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Wolf Administration Announces Health Reform Plan that Focuses on Affordability, Access, Equity and Value for All Health Needs

Harrisburg, PA – Amid the pandemic, rising health care costs and magnified health inequities, Governor Tom Wolf today unveiled a plan that addresses comprehensive health reforms focusing on both physical and behavioral health and promoting affordability, accessibility and value in health care.

“I am proposing a health reform package that will make health care more affordable, hold health care corporations accountable and tackle the health inequities resulting from systemic racism,” Gov. Wolf said. “True reform means focusing on every aspect of a person that contributes to their health. Even before the pandemic, there were warning signs that Pennsylvania’s health care system wasn’t working for everyone. Many Pennsylvanians found it hard to pay their medical bills due to rising health care costs, including families who have health care coverage and often have to pay higher premiums and more out-of-pocket costs every year.”

Health care access has historically been more difficult for many, and because of the pandemic, affordability is expected to become a crisis, with more than 1.5 million Pennsylvanians expected to become uninsured.

COVID-19 has also worsened the pre-existing inequities that some disadvantaged neighborhoods face, disproportionately hurting Pennsylvanians of color.

Chief Innovation Officer at the Department of Human Services, Dr. Doug Jacobs, outlined the components of the health reform plan and how they will address these issues.

“As a board-certified and practicing internal medicine physician, I see first-hand how affordability and a whole-person approach to care is so crucial to helping Pennsylvanians access the health care they deserve,” Dr. Jacobs said. “Governor Wolf is proposing a whole-person health reform package that will make comprehensive, quality health care more affordable and accessible.”

The three main components of the plan include:

- **Interagency Health Reform Council (IHRC)**, established with an executive order the governor signed at the press conference today. The council will be composed of commonwealth agencies involved in health and the governor’s office. The initial goal will be to develop recommendations by December 30 to find efficiencies in the health care system by thinking about how to align programs where feasible, including the joint purchasing of

medications, aligning value-based purchasing models, and using data across state agencies to promote evidence-based decisions.

- **Regional Accountable Health Councils (RAHCs).** The Department of Human Services will add requirements to form five RAHCs across the state into the managed care agreements. RAHCs will be required to collectively develop regional transformation plans - built on community needs assessments - to reduce disparities, address social determinants of health, and align value-based purchasing arrangements.
- **Health Value Commission.** The governor will work with the legislature to establish the Health Value Commission, charged with keeping all payors and providers accountable for health care cost growth, to provide the long-term affordability and sustainability of our health care system, and to promote whole-person care. As proposed, the newly created entity would be led by up to 15 commissioners appointed by the governor and the General Assembly who have an expertise in the health care marketplace, including five state agency heads.

Gov. Wolf and Dr. Jacobs were joined at the announcement by Pennsylvania Health Access Network director Antoinette Kraus, home health care aide Hillary Rothrock, and Little Amps owner Peter Leonard.

"Far too many Pennsylvanians put off care or skip tests and treatment because of what's in their wallets rather than what's best for their health," Antoinette Kraus said. "Without reforms that directly address high and rising healthcare costs, families will continue to struggle with getting the care they need without facing financial ruin, and health disparities will also widen. We applaud Governor Wolf for addressing these issues by introducing reforms that will increase transparency, improve health equity, and lower costs."

"Little Amps has long been striving to find a way to provide high quality health care coverage to our team – my peers in the small business community know just how difficult this can be despite how essential it is to our collective wellbeing," Peter Leonard said. "It simply is not affordable, and that is unacceptable. We support Governor Wolf's Whole-Person Health Reform proposal because of its ability to decrease costs and make healthcare more affordable for small businesses like ours."

"I'm grateful to Governor Wolf for introducing the Whole-Person Health Reform initiative," Hillary Rothrock said. "So many of us in health care want desperately to provide everything we can for our consumers, but we aren't given the resources we need. Finding cost savings that can be redirected toward direct care is critically needed."

"The COVID-19 pandemic has exacerbated many of the challenges that our commonwealth faced prior to this year," Gov. Wolf said. "We are more aware now of how precarious many systems we all took for granted are, and how the inequities that exist in those systems harm some of our most vulnerable Pennsylvanians. We need to take these actions now to make sure that health care is affordable and accessible for every Pennsylvanian, and to guarantee that the care Pennsylvanians receive is valuable and of high quality."