

**Strategy I: Build a cost-effective high performing health care system.**

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>1. Use state purchasing to improve health care quality.</b></p>	<ul style="list-style-type: none"> <li>▪ By September 2007, state health purchasing agencies will develop a strategic plan to change reimbursement within all state health care programs to:               <ul style="list-style-type: none"> <li>✓ Reward health outcomes rather than simply paying for particular procedures;</li> <li>✓ Require the use of evidence-based standards of care where available;</li> <li>✓ Tie any future provider rate increases to improved quality;</li> <li>✓ Direct enrollees to quality care systems through the use of selective contracting and tiered benefit structures;</li> <li>✓ Better support primary care and provide a medical home to all patients;</li> <li>✓ Require “informed patient choice” rather than “informed consent” to assure patient participation in deciding among treatment alternatives.</li> </ul> </li> <li>▪ Direct any savings from quality improvements to providing access to care for more people.</li> </ul>
<p><b>2. Become a leader in the prevention and management of chronic illness.</b></p>	<ul style="list-style-type: none"> <li>▪ State health purchasing agencies will:               <ul style="list-style-type: none"> <li>✓ Integrate proven chronic care management into all state programs;</li> <li>✓ Require enrollees with chronic conditions to participate in such programs.</li> </ul> </li> </ul>
<p><b>3. Provide cost and quality information for consumers and providers.</b></p>	<ul style="list-style-type: none"> <li>▪ State health purchasing agencies will partner with the Puget Sound Health Alliance to:               <ul style="list-style-type: none"> <li>✓ Develop a sound set of measures allowing consumers to compare provider cost and quality, and support other local organizations in making such a tool available statewide;</li> <li>✓ Develop a Washington-specific guide, modeled after the “Dartmouth Atlas,” to address unwarranted variations in treatment;</li> <li>✓ Disseminate information on cost-effective treatment and best practices, building on the success of the preferred drug list and the technology assessment program.</li> </ul> </li> </ul>

<p><b>4. Deliver on the promise of health information technology.</b></p>	<ul style="list-style-type: none"> <li>▪ Based on the recommendations of the Health Information Infrastructure Advisory Board, develop a system to provide electronic access to patient information from anywhere in the state, including incentives for providers to purchase health information technology. Subject to appropriation, implement demonstration projects in multiple sites across the state.</li> <li>▪ State health purchasing agencies will provide appropriate reimbursement for email consultations and telemedicine where doing so reduces the overall cost of care.</li> <li>▪ Install health information technology in state-owned health care facilities.</li> </ul>
<p><b>5. Reduce unnecessary emergency room visits.</b></p>	<ul style="list-style-type: none"> <li>▪ State health purchasing agencies will partner with the Washington State Hospital Association and other providers to measure and reduce unnecessary emergency room utilization. This could include demonstration projects to enhance primary care, use patient navigators, and provide nurse hotlines. Consider incentives to hospitals that demonstrate improved results.</li> </ul>
<p><b>6. Reduce health care administrative costs.</b></p>	<p><b>COMMISSION TO REVIEW pending information from OIC.</b></p> <ul style="list-style-type: none"> <li>▪ Facilitate a uniform claims processing system for providers in partnership with the Washington Healthcare Forum.</li> <li>▪ Streamline state insurance and health care administration and regulation.</li> <li>▪ Establish contracting standards for state insurance programs that discourage unreasonable carrier administrative expenses.</li> </ul>
<p><b>7. Support community organizations that promote cost-effective care.</b></p>	<ul style="list-style-type: none"> <li>▪ The Health Care Authority will evaluate the effectiveness of the Community Health Care Collaborative Grant Program in improving access to high-quality, efficient health care at the local level, and build upon identified successes.</li> </ul>
<p><b>8. Encourage only needed investments in facilities and high-tech services.</b></p>	<p><b>COMMISSION TO REVIEW pending information from staff.</b></p> <ul style="list-style-type: none"> <li>▪ Develop a state strategic health plan.</li> </ul>

**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 insurances 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.

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

<p><b>1. Give individuals and families more choice in selecting private insurance plans that work for them.</b></p>	<ul style="list-style-type: none"> <li>▪ <b>COMMISSION TO REVIEW pending report from subgroup #1.</b> Give flexibility to insurance carriers on benefit designs that incorporate evidence-based guidelines.</li> <li>▪ <b>COMMISSION TO REVIEW pending information from carriers.</b> Introduce legislation allowing health carriers to design a health plan directed specifically at young adults and/or children, providing appropriate mandate exemptions and adjustments to rating laws so that premiums more closely reflect the cost of care for this age group.</li> <li>▪ <b>COMMISSION TO REVIEW pending information from carriers.</b> Introduce legislation requiring 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.</li> <li>▪ Direct a study of a select number of mandates, rating requirements, or other regulations thought to contribute most to the cost of individual and small group insurance to determine the impact on premiums and residents’ health if those regulations were amended or repealed.</li> </ul>
<p><b>2. Modify Medicaid and BHP to assure sustainability and the use of available funds to cover as many as possible.</b></p>	<ul style="list-style-type: none"> <li>▪ <b>COMMISSION TO REVIEW pending report from subgroup #2.</b> Explore opportunities offered by the Deficit Reduction Act, state plan amendments, and waivers to expand Medicaid coverage by matching state investments with additional federal dollars.</li> <li>▪ <b>COMMISSION TO REVIEW pending report from subgroup #2.</b> Restructure the Basic Health Plan, considering options such as:             <ul style="list-style-type: none"> <li>✓ Making benefits and cost-sharing more consistent with commercial products, including getting patients more involved in their care and lifestyle choices and addressing over and under-</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>utilization of treatments;</li> <li>✓ Changing eligibility requirements to assure that the program serves the population for whom it was intended;</li> <li>✓ Offering additional plan choices;</li> <li>✓ Allowing enrollees to use their subsidy in plans other than those offered by the Health Care Authority, including employer-sponsored plans.</li> <li>▪ Increase enrollment in the existing ESI program, which allows Medicaid-eligible employees to use Medicaid funds to pay for employer-sponsored insurance, by passing legislation allowing a person to enroll in employer coverage immediately upon their eligibility for the program.</li> </ul>
<p><b>3. Organize the insurance market to make it more accessible to consumers.</b></p>	<p><b>COMMISSION TO REVIEW pending report from subgroup #1.</b></p> <ul style="list-style-type: none"> <li>▪ Introduce legislation to establish a public/private partnership that would: <ul style="list-style-type: none"> <li>✓ Leverage employer, employee and state dollars to expand coverage to the uninsured;</li> <li>✓ Pool individual and small business employees;</li> <li>✓ Give consumers portable health coverage;</li> <li>✓ Increase consumers’ plan choice;</li> <li>✓ Provider consumers with information to make informed decisions on benefit plans.</li> </ul> </li> </ul>
<p><b>4. Address the affordability of coverage for high-cost individuals.</b></p>	<ul style="list-style-type: none"> <li>▪ Restructure the Washington State Health Insurance Pool (WSHIP), considering options such as: <ul style="list-style-type: none"> <li>✓ Improving chronic care management;</li> <li>✓ Changing reimbursement rates and plan designs;</li> <li>✓ Changing eligibility and subsidy criteria.</li> </ul> </li> <li>▪ Evaluate replacing WSHIP with a reinsurance program.</li> </ul>
<p><b>5. Promote financial responsibility among individuals, employers, and state.</b></p>	<p><b>COMMISSION TO REVIEW pending report from subgroup #1.</b></p> <ul style="list-style-type: none"> <li>▪ Develop expectations of responsibility to finance access to affordable coverage between individuals, employers, and state government.</li> </ul>

### **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.

Between now and July 1, 2010, Washington State will:

<p><b>1. Enroll all children eligible for state programs through improved outreach and marketing.</b></p>	<ul style="list-style-type: none"> <li>▪ Beginning in January 2007, the Department of Social and Health Services will:               <ul style="list-style-type: none"> <li>✓ Expand outreach for children eligible but not enrolled in state health insurance programs;</li> <li>✓ Partner with schools and other organizations to provide information on private and public sector insurance options available to families;</li> <li>✓ Develop a marketing strategy, including the option to re-brand existing state programs, to encourage enrollment of eligible children;</li> <li>✓ Create a standard application form making it easier for parents to enroll their children in the Basic Health Plan, Children’s Health Program, Medicaid and SCHIP.</li> </ul> </li> </ul>
<p><b>2. Allow parents to cover their children through SCHIP.</b></p>	<ul style="list-style-type: none"> <li>▪ In the 2007 legislative session, introduce legislation to give parents the option of buying into SCHIP, with any expansion tied to increased cost-sharing by parents.</li> </ul>
<p><b>3. Encourage parental responsibility.</b></p>	<ul style="list-style-type: none"> <li>▪ Implement policies that cultivate an expectation that parents enroll children in affordable health coverage and ensure that they receive appropriate health services.</li> </ul>
<p><b>4. Use state purchasing to measurably improve children’s health.</b></p>	<ul style="list-style-type: none"> <li>▪ State health purchasing agencies will:               <ul style="list-style-type: none"> <li>✓ Incorporate performance measures, such as well-child services, use of a medical home, immunization, and chronic care management into state and private coverage contracts for children;</li> <li>✓ Link increases in payment rates for children’s services to improve performance in these measures.</li> <li>✓ Measure improvements in health outcomes</li> </ul> </li> </ul>
<p><b>5. Pilot a health literacy program for parents and children.</b></p>	<ul style="list-style-type: none"> <li>▪ Subject to appropriation, the Health Care Authority will partner with other organizations to implement a demonstration project that helps families make more informed decisions about their children’s health care.</li> </ul>

## Strategy IV: Promote Prevention and Health Promotion.

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

<p><b>1. Reward sound prevention strategies in public and private health plans.</b></p>	<ul style="list-style-type: none"> <li>▪ By September 2007, state health purchasing agencies will develop a strategic plan to:               <ul style="list-style-type: none"> <li>✓ Structure benefits and reimbursements in all state insurance programs to promote healthy choices and disease prevention;</li> <li>✓ Require enrollees in the Basic Health Plan to complete a health assessment, and provide appropriate follow-up;</li> <li>✓ Reimburse cost-effective prevention activities within the Medicaid fee-for-service and the Uniform Medical Plan;</li> <li>✓ Develop prevention and health promotion contracting standards in PEBB, the BHP, and Medicaid Healthy Options;</li> <li>✓ Strengthen the state’s employee wellness program in partnership with the state’s Health &amp; Productivity Committee;</li> <li>✓ Support primary care and reward providers for effective prevention services.</li> </ul> </li> </ul>
<p><b>2. Strengthen the public health system.</b></p>	<ul style="list-style-type: none"> <li>▪ Subject to appropriation, invest in public health funding strategies that are accountable for improved health outcomes, based on the recommendations of the Joint Select Committee on Public Health Financing.</li> </ul>
<p><b>3. Initiate strategies to improve childhood nutrition and physical activity.</b></p>	<p><b>COMMISSION TO REVIEW pending report from DOH.</b></p> <ul style="list-style-type: none"> <li>▪ Promote strategies related to childhood nutrition, physical activity, and the consequences of childhood obesity, considering options such as:               <ul style="list-style-type: none"> <li>✓ Partnering with local public health, providers, schools and other organizations, such as the Washington Health Foundation, to increase public awareness;</li> <li>✓ Introducing legislation to encourage nutritious food options and physical activity for students in K-12 education.</li> </ul> </li> </ul>