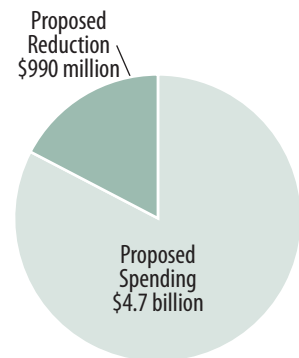


Health Care

Affordable health care is integral to keeping our families secure, businesses competitive and our state strong. Governor Gregoire's first term was marked with progress in making high-quality health care available to more Washington children and families. Other advances were made in prescription drug savings, better patient safety and more stringent licensing oversight. The Governor's budget continues her commitment to protecting the public's health by providing the most essential services to those most in need.



Goals

- » Improve the public's health.
- » Minimize future health care costs through prevention and appropriate treatment.
- » Improve the quality of the health care system.
- » Improve or maintain access to health care.

What We Invest In

Health care for Washingtonians

We continue to provide access to health care for low-income Washington residents. The Medicaid program uses state and federal funds to provide more than 300,000 adults with services that include dental, vision and hearing benefits. *(\$2.0 billion General Fund-State)*

Apple Health for Kids

More than 600,000 children are enrolled in the Apple Health for Kids program. This program will offer subsidized coverage to all children whose family incomes are less than 250 percent of the federal poverty level, with those more than 200 percent continuing to pay a portion of the premium. *(\$1.5 billion GF-S)*

Basic Health Plan

Other state residents will be served through state-only programs such as the Basic Health Plan. *(\$341.0 million GF-S)*

Safety net

Community clinics, which offer primary care and emergency services for all members of the community, are infused with additional funds to offset reductions in the General Assistance-Unemployable program and the Basic Health Plan. *(\$40.0 million GF-S)*

Public health

Preventing and reducing communicable diseases keep Washingtonians healthier. Funding crucial to local public health is maintained at existing levels. *(\$68.0 million GF-S)*

Health care system investments

These programs support our health care delivery system in these areas:

- Inpatient and outpatient hospital services. (*\$2.0 billion all fund sources*)
- Prescription drugs and vaccines. (*\$920 million all fund sources*)
- Services through health clinics. (*\$644 million all fund sources*)
- Managed care premiums. (*\$2.9 million all fund sources*)
- Health care professionals. (*\$1.1 million all fund sources*)

How We Achieve Savings

Reduction of funding for the Basic Health Plan by 42 percent. The Health Care Authority will reduce enrollment in the Basic Health Plan. It will also restructure the program to allow coverage for as many people as possible. (*\$252.0 million GF-S*)

Apple Health for Kids. Funding to provide subsidized health care coverage to children whose family incomes are between 250 percent and 300 percent of the federal poverty level will be suspended. (*\$6.1 million GF-S, \$7.9 million GF-F*)

Elimination of medical coverage for the General Assistance-Unemployable program. Medical coverage continues for the aged, blind and disabled, and those clients who meet the criteria for Social Security disability. (*\$251.3 million GF-S*)

Reduction of rates paid to managed care companies. The 1 percent reduction to managed care rates starting January 2009 will continue through the biennium. Funds set aside for 2.5 percent growth in premiums will be suspended, for a total reduction of \$86.9 million. (*\$37.7 million GF-S, \$49.2 million GF-F*)

Modification of hospital rates. Rates paid to hospitals, excluding psychiatric hospitals, are reduced by 4 percent for inpatient and outpatient services. (*\$46.9 million GF-S, \$53.9 million GF-F*)

Elimination of the universal vaccine program. The state will no longer purchase vaccines for children not covered by Medicaid. (*\$49.6 million GF-S*)

Implementation of pharmacy purchasing initiatives. Savings derive from increasing the use of generic drugs in state health programs by 20 percent. Additional savings accrue from consolidating drug purchasing and reducing coverage for some drugs. (*\$108.6 million GF-S, \$280.8 million GF-F*)

Other reductions including pension changes. (*\$237.8 million GF-S and other funds*)