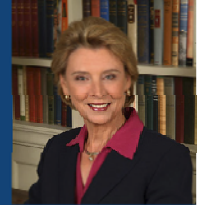




Governor Chris Gregoire

GOVERNMENT MANAGEMENT ACCOUNTABILITY & PERFORMANCE



Health Care GMAP Forum Summary

OCTOBER 8, 2008

Health care cost increases are below national averages or earlier forecasts in several state government programs, agency leaders told Governor Gregoire's leadership team during a GMAP accountability meeting today in Olympia. In addition, the state's effort to contain costs for prescription drugs has saved more than \$85 million since 2005, largely through the use of a "preferred drug list" that emphasizes generics over brand-name pharmaceuticals.

In addition to information about cost containment, the leaders of the Department of Health, the Health Care Authority, and the Department of Social and Health Services also reported on issues related to the survival of critically injured trauma patients, and a pilot project that assesses emerging medical technologies to determine whether scientific evidence supports state health insurance programs providing coverage for new procedures.

Today's meeting included information that:

- Per capita cost increases in DSHS medical programs, including the Healthy Options managed care program, have grown more slowly than personal income, and that the trend is expected to continue into 2009;
- This year's 3% premium increase for state employee health coverage remained below the 5.7% benchmark national Mercer Survey of large public- and private-sector employers; and
- Costs in the state Basic Health Plan, which provides subsidized coverage for low-income families, increased by 8.2% -- well under the budgeted level of 9.4%.

Meanwhile, savings continue to mount in the state's Prescription Drug Program Cost Avoidance program. Through GMAP, the Governor and her leadership team have been able to track savings of \$23 million in 2005, \$22.3 million in 2006, and \$40.5 million in 2007. Richard K. Onizuka, Health Care Authority, said these numbers represent an estimate of what is saved by the state when doctors write prescriptions for public employees using the preferred drug list.

A combination of factors has increased cost savings, he said:

- Generic substitutes have recently become available for several widely used brand-name prescription drugs;
- Changes in benefits and pay-for-performance to health-care professionals have provided new incentives for consumers to choose generics; and

- The percentage of prescriptions filled with generics has increased from 60% to 68% in the past two years.

Washington State citizens can get the same savings that public employees receive on prescriptions through the Washington Prescription Drug Program. Available to all Washington State residents who do not have prescription drug insurance coverage, or whose insurance does not cover all their prescription drug needs, over 91,000 Washingtonians have requested the card since the program began a year ago. On average, consumers save \$22 – or 41%- per prescription.

Also Wednesday, Health Department Director Mary Selecky said the survival rate for critically injured trauma patients has increased 11% since 1995, due in part to the participation by most hospitals in the state's Emergency Medical Services Trauma System. The system is credited with saving the lives of 1,600 patients. The report cites trauma as the leading cause of death for people up to 44 years old, but in Washington, nearly 88% of trauma patients survive.

“The whole point is to have a coordinated approach to get patients to the right care much faster,” said Selecky. “I drive across this state a couple times a month to go home to Colville and I want to know that if something bad happens to me that I’m going to be transported quickly and people are going to make sound decisions to get me to care so that I survive. That’s what we want for everyone in this state.”

However, Selecky expressed concern about the fact that the limited availability of specialists, such as neurosurgeons and orthopedic surgeons, has reduced the extent of care available at hospitals in several regions of the state.

Selecky said hospitals are ranked as Level I, II, or III for treating trauma patients based on the extent of care available. Harborview Medical Center in Seattle is the state's only Level I hospital. Level II hospitals are located at Fort Lewis, Spokane, Tacoma, and Vancouver. However, she said hospitals in Bellingham, Walla Walla, Wenatchee, and Lewiston (Idaho) have been downgraded in recent years from Level II to III.

For more information, visit the forum page:

<http://www.accountability.wa.gov/reports/health/default.asp>