Health Care Cost Containment System

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Leadership in Times of Transformation



What is on our horizon?

Key Issues Facing AHCCCS

- Growth in the Medicaid/SCHIP enrollment
- Controlling medical cost inflation
- The overall fiscal impact of the Medicaid program on the Arizona budget
- Health system inefficiency and variability in quality of care
- Underlying organization core competency and technical capacity of AHCCCS to drive transformation of the Arizona health care system

Goal of AHCCCS Health System Transformation

- Widespread adoption of interoperable HIT
- Creating electronic Health Information Exchange
- Adopting electronic health records
- Generating greater use of web-based clinical and patient decision support tools that use a common health data set and evidence-based references
- Incorporating internet and communication tools that support the delivery of personalized health information and health literacy competency for Medicaid beneficiaries

Medicaid Transformation Grants

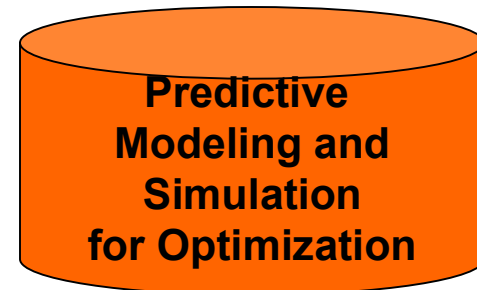
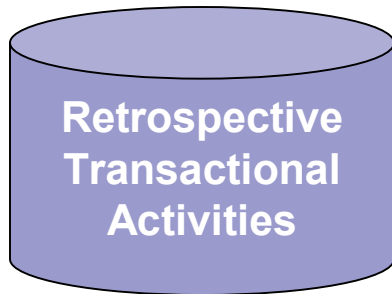
- Medicaid Transformation Grant # 1
 - Development of statewide health information exchange
 - Development of web-based electronic health record
 - Development of electronic health record repository
- Medicaid Transformation Grant # 2
 - Development of clinical decision support tools
 - E-Learning products
 - Web-based alerts and evidence-based reference material
 - Development of patient decision support tools
 - E-Learning products
 - Web-based wellness, health information, and wellness support analytics
 - Development of Health Plan and Provider Performance Score Report

Value Driven Cost and Quality Improvement Evolution

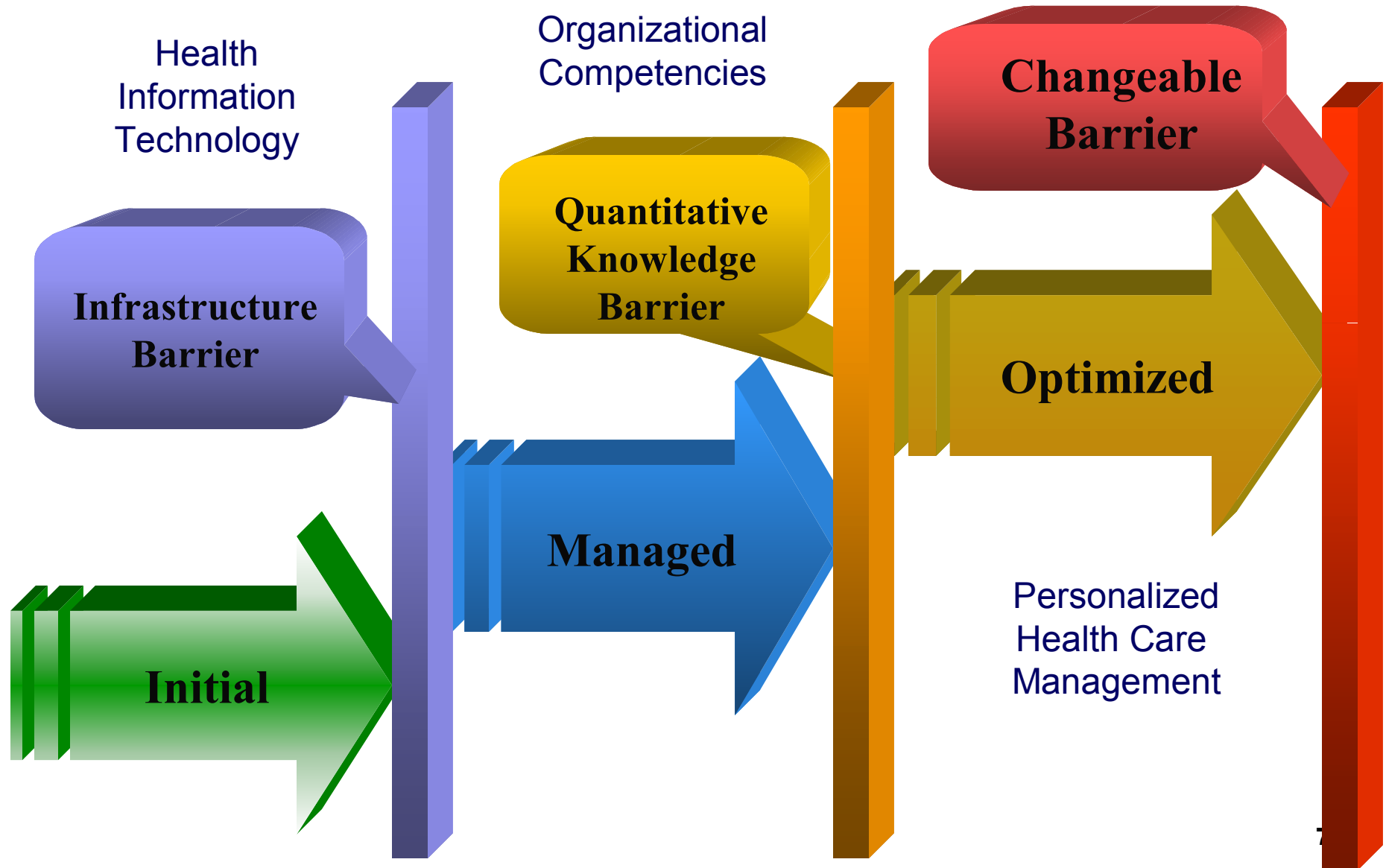
**Transactional
Level**

**Managed
Level**

**Optimizing
Level**

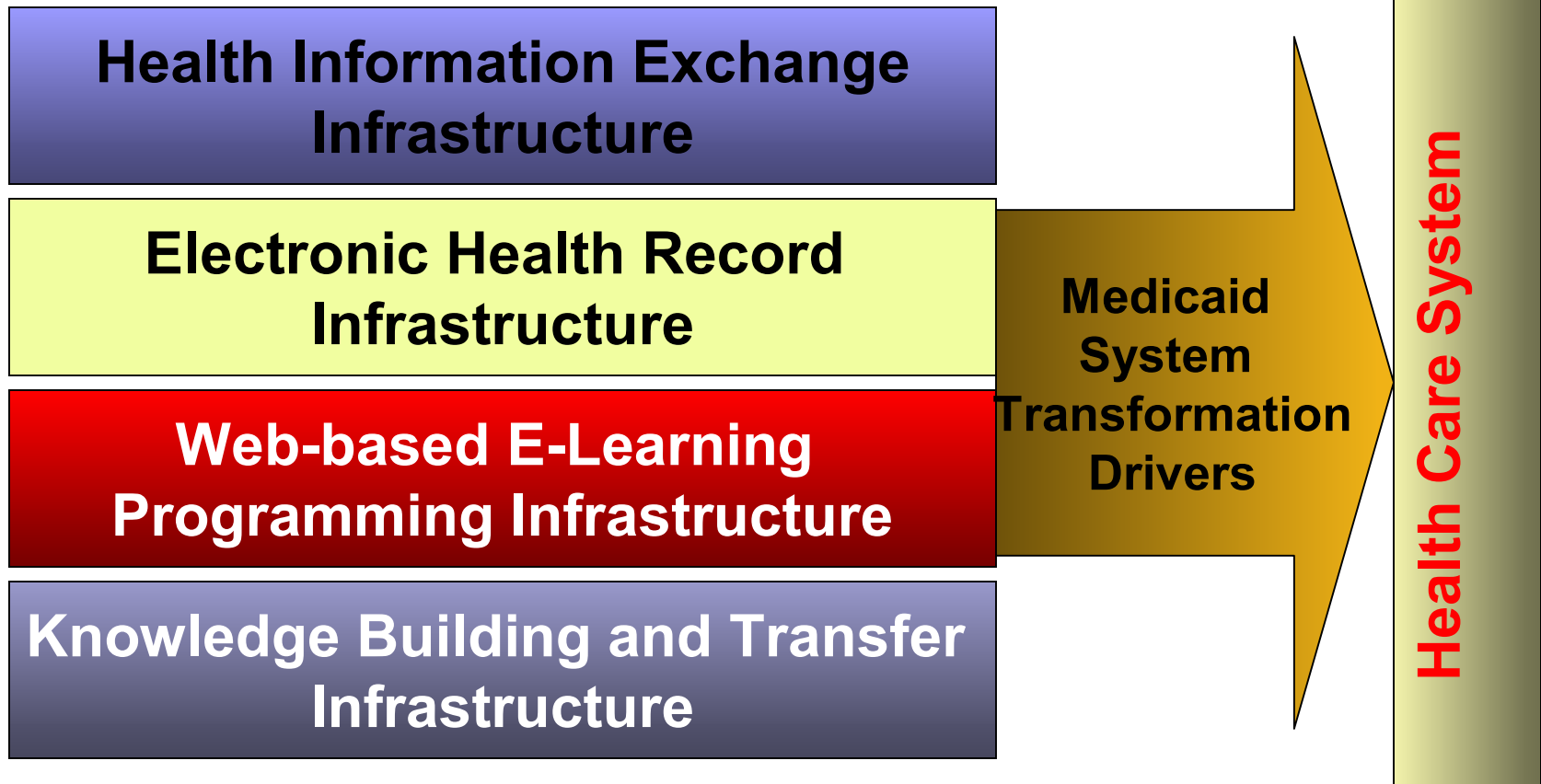


Health Care Transformation Maturity Model

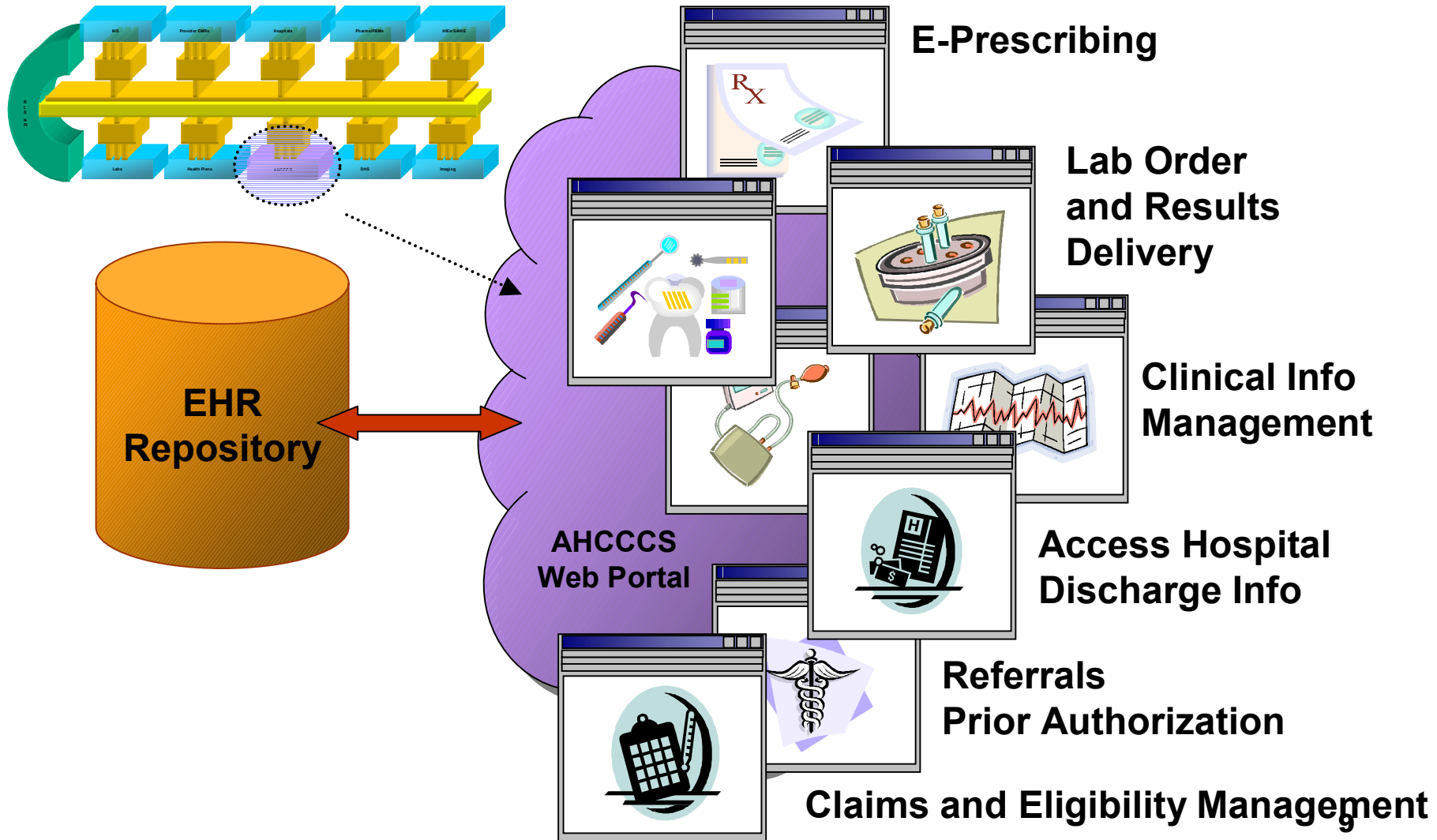


E-Health Infrastructure of Medicaid System Transformation

Transforming IT Infrastructure



Long Range View of AHCCCS EHR Repository and Web Portal Development





Transforming the Physician Practice:

***through wide spread
adoption of clinical
decision support tools and
e-prescribing***

The Use Case for Clinical Decision Support Tools

- Pervasiveness of medical errors
 - Medical error is the 8th leading cause of death in the US
 - Medical errors kill between 44,000 and 98,000 Americans each year
 - Outpatient adverse drug event (ADE) rate 14.9 per 1,000 person-months
 - Preventable 21% of the time
- Gap between medical knowledge and practice
 - Recommended care provided only ~50% of the time
 - 54.9% of the time for adults (54.9% for preventive care)
 - 46.5% of the time for children (40.7% for preventive care)
 - Lag time between current evidence-based medicine (EBM) and application to care
 - Up to 17 years to apply 14% of research knowledge

Importance of Wide Spread Use of EHR Integrated Clinic Decision Support

■ Safety

- Medication errors (dosing calculators, allergies, contraindications, drug interactions, monitoring)

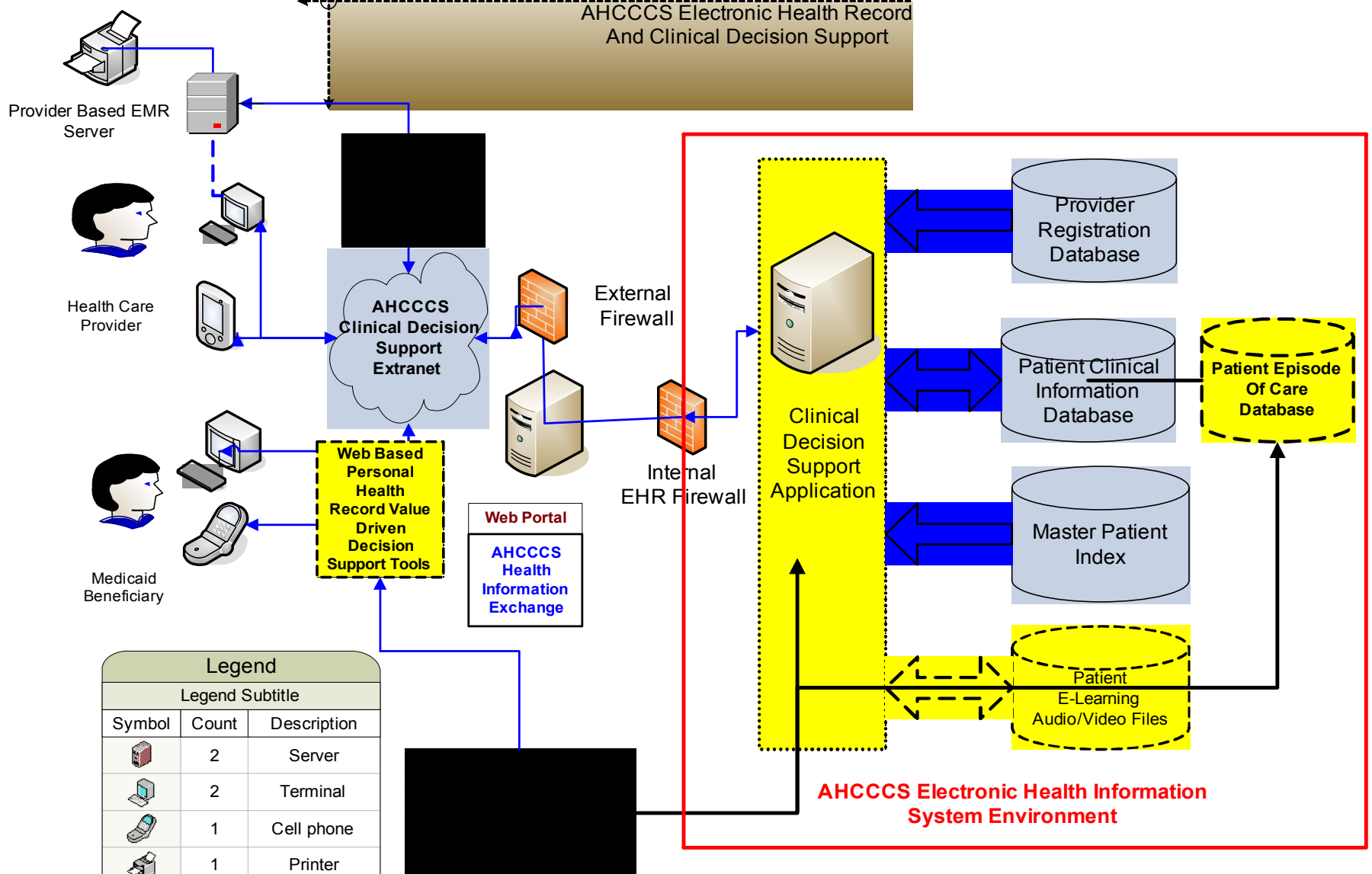
■ Primary preventive care

- Screening and immunization alerts

■ Disease management and secondary prevention

- Diabetes
- Hypertension
- Coronary artery disease
- Asthma

Clinical and Patient Decision Support Applications



Legend		
Legend Subtitle		
Symbol	Count	Description
	2	Server
	2	Terminal
	1	Cell phone
	1	Printer
	1	PDA
	2	Firewall

AHCCCS Electronic Health Information System Environment

Use Case for E-Prescribing

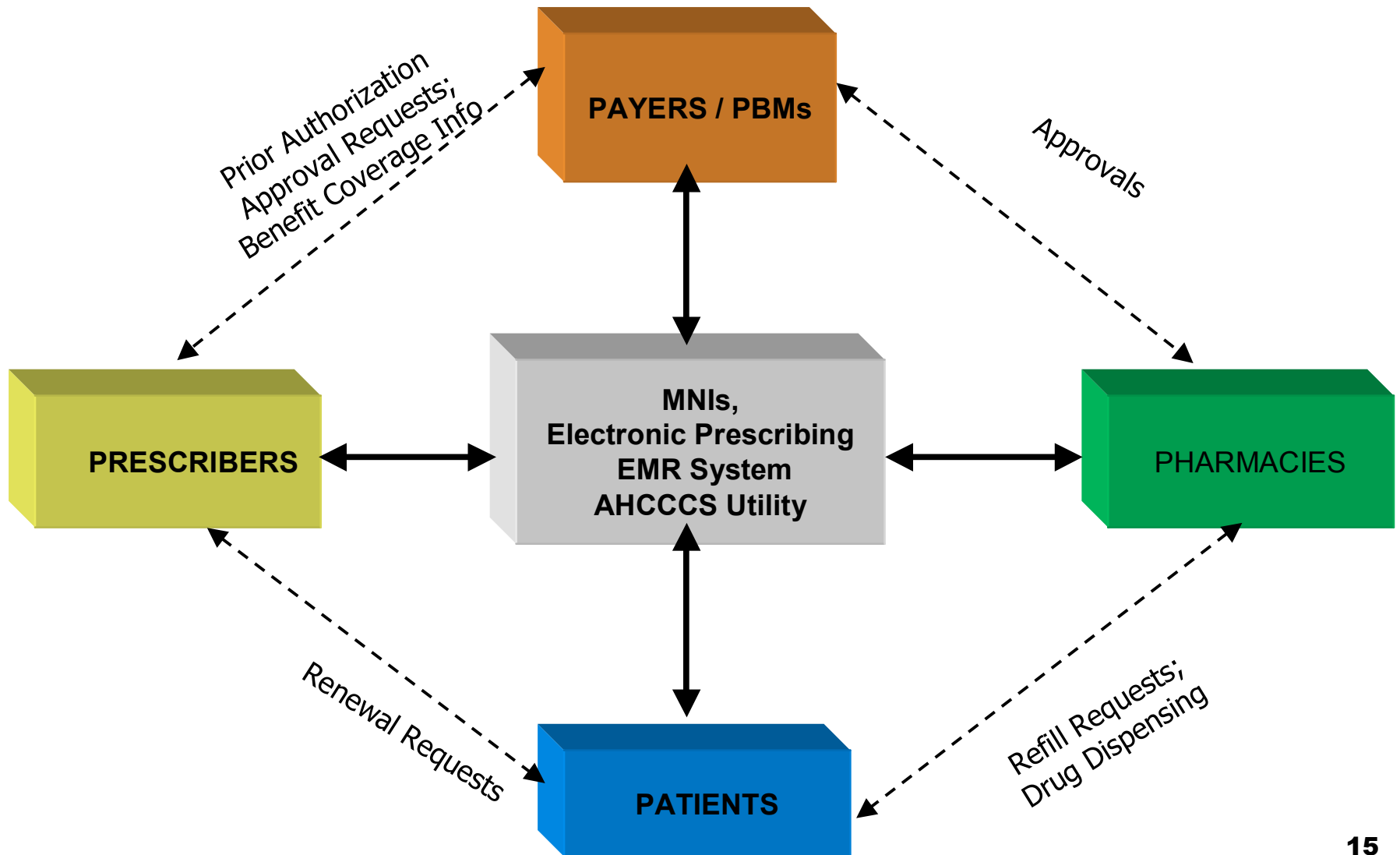
Research studies suggest that it may be possible to reduce pharmacy labor costs by as much as 15.8 %, resulting in an average cost reduction of \$0.97 for each new prescription and \$0.37 for each refill prescription

8.2 million annual Rxs are filled and paid for by AHCCCS

- 61% New Rxs (5.1 M) X \$0.97 = \$4.95M
- 39% Refill Rxs (3.2 M) X \$0.37 = \$1.18M

Potential Pharmacy Cost Avoidance = \$6.13M

E-Prescribing Use Case “To Be” Model





AHCCCS

Our first care is your healthcare