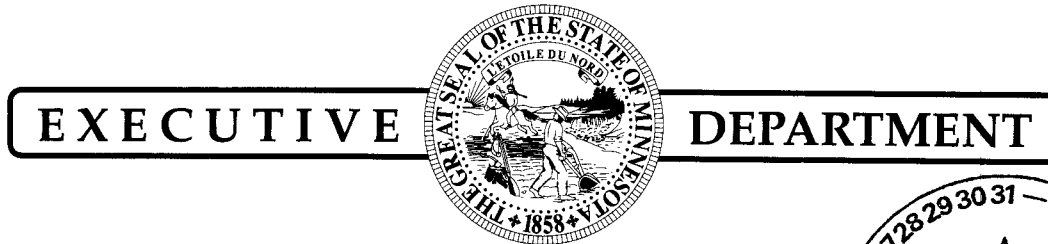
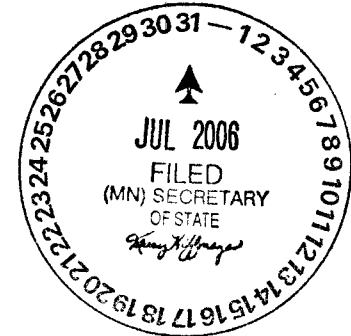


# STATE of MINNESOTA



**TIM PAWLENTY**  
**GOVERNOR**



## **EXECUTIVE ORDER 06-10**

### **PROVIDING FOR CREATION OF THE "QCARE" HEALTH CARE PROGRAM**

I, TIM PAWLENTY, GOVERNOR OF THE STATE OF MINNESOTA, by virtue of the authority vested in me by the Constitution and the applicable statutes, do hereby issue this Executive Order:

WHEREAS, the quality and cost of health care affects every Minnesota resident; and

WHEREAS, The Midwest Business Group on Health, one of the nation's leading coalitions of private and public employers, estimates that 30 percent of all direct health care expenditures are the result of care that is poor in quality; and

WHEREAS, the Institute of Medicine ("IOM") estimates that between 44,000 and 98,000 Americans – 700 to 1,600 Minnesotans - die each year from preventable medical errors in hospitals; and

WHEREAS, The New England Journal of Medicine published a study in which patients received only 55 percent of the care recommended for their respective health conditions; and

WHEREAS, diabetes in Minnesota costs \$2 billion in medical expenses, disability, and lost time on the job and the prevalence of diabetes in Minnesota has increased by nearly 50 percent over the past decade, yet only 6 percent of Minnesotans who are diagnosed with diabetes receive the optimal care for their condition; and

WHEREAS, purchasing health care based primarily on volume cost factors does not provide incentives to improve the quality of health care services provided; and

06-10-19

WHEREAS, QCare – Quality Care and Rewarding Excellence – is a new quality standard program that will be used by the State of Minnesota in its health care purchasing policies to reward top performing providers while saving millions of dollars in health care costs; and

WHEREAS, the QCare program implements quality of care standards, sets aggressive targets for health care providers, makes measures available to the public online, and changes the health care payment system to reward quality rather than quantity; and

WHEREAS, QCare will transform the way healthcare is purchased in Minnesota by shifting focus away from looking solely on the costs charged by providers to the quality of the care provided to patients; and

WHEREAS, improved quality in health care will help save lives, increase the quality of life for people living with chronic illness, and help to keep health care affordable.

NOW, THEREFORE, I hereby order that:

1. As of the effective date of this order, the Commissioner of Human Services and the Commissioner of Employee Relations are directed to adopt and apply the QCare standards and align payments and incentives for all state purchased health care.
2. To the extent permitted by law, the Commissioner of Human Services and the Commissioner of Employee Relations must apply QCare standard to all state purchased health care including, but not limited to, programs such as Medical Assistance, Minnesota Care, and Minnesota Advantage.
3. All future state contracts with health plans and health care providers must include new incentives and requirements for greater reporting of costs and quality of care delivered based on the QCare standard. In addition, these contracts must contain incentives and requirements for meeting targets and goals, for improvements in key areas, and for greater overall accountability for results.
4. Where applicable, a waiver will be sought from federal agencies to allow QCare standards and incentives to be included in any contract with health plans and health care providers for state purchased health care services.
5. The Commissioner of Human Services and the Commissioner of Employee Relations will report to the Governor prior to agreement in principle regarding any state purchased health care to ensure that QCare standards are included, as appropriate, in any such agreement.

Pursuant to Minnesota Statutes 2004, Section 4.035, Subd. 2, this Order shall be effective fifteen (15) days after publication in the State Register and filing with the Secretary of State and


shall remain in effect until it is rescinded by proper authority or it expires in accordance with Minnesota Statutes 2004, Section 4.035, Subd. 3.

IN TESTIMONY WHEREOF, I have set my hand this 31st day of July, 2006.



TIM PAWLENTY  
Governor

Filed According to Law:



MARY KIFFMEYER  
Secretary of State