

Executive Order 2008-25

**Reducing the Escalation of Health Care Costs for Arizonans
(Supersedes Executive Order 2008-07)**

Whereas, rapidly escalating costs of health care challenge Arizona residents and businesses, and lead to an increase in the uninsured; and

Whereas, the prevalence of cancer, heart disease, diabetes, respiratory disease, and unhealthy birth outcomes in Arizona harms the quality of life for affected Arizonans, and, in many cases, the financial costs of treating, rather than first working to prevent, these conditions, are dramatic; and

Whereas, cost effective disease prevention and management strategies have been identified across the country and are vital to cost effective healthy outcomes in Arizona's health care systems; and

Whereas, the Arizona Health Care Cost Containment System (AHCCCS), the Arizona Department of Administration (ADOA), and the Arizona Department of Health Services (ADHS) are committed to reducing the personal and financial impact of disease through health care driven by wellness, prevention, self-care education, and chronic disease management; and

Whereas, inefficiencies in health care systems that increase cost without improving patient care must be identified and eliminated; and

Whereas, the State of Arizona manages the delivery of health care for more than one million lives through a combination of serving: employees, through a self-insured health system; seniors and Arizonans with disabilities, through the Arizona Long Term Care System (ALTCS); and adults, children and families through AHCCCS and KidsCare; and

Whereas, the State of Arizona has used its innovative leadership and negotiation power to reduce the rate of increase in its own health care costs, including lowering the annual rate increases in its self insurance plan from 20% to 13%, and containing the rate of increase for the AHCCCS acute care population to 6.9% compared to a 14.1% increase in the national health insurance market; and

Whereas, through its work with the vast majority of health care providers in Arizona who participate in either the state-employee plan, ALTCS, AHCCCS, or KidsCare, the State has a unique opportunity to foster effective private-public cooperation to implement cost effective disease prevention and management strategies and further reduce health care cost increases; and

Whereas, action taken by the State of Arizona can be measured, duplicated and utilized as best practices for other health care organizations across the State and country;

NOW, THEREFORE, I, Janet Napolitano, Governor of the State of Arizona, do hereby order and direct as follows:

1. AHCCCS shall initiate a focused collaborative effort to develop recommendations to control health care costs through the improvement of patient care and health outcomes in the areas of cancer, heart disease, diabetes, respiratory disease, and improving healthy birth outcomes. AHCCCS shall submit a report of these recommendations to the Governor by December 15, 2009.

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2. AHCCCS shall also develop recommendations for reducing costs by reforming health care administrative processes and eliminating inefficiencies that increase costs without improving patient care. AHCCCS shall submit a report of these recommendations to the Governor by April 15, 2009.
3. Where practicable, AHCCCS shall consult with health care and research professionals, public health advocates and experts, AHCCCS and State employee health plans, ADOA and ADHS.
4. The recommendations shall be accompanied by data about the prevalence, health consequences, and financial impact of the specified focus areas. The recommendations shall identify options that can be implemented to address how the State can:
 - reduce costs through patient-centered care that further integrates wellness, prevention, self-care education, and chronic disease management as priorities in the delivery of care for Arizonans;
 - reduce costs and improve patient care by implementing new incentives and policy changes for health care providers to adopt technology and evidence-based standards of care;
 - reduce costs and improve patient care and accountability by empowering consumers with data that allows for comparing measurable quality of care performance of health plans and providers.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona.

Jan Napolitano
GOVERNOR

DONE at the Capitol in Phoenix on this *2nd* day of July in the Year Two Thousand and Eight and of the Independence of the United States of America the Two Hundred and Thirty-Second.

ATTEST:

Janice K. Brewer
SECRETARY OF STATE



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