

# Health costs are 'not sustainable'

## Event focuses on challenges, solutions

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**TWIN FALLS** — If you've struggled to pay medical bills or for health insurance, you're not alone.

Idahoans spend an average of 17 percent of their disposable income on health care. That's nearly double what's consid-



ered affordable: 9.5 percent.

"We fundamentally know and believe that health care — and particularly, the cost of health care —

**Fenello** today is not sustainable," St. Luke's Magic Valley Medical Center site administrator Mike Fenello said Tuesday.

About 30 people, most of whom are health care providers or administrators, attended a community health care education day at the Turf Club in Twin Falls.

The luncheon was organized by the regional Idaho Small Business Development Center and Patient Financial Navigator Foundation. Topics included health care challenges, services available for patients and employers, and potential

next steps for health care in the Magic Valley.

Organizers invited attendees to consider signing up to form a group to explore insurance alternatives in Idaho for small employers, such as a co-op.

One of the presenters — Day Egusquiza, founder and president of the newly-formed Patient Financial Navigator Foundation — has more than 35 years of experience in health care operations. She leads AR Systems, Inc., a health care auditing and training company based in Twin Falls.

The nonprofit foundation offers no-cost services to help patients, employers and community members navigate the health care system. Its goals include community outreach, employer outreach and a strategic partnership with St. Luke's Magic Valley to create an onsite navigator resource library.

When an entrepreneur opens a business, one of the biggest concerns is often how to pay for employee health insurance, Egusquiza said.

For patients, "nobody asks to come to a hospital," she said, adding they're scared and don't speak the health insurance language. "At the foundation, we're the translators."

Patients are sometimes surprised after a surgery, for example, when they receive separate bills from the anesthesiologist, surgeon and pathologist, Egus-

quiza said. "It gets confusing for our patients."

During the community luncheon, Fenello talked about the vision for St. Luke's and the future of health care. A growing population of baby boomers and a higher rate of youth obesity is compounding the problem of growing health care costs nationwide, he said, and it will likely get worse without intervention.

With higher health insurance premiums, more people are opting for high deductible plans, Fenello said, but 40-50 percent of Idaho households don't have enough money to cover their deductible. And a small group — 5 percent of all patients — account for 50 percent of health care expenses. They typically have five or more problems and are considered medically complex, Fenello said.

St. Luke's has hired care advisers who oversee those patients, he said, and work to figure out proactive measures to improve their health.

Speaking broadly about health care challenges in the United States, Fenello said he believes leaders in Washington, D.C. — political division aside — cannot or won't solve the problem. "It's too difficult of a political issue, we believe, for the government to solve."

St. Luke's community health administrator Kyli Gough told

the crowd they have the opportunity to work together to make a collective impact to improve health in the Magic Valley. Often, groups have the same mission in mind, but they're not working together, she said.

Gough told the group a community health needs assessment — which St. Luke's is required to complete — shows three big areas of need: improving the management and prevention of diabetes and obesity; improving mental health and reducing suicide; and improving access to affordable health insurance.

Since the Twin Falls County-owned hospital was sold to St. Luke's after voters approved the proposal in May 2006, there's sometimes a perception it's no longer the community's hospital, Fenello said. "That's the last thing we want."

Here in the Magic Valley, "We recognize that St. Luke's has gotten pretty large, and that can get daunting and scary for people," Fenello said.

But the hospital system wants to act small, he said, in that building relationships happens one patient encounter at a time. Fenello talked with attendees about St. Luke's efforts toward improving population health, and how it's working to be directly responsible for the costs and outcomes of care.

Traditionally, hospitals have used a "fee-for-service" model

where it bills for services such as lab tests and gets paid. But now, St. Luke's has 161,000 people enrolled under a "pay-for-value" model, he said, where St. Luke's receives a set amount of money per year from an insurer for each patient. If health care costs exceed the budget, St. Luke's is responsible for covering the extra expenses.

St. Luke's partnered with health insurance company SelectHealth in 2012 with the idea of lowering costs and improving patient health, but so far, hasn't seen results on lowering costs or insurance premiums. The Idaho Statesman reported Saturday.

Last year, a payment model with SelectHealth was implemented: "fee-for-service with a global budget," the Statesman reported. St. Luke's didn't stay within budget and was accountable for the deficit.

Pay for value is a fundamental shift in how the hospital system gets paid, Fenello said, adding St. Luke's is embracing the change. It can't mend the increasing health care costs under a fee-for-service structure, he said.

Plus, when people think of hospitals, they tend to associate them with treating sick and injured people, and delivering babies, he said. "We have to be in the wellness part of the business."