

# **Gov. Gregoire takes immediate steps to implement healthcare reform in Washington state**

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**For Immediate Release: April 1, 2010**

SEATTLE – Gov. Chris Gregoire today unveiled a proposal to get Washington state ready to implement health care reform as components of the law begin to take effect.

“Health care reform will benefit millions here in Washington, provide health care for those who couldn’t afford it before, help small business owners save money on employee coverage and improve the health of all our residents,” said Gregoire. “Washington is going to lead the nation in implementing health care reform, we’re going to help more people get coverage, make sure our health care industry is ready and save taxpayer dollars.”

Gregoire signed an executive order creating a Health Care Cabinet to implement health care reform in Washington to maximize efficiencies and bring the full benefits of the new law to all Washington citizens. The Health Care Cabinet will identify all opportunities for Washington state to receive federal funds from the new law. It will write and implement the policies and rules necessary to carry out health care reform statewide for all affected state agencies, including consolidating duties, functions and powers related to the state’s overall health care purchasing.

As the new cabinet does this work, it will engage stakeholders and seek public input to leverage existing local expertise and knowledge to ensure the reform works as intended. By August 1, 2010, the Health Care Cabinet will report back to the governor with recommendations for any changes to state law necessary to be submitted in the 2011 legislative session.

“I applaud the Governor for taking immediate action to get Washington ready for health care reform,” said Mary McWilliams, Executive Director of the Puget Sound Health Alliance. “The plan announced today takes advantage of the many opportunities we have to improve the quality, security and affordability of care in Washington.”

Gregoire’s executive order also directs the Health Care Cabinet to integrate existing prevention/wellness strategies into all reform efforts. The law increases federal investment in public health programs for prevention, wellness and improving the monitoring and tracking of disease outbreaks.

“Health care reform means more than just insurance coverage,” said Dr. David Fleming, Director and Health Officer for Public Health - Seattle & King County. “It’s about helping people stay well in the first place -- through preventive care like immunizations and mammograms and public health work to make healthier choices easier, like giving kids more safe places to walk and bike. These are straightforward strategies that will improve everyone’s quality of life and reduce their overall health care expenses.”

With the implementation of the new law, demands for services from the health care industry will increase and the new Health Care Cabinet will move forward on work to attract and retain the public health professionals needed to administer this care.

“The backbone of successful reform is having enough nurses and healthcare staff to meet the growing need that expanded access will bring under this new legislation,” said Diane Sosne, RN, President of SEIU Healthcare 1199NW. “Investing more in training programs, supplying more scholarships for

healthcare workers, and improving the diversity of the workforce will create jobs in our local economy and ensure we have the educated workforce to provide quality care.”

To jumpstart the work of the Health Care Cabinet to maximize efficiencies in state government, Gregoire today appointed current Medicaid director and Assistant Secretary of the Department of Social and Health Services’ Health and Recovery Services Administration Doug Porter as the new administrator of the Health Care Authority. In this role, Porter will assume primary responsibility for building and operating a unified purchasing system for publicly funded health services for Washington state. Combining the purchasing power of Medicaid and HCA will yield greater control over costs and streamline the state’s ability to implement health care reform.

Current HCA director Steve Hill will remain the Director of Retirement Systems and will chair the Puget Sound Health Alliance to help implement health care reform with affected stakeholders. Both Porter and Hill will serve on the Health Care Cabinet along with the Secretary of the Department of Health, the Secretary of the Department of Social and Health Services, the Director of the Office of Executive Policy and the Director of the Office of Financial Management. Insurance Commissioner Mike Kreidler will also be invited to participate.

“Doug Porter is recognized nationally as a leading expert in healthcare and in providing efficient and effective Medicaid services. Doug will be an excellent Director of the Health Care Authority,” Gregoire said. “Steve Hill will continue to be one of the people I rely on most to lead our effort in reforming health care. We are building an excellent team that will help make Washington the best example of how well health care reform can be done.”

In addition to the Health Care Cabinet, the state is accelerating conversations with the U.S. Department of Health and Human Services for approval of a waiver to receive federal funds to support Washington state’s Basic Health Plan. This was a component of the new law fought for by the Washington congressional delegation, spearheaded by Senator Maria Cantwell.

“Enactment of this historic health care reform bill comes at a critical time for Washington state,” Senator Cantwell said. “The law provides bridge funding for the Basic Health plan, ensuring thousands of Washingtonians will be able to keep their healthcare and relieve our state’s overstretched budget.”

CHRISTINE O. GREGOIRE  
Governor



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**EXECUTIVE ORDER 10-01**

**IMPLEMENTING HEALTH REFORM THE WASHINGTON WAY**

**WHEREAS**, Washington's continued success as a state depends on the health of its individuals and the successful operation of Washington's health care system is essential to the state's economic well-being and quality of care provided to Washingtonians; and

**WHEREAS**, over two decades ago, Washington envisioned a strategic and consolidated approach to public policy and purchasing of health care by creating the State Health Care Authority; and

**WHEREAS**, protection of the public's health and the improvement of health status are essential responsibilities of the public health system in Washington State, and

**WHEREAS**, Washington is committed to improving the affordability and quality of our health care system through the following strategies:

- Using evidence-based medicine to ensure that patients receive health care that works;
- Expanding chronic care management to better serve the five percent of patients who use 50 percent of our health care resources;
- Emphasizing promotion of good health and prevention of health problems;
- Using health information technology; and
- Increasing data transparency to give consumers better information about health-care costs and quality; and

**WHEREAS**, in 2007, the Washington State Blue Ribbon Commission on Health Care Costs and Access affirmed four strategies to improve the health of Washingtonians including:

- Build a high-quality, high performing health care system
- Provide affordable health insurance options for individuals and businesses
- Ensure the health of the next generation
- Promote prevention and healthy lifestyles; and

**WHEREAS**, our current economic climate and budget challenges require us to evaluate state agency functions and structures and take steps to streamline their operations to assure that the public receives the maximum benefit from each public dollar expended and to assure clear lines of accountability; and

**WHEREAS**, investing in prevention improves the overall health and quality of life of Washingtonians, strengthens the productivity of our work force, enhances our ability to compete nationally and globally, and has a measurable financial pay off; and

**WHEREAS**, Washington State agencies have proven the value of implementing common purchasing strategies such as the Prescription Drug Program and the Health Technology Assessment Program and new models of health care service delivery that span various state agencies such as the provision of medical homes; and

**WHEREAS**, Congress has passed, and President Obama has signed into law, the Patient Protection and Affordable Care Act and the Health Care and Education Affordability Act of 2010, enacting landmark national health reform; and

**WHEREAS**, Washington State government must provide clear leadership and accountability to ensure successful implementation of national health reform, which will by its very nature cut across traditional lines of agency and department responsibility;

**NOW, THEREFORE**, I, Christine O. Gregoire, Governor of the state of Washington, by virtue of the power vested in me by the Constitution and statutes of the state of Washington, do hereby order and direct as follows:

To assure on-going coordination, the Health Care Cabinet is created. The Cabinet shall be comprised of the following permanent members:

Administrator of the Health Care Authority,  
Secretary of the Department of Health,  
Secretary of the Department of Social and Health Services,  
Director of the Executive Policy Office, and  
Director of the Office of Financial Management.

The following members will be invited to serve on an as-needed basis with respect to specific issues affecting their scope of responsibility:

Secretary of Corrections,  
Director of the Department of Retirement Systems,  
Director of the Department of Veterans Affairs, and  
Director of the Department of Labor and Industries.

As a non-cabinet entity, headed by a separately elected official, the Office of the Insurance Commissioner will be invited to participate with respect to issues within its jurisdiction. The Health Care Cabinet may, at its discretion, establish inter-agency work groups to support its mission, drawing membership from any agency or department of state government.

The Director of the Executive Policy Office shall serve as Chair of the Health Care Cabinet. Administrative and staff support for the Health Care Cabinet will be a joint responsibility of the Office of Financial Management, Executive Policy Office and the permanent member agencies.

The Health Care Cabinet shall work collaboratively with tribal, local and federal governments.

The Health Care Cabinet shall be responsible for:

- Providing strong leadership and accountability for implementation of state and federal health reform;
- Providing advice, guidance, and specific recommendations to the Governor with respect to implementation of state health initiatives and national health reform including defining what successful implementation will look like;
- Assuring collective support and a sense of shared responsibility by maintaining open dialogue and strategic partnerships with key stakeholder organizations and groups to further the success of health reform implementation and the overall state health care system;
- Assuring on-going information sharing and coordination of efforts with the Legislative Joint Select Committee on Health Care Reform; and
- Assuring on-going information sharing and coordination of efforts with the Office of Insurance commissioner so that delivery system improvements are coordinated with insurance reforms.

To initiate fulfillment of their stated responsibilities, the Health Care Cabinet shall immediately:

- Conduct an in-depth analysis of the new federal legislation;
- Identify the steps necessary to produce an implementation plan; and
- Formulate processes and strategies to maximize stakeholder and public engagement and ensure transparency in implementation of reform efforts.

No later than August 1, 2010, the Health Care Cabinet will prepare and submit to the Governor a detailed work plan identifying:

- Both short and long range opportunities, issues, and gaps created by the enactment of national health reform;
- Structures and processes needed by state agencies to orchestrate reform implementation including those to appropriately assist the private health care sector in its implementation efforts;
- Work force capacity and training needs in the public and private sectors; and
- Specific action steps, timelines, and assignment of lead responsibility.

A component of the detailed work plan must be recommendations from the Administrator of the Health Care Authority and Secretary of the Department of Social and Health Services, in coordination with the Office of Financial Management and Executive Policy Office, identifying specific actions and timelines to implement uniform policies and to consolidate duties, functions and powers related to state agencies' health care purchasing under the Health Care Authority as envisioned under RCW 41.05.013 and 41.05.022. A broad stakeholder engagement process must be used to assist in developing the actions and timelines called for in this section. All statutory and budgetary modifications necessary to implement this section shall be submitted to the Governor for consideration in the Governor's Recommended Budget for the 2011-2013 biennium.

The Health Care Cabinet shall report monthly to the Governor from the time period of April 2010 through March 2011 and at least quarterly thereafter. Accountability for implementation progress and achieving results will be through the Governor's Government Management, Accountability, and Performance (GMAP) process.

This executive order, which rescinds Executive Order 01-02 and supersedes Executive Order 07-01, shall take effect immediately.

Signed and sealed with the official seal of the state of Washington on this 1<sup>st</sup> day of April 2010 at Seattle, Washington.

By:

/s/

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Christine O. Gregoire  
Governor

BY THE GOVERNOR:

/s/

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Secretary of State