

**Purpose of the Retreat:**

The 2006 Legislature created the Blue Ribbon Commission on Health Care Costs and Access to develop a five-year plan for improving access to affordable health care for all Washingtonians. The purpose of this retreat is to develop a set of recommendations consistent with this charge in preparation for the final meeting on November 28<sup>th</sup>. This short timeline and expansive scope represents both a challenge and an opportunity.

Our challenge comes from the sheer volume and complexity of issues facing the health care system, and a strained political environment that, to date, has made meaningful reform for our residents elusive.

Our opportunity is to work collaboratively and to develop a roadmap of initiatives that deliver measurable improvements in the quality and affordability of health care.

**Recommended Initiatives:**

In the spirit of this collaboration, this document presents three key strategies: 1) build a high-quality, affordable system; 2) provide affordable health insurance options to individuals and small businesses; and 3) ensure the health of the next generation with targeted strategies for children. Each strategy includes specific tactics, or implementation steps, to guide the discussion.

The recommendations that follow aimed for boldness, for consensus where possible, and for initiatives that meet the health care aspirations of our state. They are based on information provided to the Commission through speakers and panelists, staff research, consultative services, and the many proposals submitted by organizations and individuals across our state. At their core, these recommendations reflect a commitment to a shared vision and shared responsibilities. They aim to deliver on the Commission's stated vision that every Washingtonian can obtain needed health care at an affordable price.

**Strategy I: Build a high-performing health care system that ensures quality, affordable care.** Washington State is committed to improving the quality and affordability of our health care system and has laid the foundation to do so. Over the course of the next five years, Washington State will further its leadership in the health care marketplace and build on its successes, to date, by continuing to demand a health care system for the state that: (1) recognizes and rewards the use of evidence-based medicine; (2) promotes prevention strategies and healthy lifestyles; (3) better manages chronic care; (4) increases data transparency to give consumers and providers better information about health care costs and quality; and (5) expands the adoption and use of health information technology. Beginning July 1, 2012, Washington State will only pay for health care that meets these objectives.

Between now and July 1, 2012, Washington State will:

<p><b>Pay for performance using evidence-based medicine.</b></p>	<p>Direct the coordinated realignment of reimbursement within all state health care programs to focus on outcomes, rewarding evidence-based, efficient, high quality care and mitigating over- and under-use. Tie any future investments in health care to quality improvements and the achievement of desired health outcomes. For example, this could include the use of selective contracting to establish centers of excellence, and support pilots such as the Centers of Occupational Health and Education (COHE) by the Department of Labor and Industries. For preference sensitive care, care requiring patients to choose between treatment alternatives, the state could adopt the “informed patient choice” model.</p>
<p><b>Reward sound prevention strategies in public and private health plans.</b></p>	<p>Structure health plan benefits and reimbursements in state insurance programs to promote healthy choices and disease prevention, including an enrollee health assessment with appropriate follow-up in the Basic Health Plan; reimbursement for prevention activities within Medicaid; and prevention and health promotion contracting standards within the Public Employee Benefits Board, Basic Health Plan and Medicaid. Encourage similar activities in the private sector.</p>
<p><b>Integrate proven chronic disease management practices into state health programs.</b></p>	<p>Integrate effective evidence-based chronic disease prevention and management into all state purchased health care programs. Require enrollees with chronic conditions to participate. This includes supporting programs that train providers on effective care management; using health information technology and registries to support patients and providers; reimbursing for group visits, family education, and other non-traditional service delivery methods; and promoting the medical home concept. Examples include the WA State Diabetes Collaborative, the Intensive Chronic Care Management Program, and Bridges to Excellence.</p>
<p><b>Invest in public health infrastructure.</b></p>	<p>Consider the recommendations of the Joint Select Committee on Public Health Financing, including adequate investment in public health, with an emphasis on funding strategies that demonstrate improved health outcomes.</p>

<p><b>Create a clearinghouse of information about cost and quality for consumers and providers.</b></p>	<p>In collaboration with the Puget Sound Health Alliance, develop and publicly report a common set of measures which will allow consumers to compare quality and cost performance across providers. Support the expansion of this model statewide to address the over-, under-, and misuse of health care services. Implement a Washington-specific “Dartmouth Atlas” to evaluate and realign financial incentives to reduce practice variation. Serve as a resource for providers on efficacious and cost-effective treatment, evidence-based medicine, and best practices. (Initial estimate: \$2 million/biennium)</p>
<p><b>Expand the adoption and use of health information technology.</b></p>	<p>Support the Health Information Infrastructure Advisory Board’s recommendations to develop a state medical record bank system that fully connects patients and providers. Fund health information technology demonstration pilot projects in fiscal years 2007-2009 in multiple sites across the state. (Initial estimate: \$8 million/biennium)</p>
<p><b>Reduce unnecessary emergency room visits.</b></p>	<p>Measure the extent of unnecessary emergency room use in the state. Reduce unnecessary ER and office visits in state health care programs through the use and reimbursement of alternatives such as consulting nurse hot lines, health care navigators, telephone/electronic visits, tele-monitoring and other telehealth modalities. Target a portion of the grants awarded by the Health Care Authority to local organizations working to reduce unnecessary emergency room use.</p>
<p><b>Establish a uniform claims processing system.</b></p>	<p>Facilitate a uniform claims processing system to promote administrative efficiencies for providers in partnership with the Washington Healthcare Forum.</p>

**Strategy II: Provide affordable health insurance options for individuals and small businesses.**

Washington State needs a multi-pronged approach to tackle the challenges facing our uninsured population. Of the 595,000 uninsured in Washington, approximately 400,000 are low-income children, parents and childless adults. An additional 50,000 are employees of small business who have incomes in excess of 200% FPL. Over half of Washington’s total uninsured population consists of young adults ages 19-34.

The state can adopt several tactics to cover the uninsured including: 1) promoting a marketplace that connects individuals and small businesses to affordable insurance plans; 2) providing coverage to high-cost individuals in an affordable manner; and 3) targeting strategies for our young adult populations. These tactics envision a shared commitment to insurance coverage from the state, individuals, and businesses. Together, they give the state and insurance carriers the flexibility to provide sound coverage options and create **“Healthy Washington”** – an initiative that links individuals and small businesses to the health care product that best fits their needs.

**1.) Connecting Individuals & Small Businesses to Affordable Insurance – Public & Private Sector Reform**

<p><b>Create a Public/Private “Connector” to connect individuals and small businesses to insurance coverage.</b></p>	<p>Establish a public/private “connector” to provide one-stop shopping for individuals and/or small businesses. The connector would provide access to insurance products targeted to the uninsured; take advantage of pre-tax contributions from employers and employees; and leverage existing state programs, such as the BHP and Medicaid, to facilitate coverage. Benefit plans provided by the Connector could include the Basic Health plan, a HDHP/HSA (catastrophic/prevention plan), and other benchmark plans. (Initial estimate: \$10-14 million/biennium depending on scope)</p>
<p><b>Leverage federal Medicaid resources to expand coverage to our low-income uninsured populations.</b></p>	<p>Secure federal Medicaid approval to expand coverage to uninsured groups such as children up to 300% FPL, low-income parents up to 200% FPL, and low-income childless adults up to 200% FPL (possibly through BHP) and leverage federal Medicaid funds to support the expansion. (See Sellers’ document for financial analysis)</p>
<p><b>Modify BHP and Medicaid programs to ensure sustainability.</b></p>	<p>Modify the Medicaid and/or BHP programs. Options could include: 1) make benefits and cost-sharing for enrollees more consistent with commercial products, including getting patients more involved in their care and lifestyle choices and addressing over and under-utilization of treatments; 2) reform BHP eligibility to assure that it serves the population for whom it was intended; and/or 3) transition BHP/Medicaid to allow individuals to purchase public and private coverage options (FHIAP example).</p>
<p><b>Enhance Employer-Sponsored Insurance (ESI).</b></p>	<p>Enhance our Employer-Sponsored Insurance (ESI) program, which allows the use of Medicaid funds to facilitate employer coverage, by establishing Medicaid eligibility as a qualifying event for ESI enrollment.</p>

	(Initial cost estimate: Enrollment brings a 37-percent <i>reduction</i> in monthly client costs, a savings of \$64 per client per month.)
<b>Give flexibility to insurance carriers on benefit designs that incorporate evidence-based guidelines.</b>	Require carriers to offer, in each segment of the market in which they do business, at least one plan including all benefits determined in an independent, evidence-based review process to be “core health services.” Allow carriers to offer two other “affordable” but less comprehensive plans where the difference between these plans and the core plan is clearly stated to consumers. Subject any other plans offered by the carrier to existing mandates.
<b>Study insurance mandates and their impact on the state’s health insurance market.</b>	Direct an independent study of the 10-15 insurance benefit or provider mandates identified by health carriers as contributing the most to the cost of individual and small group coverage in Washington State to determine the impact on the insurance markets and health status of Washington residents if those mandates were amended or repealed.
<b>Promote shared financial responsibility among individuals, employers, and state.</b>	Set an expectation for shared responsibility to finance access to affordable coverage between individuals, employers, and state government.

**2.) Provide Coverage to High-Cost Individuals in an Affordable Manner**

<b>Reevaluate WSHIP.</b>	Reevaluate the role and structure of the Washington State Health Insurance Pool (WSHIP). (Plan design needed to estimate fiscal impact.)
<b>Evaluate the option of a reinsurance program.</b>	Evaluate the role of a reinsurance program as a means to insure high-cost individuals in an affordable manner. (Plan design/actuarial analysis needed to estimate fiscal impact.)

**3.) Target Strategies for Young Adults**

<b>Expand employer-sponsored coverage to unmarried dependents up to age 25.</b>	Require health carriers who offer coverage for dependents to extend the eligibility for that coverage to unmarried children up to the age of 25, retaining an employer’s current option of contributing to the cost of that coverage, or allowing the employee to pay the cost in-full.
<b>Give flexibility to insurance carriers to design innovative health plans for young adults.</b>	Allow health carriers to design and market a health plan directed at young adults and/or children. Provide appropriate exemptions to benefit and provider mandates, and adjust the state’s rating laws to allow the premiums to more closely reflect the cost of care for this age group.

**Strategy III: Ensure the health of the next generation.**

Washington should meet its established statutory goal of ensuring all children have access to health coverage by 2010 and promote policies that improve their health. Both objectives are met through the tactics, below, that incorporate improved child health outcomes by linking children with a medical home, identifying health improvement goals for children, and linking innovative purchasing strategies to those goals. Furthermore, these tactics recognize that nutrition and physical activity is as important to a child’s well-being as ensuring the child is immunized and receiving well-child services.

<p><b>Expand outreach to enroll the 70% of uninsured children who are eligible for state programs.</b></p>	<p>Expand outreach and fund coverage for children eligible but not enrolled in state health insurance programs, and take advantage of available employer sponsored coverage through programs such as the Employer-Sponsored Insurance program in DSHS. (Initial estimate: \$47 million + outreach dollars to cover eligible children up to 250% FPL)</p>
<p><b>Streamline application process for state program.</b></p>	<p>Regardless of which program a child may be eligible for (Children’s Health Program, Medicaid, SCHIP), create a common application form to streamline enrollment for parents and their children.</p>
<p><b>Allow buy-in to State Children’s Health Insurance Program.</b></p>	<p>Give parents the option of buying into SCHIP, with any increases in expansion tied to increased cost-sharing by parents.</p>
<p><b>Encourage parental responsibility.</b></p>	<p>Implement policies that enable parents to meet their responsibility to enroll their children in affordable health coverage and ensure that they receive appropriate health services.</p>
<p><b>Pay for performance.</b></p>	<p>Incorporate performance measures, such as well-child services, use of a medical home, immunization, and chronic care management into state and private coverage for children; and link increases in payment rates for children’s services to improve performance in these measures.</p>
<p><b>Initiate a public health campaign to improve childhood nutrition and physical activity.</b></p>	<p>Initiate a public health campaign related to childhood nutrition, physical activity, and the consequences of childhood obesity. Options could include: a partnership between local public health, providers, schools and other organizations; and/or encourage nutritious food options and physical activity for students in K-12 education.</p>