

The health care purchasing bill, House Bill 2572, sets Washington on the path to better health, better care and lower costs by:

- ✓ Supporting a competitive health care market
- ✓ Integrating mental health and substance abuse treatment into primary medical care
- ✓ Empowering local communities

## The Next Phase of Health Care Reform: Better Health, Better Care and Lower Costs

*Providing affordable health insurance is an important component of health care reform, yet we have more to do. Governor Jay Inslee aims to improve people's health, make sure their care is well-coordinated and lower the overall cost of health care.*

This session we are asking legislators to pass the Governor's health care purchasing bill. The measure:

- » Supports a competitive health care market through more price information and common performance measures so purchasers can compare price and quality.
- » Integrates mental health and substance abuse treatment in primary medical care, treating the whole person to improve health and lower costs.
- » Empowers local communities to set their own customized goals for better health and offers flexibility in the state-financed Medicaid program to give communities the ability to design their own health care programs.

### Issues

**Cost** – A monthly health care premium can cost a family of four as much as a monthly house payment. Health care costs are higher than they should be due to insufficient preventive care, fragmentation (having to visit multiple providers for the same issue) and wasteful care delivery (health information collected multiple times by different providers). Health outcomes could be improved, too, if doctors have the best evidence on which treatments and procedures are the most effective.

**Data** – The price of procedures and other health care services often isn't made available to providers, consumers and purchasers of health care — and in ways that are easily understood. It is hard for individuals and purchasers such as businesses to find the best care for the best price without such basic information.

**Coordination** – Coordination is poor for primary care, specialty practices, outpatient services, hospital care, mental health and substance abuse services. The result? People — and the health care system as a whole — waste time and money.

## Solutions

### Improve how the state purchases health care

Washington state itself is a major purchaser of health care, accounting for about one-quarter of purchasing due to Medicaid and Public Employees Benefits Board and other programs. As such, we have the opportunity to lead the way, getting the best available care at an affordable price. Governor Inslee proposes to:

- » Create a set of cost and quality measures that the state, employers and providers can use to gauge success. These could include assessing diabetes control, appropriate treatment for depression and early prenatal care for pregnant women.
- » Create a health and pricing database that is available to consumers, providers and the state. With price and health data that are accessible and accurate, patients can make choices based on cost and quality, providers can coordinate with patients to make the best treatment decisions, and the state and employers can make better purchasing decisions.
- » Integrate mental health and substance abuse care with primary medical care in the Medicaid program. Treating the whole person leads to better outcomes and more cost-effective care.

### Support regional collaboration to solve local health problems

What if Type 2 diabetes were the top threat to the health of a county's next generation? Or if high rates of homelessness in a certain area are leading to thousands of premature deaths? These are the kinds of health problems that can be solved only if a broad range of community organizations — both public and private — work together at the community level to get at the root of a problem.

Washington can make a big impact on complex health problems by strengthening the informal collaborations that are already operating.

Accountable collaboratives of health will pull together key organizations — health care providers, public health departments, housing and social services providers, businesses, tribes, labor and more — to identify and address the most pressing needs in their communities. The state would provide seed grants and flexible Medicaid financing to foster these public-private organizations.

## Results

Implementing the solutions contained in the health care purchasing bill are expected to result in:

- » **Better health**, as will be evidenced by declines in chronic illness, mental illness and chemical dependency.
- » **Lower costs**, resulting in a conservatively estimated \$730 million return-on-investment in the next three years, with greater returns expected as the health of the population improves.