



“The Alaska Tribal Health System for the Next Generation:
Challenges and Opportunities”

Alaska Native Health Future Demand Forecast

Presented by:

David V. Axene, FSA, MAAA, FCA

President & Consulting Actuary

Axene Health Partners, LLC

27165 Tree Rose Avenue

Murrieta, CA 92562

951 294 0841

Overview

- ANMC forecast – Completed Spring 2006
- Initial regional forecasts – just completed
- Statewide forecast – in process, soon to be completed
- Currently reconciling results from initial ANMC forecast and combined results of regional forecasts

Methodology

- Actuarial projection of demand using:
 - Current population projection by age/gender/region (provided by ANTHC)
 - Actuarial cost model using combination of AHP proprietary information and actual Alaska Native utilization and cost data
 - Utilization / 1,000 persons
 - Intensity of care
 - Projected cost per service
 - Cost per person per month
 - 50 different types of services ranging from inpatient medical stays to emergency transportation

Methodology

continued

- Developed forecasts of:
 - Population by age/ gender
 - Demand and demand/1,000 persons
 - Cost, Cost per person per month
 - Resource needs
 - Beds
 - Physicians
 - Opportunity for efficiency improvements
- Results are not final, but will show preliminary results

Preliminary Results

Item	2005	2015	% Incr.
Population			
- Total	133,418	160,792	+25%
- Non-AA/Non-ASU*	77,859	81,555	+5%
- AA/ASU**	55,659	79,237	+43%
Total Days	80,146	103,232	+29%
Non-AA/Non-ASU Region*			
- Total Days	57,900	63,856	+10%
- Local Days	33,482	36,675	+10%
- Transferred Days	24,419	27,180	+11%
AA/ASU Days**	22,246	39,376	+77%
ANMC Projected Days	38,820	58,388	+50%
<p>* All regions other than Anchorage Area and Anchorage Service Unit ** Anchorage Area and Anchorage Service Unit combined</p>			

Preliminary Results

continued

Region	Population* (1,000s)			Projected Days		
	2005	2015	% Incr.	2005	2015	% Incr.
Bristol Bay	5.6	5.9	+5%	785	884	+13%
Maniilaq	7.2	7.8	+8%	1,804	2,168	+20%
Norton Sound	7.3	7.4	+1%	4,906	5,050	+3%
SEARHC	16.3	16.2	-1%	7,397	8,088	+9%
YK	21.8	24.0	+10%	11,573	12,849	+11%
ASNA	4.6	4.8	+4%	723	808	+12%
TCC	14.9	15.4	+3%	6,293	6,829	+9%
Total	77.9	81.5	+5%	33,482	36,675	+10%
*Alaska Native population only						

Preliminary Results

continued

Item	2005	2015	% Incr.
Projected Cost (\$millions, w/o inflation)			
- Total	\$849	\$1,074	+27%
- Non-AA/Non-ASU	\$609	\$671	+10%
- AA/ASU	\$240	\$403	+68%
- Local Non-AA/Non-ASU	\$484	\$533	+10%
- ANMC	\$286	\$456	+59%
Projected Beds (Market)			
- Total	255	327	+28%
- Non-AA/Non-ASU	122	131	+7%
- ANMC	133	196	+47%

Preliminary Results

continued

Item	2005	2015	% Incr.
Projected Beds (Ideal)			
- Total	153	195	+27%
- Non-AA/Non-ASU	81	88	+9%
- ANMC	72	107	+49%
Projected Physicians (Market)			
- Total	308	418	+36%
- Non-AA/Non-ASU	125	135	+8%
- ANMC	183	283	+55%
Projected Physicians (Ideal)			
- Total	250	330	+32%
- Non-AA/Non-ASU	119	128	+8%
- ANMC	131	202	+54%

Summary

- Population increases greater in Anchorage than in outlying regions
- Hospital demand increases greatest in Anchorage, although resources are quite stretched in the outlying regions
- Substantial increases in costs, number of beds, and health care professionals are expected.
- Above increases can be partially mitigated with efficiency improvements, although less improvements are possible in outlying regions (i.e., more potential in Anchorage)