



# Office of the Governor

ARNOLD SCHWARZENEGGER  
THE PEOPLE'S GOVERNOR

## PRESS RELEASE

03/14/2007 GAAS:197:07 FOR IMMEDIATE RELEASE

### **Governor Schwarzenegger Joins U.S. HHS Secretary Leavitt, Expands the Use of Health IT, Increasing Patient Safety, Quality of Care and Lowering Health Care Costs**

Continuing his efforts to make health care more accessible and affordable for all Californians, Governor Schwarzenegger today met with U.S. Health and Human Services Secretary Michael Leavitt and signed an Executive Order that moves forward California's efforts to adopt health information technology (HIT), increase transparency of quality and pricing information, and increase accountability in public and private health care delivery systems. To view the Executive Order, visit <http://gov.ca.gov/index.php?/executive-order/5626/>

"I am committed to improving the quality, transparency and accountability of health care in our state, and this executive order is a step forward in our work to fix California's broken health care system," said Governor Schwarzenegger. "This order directs my administration to bring in the best minds from the public and private sector to develop a market-based strategy to achieve our goals and reduce costs."

The Executive Order is consistent with President Bush's Four Cornerstones of Value-Driven Health Care Initiative. The President's initiative directs federal agencies to promote quality and efficiency in government-administered or sponsored health care programs.

"I am proud that Governor Schwarzenegger and leading California employers are choosing to support these four cornerstones to achieve better health care and better value for employees and their families," Secretary Leavitt said. "Until now, it has not been possible for patients to learn in advance about the quality of care they can expect to receive from a provider, or the cost of the services they will incur. By making this information available, employers can help their employees get better care and better value in health care."

HIT reduces medical errors, improves patient care, and keeps medical costs in check. A statewide HIT policy will ensure that accurate, updated information is available wherever patients are treated. Currently, numerous and conflicting standards exist in how health care providers report personal health information. This makes information sharing impossible. HIT – such as universal electronic prescribing, as proposed by the Governor – will allow for more accurate and timely diagnosis and treatment, reducing health care costs.

The availability of reliable and relevant information regarding cost and quality enables consumers to make informed choices among doctors, hospitals and plans. In turn, such information creates incentives for payers to compensate providers based upon quality of care and value, encourages institutions to pursue continuous quality improvement strategies, and supports efforts by clinicians to pursue best practices in order to optimize the quality of the care they provide.

In January, Governor Schwarzenegger introduced his proposal to fix California's broken health care system. Today's Executive Order supports the Governor's plan by:

- Establishing a Cabinet-level public/private sector workgroup to develop a strategy to increase quality, strengthen health care transparency, and increase accountability in health care delivery.
- Directing that performance metrics for public and private sector transparency and accountability implementation activities be developed by December 31, 2007.
- Expanding the Office of Statewide Health Planning and Development's ability to collect data on health outcomes, costs and pricing for consumers, purchasers, health plans and providers.
- Promoting ways to align incentives between health plans and providers to improve the quality and efficiency

of health care.

**Background:**

When Governor Schwarzenegger unveiled his health care proposal in January, he called for greater transparency to enhance health care quality and efficiency by:

- Increasing consumer access to information on quality of care and other information to help them make smart health care choices.
- Expanding and strengthening the ability of the Office of Statewide Health Planning and Development to collect, integrate and distribute data.
- Helping private and public sector purchasers provide data on provider performance.

HIT is a cornerstone of the Governor's comprehensive health care reforms. Governor Schwarzenegger established his HIT initiative by Executive Order last summer. At his UCLA summit on health care affordability in July 2006, Governor Schwarzenegger signed an Executive Order establishing an e-health action forum to create a statewide HI policy, and set the goal of full data information exchange between consumers, insurers, health care providers, researchers and government agencies within the decade.

The Governor's health care reforms include HIT "next steps" to enhance patient safety and reduce medical errors. In January 2007 the Governor debuted health care reforms that include:

- Requiring e-prescribing by all providers by 2010.
- Supporting standardized Personal Health Records.
- Piloting an Electronic Medical Record system at county mental health clinics.
- Building public/private HIT partnerships under the direction of a State HIT Financing Advisory Committee.
- Accelerating HIT implementation by leveraging state purchasing power and supporting uniform HIT interoperability standards.
- Expanding broadband capabilities to support tele-medicine, tele-health and e-health programs