(DIGEST AS ENACTED)

Requires the state health care authority to award grants to support the development of two pilot projects for a community of health.

Establishes the joint select committee on health care oversight and requires the committee to provide oversight between the state health care authority, the state health benefit exchange, the office of the insurance commissioner, the department of health, and the department of social and health services.

Requires the department of health to establish a health extension program to provide training, tools, and technical assistance to primary care, behavioral health, and other providers.

Creates a performance measures committee to identify and recommend standard statewide measures of health performance to inform public and private health care purchasers and to propose benchmarks to track costs and improvements in health outcomes.

Requires state agencies to use the measure set developed above to inform and set benchmarks for purchasing decisions.

Authorizes the state health care authority and the department of social and health services to restructure medicaid procurement of health care services and agreements with managed care systems on a phased basis to better support integrated physical health, mental health, and chemical dependency treatment.

Requires the office of financial management to establish a statewide all-payer health care claims database to support transparent public reporting of health care information.

Exempts from disclosure under the public records act, the claims data provided to the database, the database itself, and any raw data received from the database.

VETO MESSAGE ON E2SHB 2572

April 4, 2014

To the Honorable Speaker and Members, The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 2 and 16, Engrossed Second Substitute House Bill No. 2572 entitled:

"AN ACT Relating to improving the effectiveness of health care purchasing and transforming the health care delivery

system by advancing value-based purchasing, promoting community health, and providing greater integration of chronic illness care and needed social supports."

This measure, the Health Care Purchasing bill, directs the state to purchase care more effectively by integrating behavioral health with physical health care, begins a process to bring transparency to health care costs, and supports communities as they identify and address local health problems.

However, I am vetoing the following sections:

Section 2 - The intent of the section is commendable, but I am dedicated to LEAN management and there is duplication of actuarial work required. Also, there is a question of appropriate legislative oversight. To ensure the spirit of this section is accomplished, I have instructed the Health Care Authority to comply with the elements in this section.

Section 16 - This section involves the Office of the Insurance Rate Review process. The Office of the Insurance Commissioner has worked out this process with the interested parties, so this provision is unnecessary.

For these reasons I have vetoed Sections 2 and 16 of Engrossed Second Substitute House Bill No. 2572.

With the exception of Sections 2 and 16, Engrossed Second Substitute House Bill No. 2572 is approved.

Respectfully submitted, Jay Inslee Governor