



STATE OF WASHINGTON
HEALTH CARE AUTHORITY

626 8th Avenue, SE • P.O. Box 45502 • Olympia, Washington 98504-5502

April 5, 2016

Dear Stakeholders and Partners:

As you know, the Health Care Authority purchases health care for 2.2 million Washington residents at a cost of about \$10 billion each year. The 2016 supplemental budget takes further steps toward Governor Inslee's vision of a healthier Washington.

Our chief priority is ensuring continued access to high-quality health care for our beneficiaries, representing more than one-third of the state's non-elderly population. The 2016 supplemental budget achieves this core objective while providing continued support for efforts to achieve the Triple Aim of better health, better care, and lower costs.

We were faced with unique challenges in this budget cycle, including significant growth in managed care costs, largely due to pharmaceutical pricing. This legislative session gave us the opportunity to engage the broader discussion of cost drivers in health care, and the budget provides an approach for engaging legislative partners even more deeply in this work as we move forward.

Specifically, the budget provides:

- Full funding of the Apple Health (Medicaid) managed care program.
- Legislative approval for our proposed Medicaid Transformation Waiver, allowing us to continue pursuing delivery system transformation under a five-year demonstration waiver.
- Continuation of SmartHealth, our employee wellness program for public employees.

This supplemental budget maintains strong support for health care reform in Washington. It is a budget that balances the needs to transform health care delivery while constraining cost growth, and ensuring the sustainability of our health programs. Thank you for your continued partnership.

Sincerely,

Dorothy F. Teeter, MHA
Director