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# COMMONWEALTH OF VIRGINIA



## OFFICE OF THE GOVERNOR

### Executive Order 42 (2006)

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#### **STRENGTHENING TRANSPARENCY AND ACCOUNTABILITY IN HEALTH CARE**

##### **Importance of the Issue**

The health care system in Virginia has many strengths, including world class health care institutions and remarkably dedicated health care providers. However, improvements can and must be made to promote increased quality, accountability, and transparency in health care. Better and more open information about the quality and price of health services can facilitate achieving these goals while avoiding duplication of effort and unnecessary administrative burdens.

Health care purchasers, insurers/benefits administrators, providers, and consumers alike need good information to make appropriate health care decisions. Today, that information base is expanding rapidly, and Virginia has been a leader in use of health care information technology. By expanding on that base of available information, we can improve the value and effectiveness of health care.

Health information technology is enlarging our capacity to gather, analyze, and share crucial health information. I previously created a commission to strengthen health information technology in Virginia and to allocate funding provided by this year's General Assembly for innovation in health care. We are developing a broadly-available capacity for purchasers, insurers/benefits administrators, providers, and consumers to utilize information regarding the quality and cost of health care services to enable a more value-driven system of health care.

## **The Commonwealth's Commitment to Health Care Accountability and Transparency**

Purchasers, including state government are key to improving the transparency and accountability of health care. The state is a major purchaser of health care, through its Medicaid Program, child health insurance program (FAMIS), and State Employee Health Benefits Program. By adopting and facilitating common approaches based on consensus standards, the Commonwealth can help accelerate the availability of sound and useful information. In doing so, we can help consumers and other stakeholders in our health care system make value-driven health care choices. We can also partner with ongoing government and private sector efforts in this regard.

I hereby set forth and commit the Commonwealth to the following goals and actions:

- **HEALTH INFORMATION TECHNOLOGY** –The Commonwealth will work with health insurance providers or third party administrators to encourage these companies to use health information technology systems and programs that meet interoperability standards recognized by the Secretary of Health and Human Services as existing at the time the systems are updated or implemented. In exchanging information, patient privacy will be protected as required by law. We will build on the work of the Health Care Information Technology Council to leverage the potential of information technology to improve health care delivery.
- **TRANSPARENCY OF QUALITY MEASUREMENTS** – In order to support assessment of the quality of care delivered by health care providers, the Commonwealth will encourage health insurance providers or third party administrators with which it contracts to implement programs measuring the quality of services supplied to their enrollees. The Commonwealth will play an active role in bringing stakeholders, including representatives of patients, physicians, hospitals, long-term care providers, pharmacists, payers, and other appropriate stakeholders together to appropriate metrics for use in Virginia. Quality measurements will be developed in collaboration with similar initiatives in the private and public sectors.
- **TRANSPARENCY OF PRICING INFORMATION** – In order to support consumer knowledge concerning the cost of care, the State Employee Health Benefits Program will work with its third party administrator(s) to make available to enrollees in state-sponsored health insurance plans the prices paid to providers for health care procedures, drugs, supplies and devices. The Commonwealth will also participate with multi-stakeholder groups in developing information about the overall cost of services for common episodes of care and the treatment of common

chronic diseases. Pricing information will be developed thoughtfully, using appropriate stakeholder engagement and consumer research.

- **PROMOTING QUALITY AND EFFICIENCY OF CARE** – The Commonwealth will examine appropriate opportunities to promote pay for performance in health care financing, consistent with its goals of maintaining access, a broad provider network, and quality health services. These efforts will especially focus on chronic disease management. We will also work with our federal and private sector partners to identify opportunities to improve the quality and safety of care across the board, with a particular focus on management of chronic diseases.

These efforts shall be coordinated by the Secretary of Health and Human Resources, in cooperation with the Secretaries of Administration and Technology, and in consultation with my Commission on Health Reform.

#### **Effective Date of the Executive Order**

This Executive Order shall be effective immediately upon signing, and shall remain in full force and effect unless amended or rescinded by a further Executive Order.

Given under my hand and under the Seal of the Commonwealth of Virginia, this 1st day of December 2006.

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Timothy M. Kaine, Governor

Attest:

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Secretary of the Commonwealth