

August 10, 2022

Chair Sue Birch  
Health Care Cost Transparency Board  
Submitted via email to: [hcahcctboard@hca.wa.gov](mailto:hcahcctboard@hca.wa.gov)

**Re: Request for Board Focus on Impact of High Health Care Prices for WA Residents**

Dear Chair Birch and Members of the Health Care Cost Transparency Board:

Thank you for your work to implement a statewide health care cost growth benchmark. As the Board moves into the substantive work of parsing trends that impact cost growth, we write to **request your concerted attention on the most important trend: the impact of high and ever-increasing health care costs on families, workers, and small businesses in Washington.**

The undersigned organizations represent Washington residents who do not have a seat at the table in health care cost discussions. We are not big payers, providers, or purchasers – we represent *people* whose paychecks are increasingly eaten up by premiums, deductibles, and other out-of-pocket costs. We worked to help pass the Health Care Cost Transparency Board’s enabling legislation, over the objections of other stakeholders who now aim to serve as the Board’s primary source of information and insight. We write now to highlight the need for the Board to include consumer-oriented perspectives in two ways:

**1. Center patient access as the end goal in price conversations, not relative profit/revenue.**

At the July 20th Board meeting, the Board heard a presentation from the Washington State Hospital Association which emphasized hospitals’ concerns about their profit/revenue margins. Similarly, Board consultants Bartholomew-Nash & Associates described hospital finances in terms of “underperformance on profit” compared to national averages. While we applaud Mr. Bartholomew and Mr. Nash for their efforts to analyze hospital finances with granularity, we are concerned that focusing on local profit margins compared to egregious hospital practices in other parts of the country is an inappropriate measure of success for our Washington State hospitals, the vast majority of which are intended to be not-for-profit or public entities. We appreciated the remarks of Boardmember Hole-Marshall, who questioned the focus on profit margin as a metric. We recommend that further inquiry into health care industry finances focus primarily on metrics related to solvency and break-even needed to maintain consumer access to essential health care services.

**2. Create opportunities to hear from WA residents about the impact of health care prices.**

As Washington State consumers have raised in public testimony at the last two Board meetings, the Board has not yet focused on the patient and consumer experience of high health care prices in detail.

The experience of WA residents should be a critical component of the Board's inquiry. Just as the Board is interested in hearing from health care industry representatives about their finances and stability, the Board should seek information from Washington patients, workers, and small businesses about the impact of growing health care prices on their economic stability and ability to access care. Alongside information about hospital quarterly revenue, the Board should hear about the financial cliff hundreds of thousands of Washington residents<sup>1</sup> will face later this year when pandemic coverage protections are slated to end, leaving residents at the mercy of premium rate increases that may be as high as 16% in the individual market.<sup>2</sup> Discussions about inflation in the health care industry should be coupled with information about how Washington residents are already bearing the burden of inflation.

We ask the Board to thoughtfully structure opportunities to hear this consumer-focused perspective. We are aware that the Board has two named consumer representatives, one of whom recently exited the Board due to conflicts with the health care industry and one of whom will cycle off the Board this December. We suggest that this is not enough, given the outsized opportunity for industry stakeholders to weigh in via the Board's two Advisory Committees. We respectfully recommend that the Board consider at least two initial steps to rebalance its information sources:

- Establish regular opportunities for consumer representatives and directly impacted consumers to present to the Board about the impact of health care prices on WA residents. We suggest that the Board could begin with an invitation for consumer groups to present this fall. In the future, the Board should consider regular presentations on consumer impact, as other states with similar health transparency entities have done.<sup>3</sup>
- Consider whether the current Board membership and advisory committee structure offers Boardmembers sufficient input from Washington patients, families, workers, and small businesses who suffer most from unregulated health care prices. We hope Chair Birch will work with the Governor's Office to fill the two consumer seats and an open Taft-Hartley seat on the Board with individuals who can speak to the experience of Washington residents struggling with the impact of high health care prices.

We offer the undersigned organizations as resources as the Board considers these recommendations. Please let us know how we can be helpful in supporting you - contact Emily Brice ([emily@nohla.org](mailto:emily@nohla.org)) or Sam Hatzenbeler ([sam@opportunityinstitute.org](mailto:sam@opportunityinstitute.org)). Thank you for the opportunity to comment.

Sincerely,

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<sup>1</sup> Testimony of Health Care Authority and Health Benefit Exchange staff at a 7/20/22 Senate Health & Long Term Care Committee Work Session: <https://app.leg.wa.gov/committeeschedules/Home/Documents/30049?//HLTC/////year>

<sup>2</sup> Information on proposed premium rate increases from the Health Benefit Exchange 6/30/22 meeting: [www.wahbexchange.org/content/dam/wahbe-assets/events/exchange-board/EB\\_202206\\_AffordabilityPreview.pdf](http://www.wahbexchange.org/content/dam/wahbe-assets/events/exchange-board/EB_202206_AffordabilityPreview.pdf)

<sup>3</sup> See, e.g., Massachusetts' annual health care cost trend hearing, at which consumer representatives testify: <https://www.mass.gov/service-details/annual-health-care-cost-trends-hearings>.

**AFT Washington** (Karen Strickland, President) & AFT-WA Retirees Chapter (Jim Howe, Director)

**Economic Opportunity Institute** (Sam Hatzenbeler, Senior Health Policy Associate)

**Health Care for All - WA** (Ronnie Shure, President)

**Health Care is a Human Right - WA** (David Loud, Nathan Rodke, Claude Burfect Co-Chairs)

**Northwest Health Law Advocates** (Emily Brice, Senior Attorney & Policy Advisor)

**Patient Coalition of Washington** (Jim Freeburg, Executive Director)