



Statement of Support

Four Cornerstones of Value-driven Health Care

America's healthcare system has an unprecedented opportunity to lay new foundations for better patient care, higher quality service, and increased value.

To help realize this opportunity, the State of Minnesota will commit to support the following actions and will encourage the health insurance plans, third party administrators, providers, and others with which we contract to take consistent actions to achieve these goals:

1. Minnesota's Commitment

Support Health Information Technology – In order to enable the availability and secure exchange of healthcare information to improve patient care, the State of Minnesota will continue our efforts with the support interoperable health information systems and products. When those with which we contract implement, acquire, or upgrade health information technology systems and products, we will request that they use systems and products that meet interoperability standards recognized by the Secretary of Health and Human Services. In maintaining or exchanging information, patient privacy will be appropriately protected, as required by law.

1. Minnesota's Leadership

Support Health Information Technology

The Minnesota e-Health Initiative has made substantial progress towards its goal of rapidly expanding the implementation of interoperable electronic health records in Minnesota. The Initiative has moved Minnesota from being a state with isolated, non-coordinated "islands of excellence" to one where a statewide roadmap and coordinated process is in place to ensure the expansion of use of electronic medical records.

A key part of the overall e-Health Initiative strategy is to ensure that financial resources are available to those providers who wish to install electronic health records but lack the financial ability to do so. These providers include community clinics, small rural hospitals, nursing homes and other long-term care facilities, and local public health agencies. In 2006, Governor Pawlenty proposed a grant program to fund EHRs and related health information technology for these rural and small providers. Ultimately funded for \$1.5 million, grants were awarded to 12 regional collaboratives throughout Minnesota for a variety of projects including implementing electronic health records in rural settings, creating electronic personal health records for patients with chronic conditions, and enabling secure electronic exchange of data between physicians so that patient care can be coordinated between different doctors and hospitals.

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An additional key project under the e-Health Initiative has been to address the issue of patient privacy and medical record security in an electronic environment. The Minnesota Privacy and Security Project, under the Minnesota e-Health Advisory Committee's work plan, is examining organization-level privacy and security policies and business practices related to health information exchange. Reliable, timely access to a patient's health information can improve the quality and efficiency of the health care delivered to the patient. However, variations in organizations' privacy and security policies and practices can serve as a barrier to appropriate access to health information. This project will uncover the rationale underlying the variations, propose solutions to eliminate variations, and develop an implementation plan to standardize the best practices for ensuring privacy protections and patient rights. Its work is intended to conclude in March 2007.

2. Minnesota's Commitment

Provide Quality Information –

To support knowledge and comparison of the quality of care delivered by healthcare providers, we will implement, or request that those with which we contract implement, programs to measure healthcare provider quality and make this information available to enrollees in the health plans we sponsor. At the present time, the measures most fully developed are those endorsed by the National Quality Forum (NQF) and adopted by AQA (a multi-stakeholder group focused on physician quality measures) or the Hospital Quality Alliance (HQA). We anticipate that quality measurement and reporting programs will be based on these measures. However, if we wish to measure quality of care in other areas, we will use measures endorsed by the NQF or, alternatively, approved by other national broad-based organizations, and we will support national consensus efforts to increase the availability of consistent quality measures in these areas.

2. Minnesota's Leadership

Provide Quality Information

Comprehensive Health Care Information Clearinghouse –

Governor Pawlenty's Health Cabinet created a single, comprehensive, public, one-stop, online information clearinghouse for health care cost and quality information at www.minnesotahealthinfo.org

New health care performance measurement and reporting that includes:

- *Health plan performance measures –* Minnesota purchasers including the Minnesota Departments of Employee Relations and Human Services was instrumental in galvanizing state health plans to respond to a single common set of purchasing specifications known as eValue8. The eValue8 responses were reported publicly to provide all Minnesotans with a single comparable "report card" to use in evaluating health plans.

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- ***Clinic system quality*** – The Governor’s Health Cabinet and Minnesota health care purchasers actively supported, adopted, and showcased MN Community Measurement, which provides public reports allowing quality comparisons among Minnesota provider groups and clinics. MN Community Measurement was spotlighted during a trip to Minnesota by President Bush as a model of health care quality reporting for the rest of the nation.
- ***Hospital performance*** – Minnesota became the first state in the nation to publicly report on adverse events that should never occur in hospitals (“never events”).

Minnesota Nursing Home Report Card –

The Minnesota Nursing Home Report Card is a collaborative effort between the Minnesota Department of Health and the Minnesota Department of Human Services. The report card is a web-based tool that allows consumers to compare nursing homes according to several key quality measures. Consumers can select and rank nursing homes by quality measures that are most important to them, and by geographic region. The nursing home report card achieves two important goals: first, it makes information accessible to consumers in a manner that is easy to understand and tailored to their priorities; and second, it promotes continued improvement in the quality of nursing.

3. Minnesota’s Commitment

Provide Pricing Information –

To support knowledge and comparison of the cost or price of care, we will implement, or request that those with which we contract implement, programs to make available to enrollees in the health plans we sponsor the overall cost or price of their care. As consensus develops on uniform approaches for measuring and reporting cost or price information for the benefit of consumers, we will use these approaches and request that those with which we contract do the same. We will promote the availability of cost or price information together with quality information, whenever possible, to help our employees focus on value. We also will request that those with which we contract participate in broad-based national public-private collaborative efforts to develop appropriate strategies to measure the overall cost of services for common episodes of care and the treatment of common chronic diseases, while avoiding undue administrative burden on healthcare providers.

3. Minnesota’s Leadership

Provide Pricing Information

The State of Minnesota is working to fully disclose information on cost, quality and variation in a manner that is easily comparable. We will create an environment where purchasers and individuals will have access to standardized information on health plans and all individual providers in an easily understood format that is disseminated through credible sources. They will support public and private market-based initiatives that provide consumers and purchasers with performance-based information on quality at the individual provider and health plan level.

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• **Minnesota Rx Price Compare** –

an online resource implemented in 2006 giving consumers an easy-to-use tool to compare prices at local pharmacies. Through Minnesota RxPrice Compare, consumers can see the prices of generic and brand name medications at more than 1,000 pharmacies in Minnesota and bordering cities, and search by city, county or ZIP code. To date, the site has registered more than 60,000 inquiries.

4. Minnesota's Commitment

Promote Quality and Efficiency of Care –

We will work to develop approaches that encourage and facilitate high-quality and cost-effective health care, and contract with entities that help us to achieve these goals. Such approaches may include, for example, implementation of pay-for-performance methods of reimbursement for providers, the offering of consumer-directed health plan products, such as account-based plans for enrollees in employer-sponsored health benefit plans, or the use of high performance provider networks.

4. Minnesota's Leadership

Promote Quality and Efficiency of Care
Incentives for better quality and outcomes

Health care pay for performance and value-based purchasing

Q-Care –

Quality Care and Rewarding Excellence

- In 2006, Governor Pawlenty signed an executive order creating Q-Care. The order directs state agencies to adopt quality standards that will be used to reward top performing health care providers, to improve health care quality, and outcomes and contain health care costs.
- Q-Care is intended to transform the way health care is purchased in Minnesota by identifying health care quality measures, setting aggressive targets for health care providers, making measures available to the public online, and changing the payment system to reward health care quality and better outcomes rather than the quantity of services provided.
- The Minnesota Department of Health estimates that if Q-Care standards are met, up to \$153 million in health care costs could be saved.

Minnesota state employee group is the first public sector group to implement provider rewards under the national Bridges to Excellence program.

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- In 2006, the State Employee Group Insurance Program (SEGIP) joined with other Smart Buy Alliance members as the first public sector health care purchaser to implement the national program to pay health care providers based on their performance.
- Under Bridges to Excellence, primary care clinics that achieved superior outcomes in treating patients with diabetes were acknowledged, and received special reward payments. The program is improving health outcomes, and “raising the bar” of expectations in the treatment patients with chronic disease.

Minnesota Medicaid will be the first Medicaid program in US to implement Bridges to Excellence in 2007.

- The state’s single largest purchaser of health care – the Department of Human Services, which administers public programs such as Medicaid and MinnesotaCare, will soon become the only state Medicaid program to begin rewarding higher performing providers under Bridges to Excellence in 2007.

Administrative Simplification –

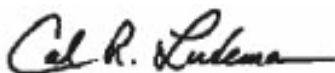
The Governor’s Health Cabinet is working with health care payers and providers to dramatically and rapidly reduce the administrative costs and burdens associated with health care administrative transactions such as enrollment, eligibility verification, claims payments, and other transactions. The state recently organized and led a delegation of state staff and health care industry representatives on a site visit of a successful, nationally-recognized health care administrative simplification activity in the state of Utah as a model for Minnesota, and will be continuing to explore and develop new approaches for Minnesota

We recognize that this initiative is part of an ongoing effort to share quality and cost or price information. Over time, this information can be used to improve patient care and enhance the effectiveness of our healthcare system by increasing the availability of uniform and comparable information with which all stakeholders can make informed decisions. These steps are the foundation for a value-driven healthcare system that delivers continued progress in medical care and good health for our employees and for all Americans.

State of Minnesota



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