The Health Care Cost Transparency Board's

Advisory Committee of Health Care Stakeholders

June 12, 2024

Washington State Health Care Authority

Tab 1

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The Health Care Cost Transparency Board's
Advisory Committee of Health Care Stakeholders

Wednesday, June 12, 2024
2:00 – 3:00 PM
Hybrid Zoom and in-person

Agenda

Members of the Advisory Committee of Health Care Stakeholders		
☐ Emily Brice	☐ Adriann Jones	☐ Natalia Martinez-Kohler
☐ Patrick Connor	☐ Jodi Joyce	☐ Sulan Mylnarek
☐ Bob Crittenden	☐ Louise Kaplan	☐ Paul Schultz
☐ Paul Fishman	☐ Stacy Kessel	☐ Dorothy Teeter
☐ Justin Gill	☐ Eric Lewis	☐ Wes Waters
☐ Nariman Heshmati	☐ Vicki Lowe	

Chair of the Advisory Committee of Health Care Stakeholders	Eileen Cody

Time	Agenda Items	Tab	Lead
2:00-2:07 (7 min)	Welcome, Roll Call, Introduction of New Chair, and Agenda	1	Rachelle Bogue, Health Care Authority (HCA) Eileen Cody, Chair Health Care Cost Transparency Board Member (HCCTB)
2:07-2:10 (3 min)	Approval of Meeting Summary	2	Eileen Cody, Chair
2:10-2:15 (5 min)	Introduction of Committee Members	3	Eileen Cody, Chair
2:15-2:20 (5 min)	Purpose of Stakeholder Committee and Review of Charter	4	Eileen Cody, HCCTB Liz Arjun Health Management Associates (HMA)
2:20-2:45 (25 min)	Policy Discussion: Medical Debt	5	Gary Cohen HMA
2:45-2:55 (10 min)	ASI Introduction	6	Marty Ross, HCA
2:55	Adjourn		Rachelle Bogue, HCA

Meet Chair Eileen Cody, RN, BSN, CRRN

Advisory Committee of Health Care Stakeholders

- Earned Bachelor of Science degree in nursing from Creighton University.
- Retired after working over 40 years at Seattle's Kaiser Permanente (formerly Group Health Cooperative) as a neuro-rehab nurse certified in rehabilitation nursing and multiple sclerosis care.
- A founding member of District 1199 NW/SEIU Hospital and Health Care Employees Union.
- From 1994 – 2022, served constituents in the 11th district and then the 34th in the House of Representatives. Dedicated career to achieving affordable, quality health care for all residents of Washington State.
- Current member of the Health Care Cost Transparency Board

Tab 2

Washington State Health Care Authority

Health Care Cost Transparency Board's

Advisory Committee of Health Care Providers and Carriers

September 7, 2023

Virtual meeting held electronically (Zoom) and in person at the Health Care Authority (HCA)
2 – 4 p.m.

Note: this meeting was video recorded in its entirety. The recording and all materials provided to and considered by the committee is available on the **Advisory Committee on Primary Care's webpage**.

Members present

Bob Crittenden
Paul Fishman
Jodi Joyce
Stacy Kessel
Ross Laursen
Natalia Martinez-Kohler
Mika Sinanan
Wes Waters

Members absent

Justin Evander
Louise Kaplan
Todd Lovshin
Vicki Lowe
Mike Marsh
Dorothy Teeter

Call to order

Mandy Weeks-Green, committee facilitator, called the meeting to order at 2:02 p.m.

Agenda items

Welcoming remarks

Mandy Weeks-Green welcomed committee members and provided an overview of the meeting agenda.

Meeting summary review from the previous meeting

The members present voted by consensus to approve the December 2022, February 2023, and June 2023 meeting summaries with minor corrections, such as the date and attendance.

Public comment

Mandy Weeks-Green, committee facilitator, called for comments from the public.

Ashlen Strong, Washington State Hospital Association (WSHA), commented that the member motion presented at the June 2023 meeting has been updated. WHSA requested that there be sufficient time for members to discuss the motion. During the December 2022 meeting, committee members requested to create a formal process to submit recommendations to the Health Care Cost Transparency Board. The committee passed a motion to recommend that the board requests a written contribution from the committee that would be included in the board's annual legislative report. They are concerned about the governance structure driving the process and how the committee members can contribute.

Centers for Medicare & Medicaid Innovation (CMMI) Model Overview: Making Care Primary

Kahlie Dufresne and Dr. Judy Zerzan-Thul, HCA

The Making Care Primary (MCP) project intends to create a sustainable path for the transformation of primary care practices, which includes goals such as improving quality and having robust care teams to serve patients in a coordinated fashion. MCP involves progression towards prospective payments, accountability, and rewarding quality outcomes. Multi-payer alignment can support transformation. CMMI has selected Washington State to test the MCP model and currently, Traditional Medicare (also known as "Original" or "Fee-for-Service" Medicare) is testing the model in Washington. HCA's contracted carriers can choose to launch the model at any time. Due to MCP's payment and quality reporting design, there are eligibility requirements for organizations to participate.

Kahlie Dufresne presented the three tracks that health care organizations can select when applying for the MCP model. Track 1 includes building infrastructure; Track 2 is implementing advanced primary care; Track 3 is optimizing care and partnerships. MCP allows for an opportunity for alignment with other state projects, such as the multi-payer collaborative and the Advisory Committee on Primary Care's work to have primary care services reach 12 percent of total health care spending.

A committee member asked about HCA's role in CMS's evaluation strategy. CMS has not requested that HCA be involved in the evaluation process. Certain practice types were excluded from this model for evaluation purposes and the goal of the model is not necessarily for cost savings but to improve quality. The CMMI model provides a concrete structure to help Washington's multi-payer efforts. A committee member asked how many practices will be engaged and how MCP aligns with other state incentives. On the Medicare side, CMMI estimated that about 250 individual taxpayer identification numbers would be eligible to participate in the MCP demonstration. Provider engagement appears to be promising. It was clarified that the intent of the presentation was to provide information to providers and carriers should they wish to participate. HCA would like to continue to advance primary care as a critical component of keeping Washingtonians healthy with an emphasis on quality.

Washington State Health Care Affordability Activities

Mich'l Needham (HCA), Laura Kate Zaichkin (Health Benefit Exchange), and Jane Beyer (Office of the Insurance Commissioner)

Introduction and Overview

Mich'l Needham, Chief Policy Officer, HCA

The committee heard an overview and timeline for other affordability activities that although are outside the board's purview, are closely related to the interests of the board and its committees. While HCA is a large

agency with numerous activities related to health care, a few other affordability activities were highlighted, particularly ones that involve the Office of the Insurance Commissioner (OIC) and the Health Benefit Exchange (HBE).

HBE Strategies to Approach Rising Costs

Laura Kate Zaichkin, Senior Policy Advisor, HBE

Affordability, as measured by high premiums and high cost sharing, remain the primary barriers to more Washingtonians being insured and getting access to care. Washington's uninsured rate is at a historic low but relies on premium stabilization measures such as enhanced federal subsidies. Deeper subsidization is not a sustainable primary strategy and underlying costs of care need to be addressed. Consumers continue to experience disparities in quality and access to care.

For the second year in a row, premiums for Exchange plans are proposed to increase by nine percent. About 70 percent of customers face more than a five percent increase in premiums and 23 percent of consumers do not receive any subsidies. In general, HBE customers pay more for health care compared to those covered under other commercial products. HBE's affordability action plan includes Cascade Care, price transparency and claims analysis, expanding federal premium assistance, and partnering with Medicaid and employers. Although the public option plan, Cascade Select, shows promise in advancing affordability with premium rate decreases, the rates are not meaningfully lower for consumers. They believe this is driven by the overall costs of health care. A committee member commented that compelling practices to deliver care through Cascade Care at rates they cannot afford can lead to unintended consequences, such as providers leaving practices. Lowering payments does not mean it will lower health care costs overall. The "floor" on primary care reimbursement is important to highlight when ensuring protection of high-value care while also trying to control costs, in order obtain meaningfully lower premiums. A committee member remarked on the need for alignment (e.g., one group does not receive conflicting requests/requirements). We should not let "perfect" be the enemy of good because with health care access and Washingtonians' lives at stake, access to care and affordability need to be addressed.

The Office of the Insurance Commissioner's Affordability Activities

Jane Beyer, Board member and Senior Health Policy Advisor, Office of the Insurance Commissioner

Jane Beyer discussed four activities at the OIC related to affordability. The OIC engages in an extensive review to ensure the proposed rates are actuarially sound. The final rates for the plans sold on the Exchange will be announced next week. The state's Balance Billing Protection Act (BBPA) and the federal No Suprises Act do not address balance billing for ground ambulance services. This was not addressed in part due to the complexity of how ground ambulance services are organized, funded, and delivered. However, there were strong consumer requests related to including ground ambulance services in the BBPA. The OIC was directed to submit a report to the Legislature by October 1, 2023. The report will include findings and recommendations on ways balance billing for these services can be prevented. Last session, the Legislature directed the OIC to evaluate if Washington's essential health benefits should be updated, an opportunity that the federal government started offering in 2019. The Affordability Report was a directive from the Legislature, requiring the OIC and the Office of the Attorney General to review a broad range of affordability options. The preliminary report, due December 2023, will supply a Washington-specific baseline to identify all multihospital health care systems. The final report will be due to the legislature in August 2024 and will likely include a drill down of potential policy changes that were reviewed in the preliminary report.

Motion to Revisit the Benchmark Methodology

Committee member Mika Sinanan referred to the letter dated August 25, 2023, from WSHA and Washington State Medical Association (WMSA), outlining concerns of how providers will be held accountable for performance against the benchmark. The updated motion included four issues: attribution methodology, risk

adjustment for attributable members, analysis for specific provider performance, and notifying the large provider entities that will be subject to benchmark performance measurement.

Mandy Weeks-Green, committee facilitator and Cost Board & Commissions Director at HCA, clarified that many of the answers to the questions posed in the motion can be obtained through publicly available documents posted to the board's webpage. To help prevent redundancy on publicly available information, HCA can gather the information and documents to answer the raised questions in the motion. The provider attribution methodology is published in the data submission guidelines. Risk adjustment details have also been provided to the committees, which was approved to be based on age/sex. This year, the benchmark analysis will obtain a baseline and some of the answers to the questions will not be available for at least a year. This year's baseline analysis will not measure providers' performance against the benchmark.

Mika Sinanan stated the sooner providers know, the more successful they will be. Instead of generalities, specific details are needed. For example, if a provider entity had a certain outcome, how would they obtain that information, how was the attribution done and what options do they have, from an operational standpoint, to make changes? A committee member commented that much of the information is available or will be available. Another committee member echoed the comment and said nothing in the motion is unreasonable, but it was already said that although each item may have not been universally accepted, that these items have been addressed in research and evaluation.

Theresa Tamura, co-facilitator, called for a vote to send the written motion to the board. Although there wasn't a quorum, the motion did not pass. However, HCA will let the board know the motion occurred. Mika Sinanan remarked that there are concerns providers will be given the performance measurement without detailed data to be able to make appropriate changes that do not affect quality and access. They want providers to be able to work on benchmark performance beforehand and be successful.

Adjournment

Meeting adjourned at 4:03 p.m.

Next meeting

January 18, 2024
Meeting to be held in-person and on Zoom
2–4 p.m.

Tab 3

Washington State Health Care Authority

Stakeholder Committee Introductions

- Name
- If you’re a new or existing member of the committee
- Member representation
- Icebreaker: Which Olympic sport would you compete in?

Washington State Health Care Authority

Advisory Committee of Health Care Providers and Carriers

Member roster

Member	Title	Agency/Organization	Nominating Entity	Committee Member Position
Emily Brice	Deputy Director, NoHLA	Northwest Health Law Advocates (NoHLA)	Janet Varon, CEO of NOHLA	Consumer Organization
Patrick Connor	Washington State Director	NFIB		Business organizations, at least 2, including at least 1 small business representative
Bob Crittenden	Physician and Consultant	Empire Health Foundation	WA Academy of Family Physicians	One primary care physician, selected from a list of three nominees
Paul Fishman	Professor, Dept. of Health Services	University of Washington		
Justin Gill	President, Washington State Nurses Association	Washington State Nurses Association	Washington State Nurses Association	Washington State Labor Council
Nariman Heshmati	President	Washington State Medical Association	Washington State Medical Association	One physician, selected from a list of three nominees
Adriann Jones		Washington Community Action Network (WACAN)	John Godfrey, Community Organizing Manager WACAN	Consumer Organization
Jodi Joyce	Chief Executive Officer	Unity Care NW	Washington Association for Community Health	One member representing federally qualified health centers, selected from a list of three nominees

Louise Kaplan	Associate Professor, Vancouver	WSU College of Nursing		
Stacy Kessel	Chief Finance and Strategy Officer	Community Health Plan of Washington		
Eric Lewis	Chief Financial Officer	Premera Blue Cross	Washington State Hospital Association	One member representing hospitals and hospital systems, selected from a list of three nominees
Vicki Lowe	Executive Director	American Indian Health Commission		
Natalia Martinez-Kohler	Vice President of Finance and CFO	MultiCare Behavioral Health	Washington Council for Behavioral Health	One member representing behavioral health providers, selected from a list of three nominees
Sulan Mlynarek	Lead Research Analyst	Service Employees International Union (SEIU), Healthcare 1199NW		Washington State Labor Council
Paul Schultz	Executive Director, Actuarial Services	Kaiser Foundation Health Plan, Inc (WA)	Peggi Fu, ED, Association of WA Health Plans	One member representing a health maintenance organization, selected from a list of three nominees
Dorothy Teeter	Consultant	Teeter Health Strategies		
Wes Waters	Chief Financial Officer	Molina Healthcare of Washington		
(vacant)				Business organizations, at least 2, including at least 1 small business representative

Washington State Health Care Authority

Former Members

Member	Title	Agency/Organization	Nominating Entity	Committee Member Position	Replaced By
~~**Ross Laursen**~~	Vice President of Healthcare Economics	Premera Blue Cross	Association of Washington Healthcare Plans		
~~**Justin Evander**~~	~~Executive Director Care Delivery Finance~~	~~Kaiser Permanente~~		~~One member representing a health maintenance organization, selected from a list of three nominees~~	~~Paul Schultz~~
~~**Todd Lovshin**~~					Eric Lewis

Tab 4

Washington State Health Care Authority

Purpose of the Stakeholder Committee

Assist the Health Care Cost Transparency Board (Cost Board)		
Collaboration	**Representation**	**Participation**
• Provide subject matter expertise regarding the cost growth benchmark • Work with the Cost Board and HCA staff to help create buy-in across the various markets • Identify opportunities to slow cost growth and address affordability concerns at various levels in Washington	• Represent the interests and perspectives of consumers, labor, and employer purchasers • Bring forth issues impacting health care cost transparency and affordability to the Cost Board • Conscious of the impact high health care spending growth has on Washingtonians	• Attendance and participation in Advisory Committee meetings • Review meeting materials before scheduled meetings, coming prepared to engage with other members • Give input to help keep the conversation moving forward

Review of Stakeholder Committee Charter

- Cost Board's Advisory Committee of Health Care Stakeholders Charter
- Includes:
  - Committee Purpose
  - Membership requirements specified in HB 2457 (updated in HB 1508)
  - Responsibilities
  - Meetings needed
  - Quorum specifications
  - Accountability and reporting

HEALTH CARE COST TRANSPARENCY BOARD'S

Advisory Committee of Health Care Stakeholders

What is the Purpose of the Advisory Committee of Health Care Stakeholders?

The role of the Advisory Committee of Health Care Stakeholders is to assist the Health Care Cost Transparency Board ("Board") by providing subject matter expertise, and support to the Board regarding the cost growth benchmark. The Advisory Committee of Health Care Stakeholders will also help the Board identify opportunities to slow cost growth, address growing affordability concerns for the state of Washington at various levels (state, market, carriers, large provider entities, as well as consumers). The Advisory Committee of Health Care Stakeholders will also assist with other areas proving subject matter expertise as identified by the Board through the perspective of the providers, carriers, and consumers.

Membership:

As indicated in House Bill 2457, section 4 and related RCWs, and updated House Bill 1508, the Advisory Committee of Health Care Stakeholders will be appointed by the Board.

Appointments to the Advisory Committee of Health Care Stakeholders must include the following membership:

a) One member representing hospitals and hospital systems, selected from a list of three nominees submitted by the Washington State Hospital Association;
b) One member representing federally qualified health centers, selected from a list of three nominees submitted by the Washington Association of Community Health Centers;
c) One physician, selected from a list of three nominees submitted by the Washington State Medical Association;
d) One primary care physician, selected from a list of three nominees submitted by the Washington State Academy of Family Physicians;
e) One member representing behavioral health providers, selected from a list of three nominees submitted by the Washington Council for Behavioral Health;

f) One member representing pharmacists and pharmacies, selected from a list of three nominees submitted by the Washington State Pharmacy Association;
g) One member representing advanced registered nurse practitioners, selected from a list of three nominees submitted by ARNPs United of Washington State;
h) One member representing tribal health providers, selected from a list of three nominees submitted by the American Indian Health Commission;
i) One member representing a health maintenance organization, selected from a list of three nominees submitted by the Association of Washington Health Care Plans;
j) One member representing a managed care organization that contracts with the Health Care Authority to serve medical assistance enrollees, selected from a list of three nominees submitted by the Association of Washington Health Care Plans;
k) One member representing a health care service contractor, selected from a list of three nominees submitted by the Association of Washington Health Care Plans;
l) One member representing an ambulatory surgery center selected from a list of three nominees submitted by the Ambulatory Surgery Center Association; and
m) Three members, at least one of whom represents a disability insurer, selected from a list of six nominees submitted by America's Health Insurance Plans.

As indicated in House Bill 1508, the Advisory Committee of Health Care Stakeholders shall also have the additional members:

n) At least two members representing the interests of consumers, selected from a list of nominees submitted by consumer organizations;
o) At least two members representing the interests of labor purchasers, selected from a list of nominees submitted by the Washington state labor council; and
p) At least two members representing the interests of employer purchasers, including at least one small business representative, selected from a list of nominees submitted by business organizations. The members appointed under this subsection (3)(p) may not be directly or indirectly affiliated with an employer which has income from health care services, health care products, health insurance, or other health care sector-related activities as its primary source of revenue.

Member Responsibilities:

Members of the Advisory Committee of Health Care Stakeholders are responsible for:

- Providing subject matter expertise in relation to the growth benchmark and benchmark, including understanding for outliers or unexplained trends with the cost growth data analysis.

- Representing the representing the interests of consumers, labor, and employer purchasers and may include others with expertise in the advisory committee's jurisdiction, such as health care providers, payers, and health care cost researchers, and bringing forth issues impacting health care cost transparency and affordability to the Board.
- Collaborating with the Board and HCA staff to help create buy-in across the various markets, provider organizations, and consumer organizations and offering suggestions that may help streamline the data collection process.
- Serving as a liaison between the Board and health care community by relaying essential information to carriers, providers, consumers, and laborers as well as bringing forth feedback to the Board to ensure all parties involved have an opportunity to address how to slow cost growth and to address growing affordability concerns for the state of Washington at various levels.
- Attendance and participation in Advisory Committee meetings. This includes reviewing meeting materials in advance of the scheduled meeting, coming prepared to engage with other members, working collaboratively with other members and the Board, being sensitive to the impact that high health care spending growth has on Washingtonians, and providing input to help the conversation continue moving forward.
- If a member cannot attend a meeting, they are requested to advise HCA before the meeting and contact staff for a recording of the meeting.
- Members will adhere to the requirements of the Open Public Meetings Act and the Public Records Act. Records related to the Advisory Committee are public records.

Meetings:

The Advisory Committee of Health Care Stakeholders will meet as needed (likely no more than six times annually) to fulfill its mandate to the Board by providing subject matter expertise and support to the Board.

Quorum:

A majority of the members that make up the Advisory Committee of Health Care Stakeholders constitutes a quorum for a meeting of the committee. If a meeting does not have a quorum of members present or does not maintain a quorum, the meeting may be cancelled or rescheduled so that there are sufficient members to fulfill the Advisory Committee’s responsibilities.

Accountability and Reporting:

The Advisory Committee of Health Care Stakeholders is accountable to the Board and to report its activities and to provide subject matter expertise at the request of the Board or to follow up on requests of the Board.

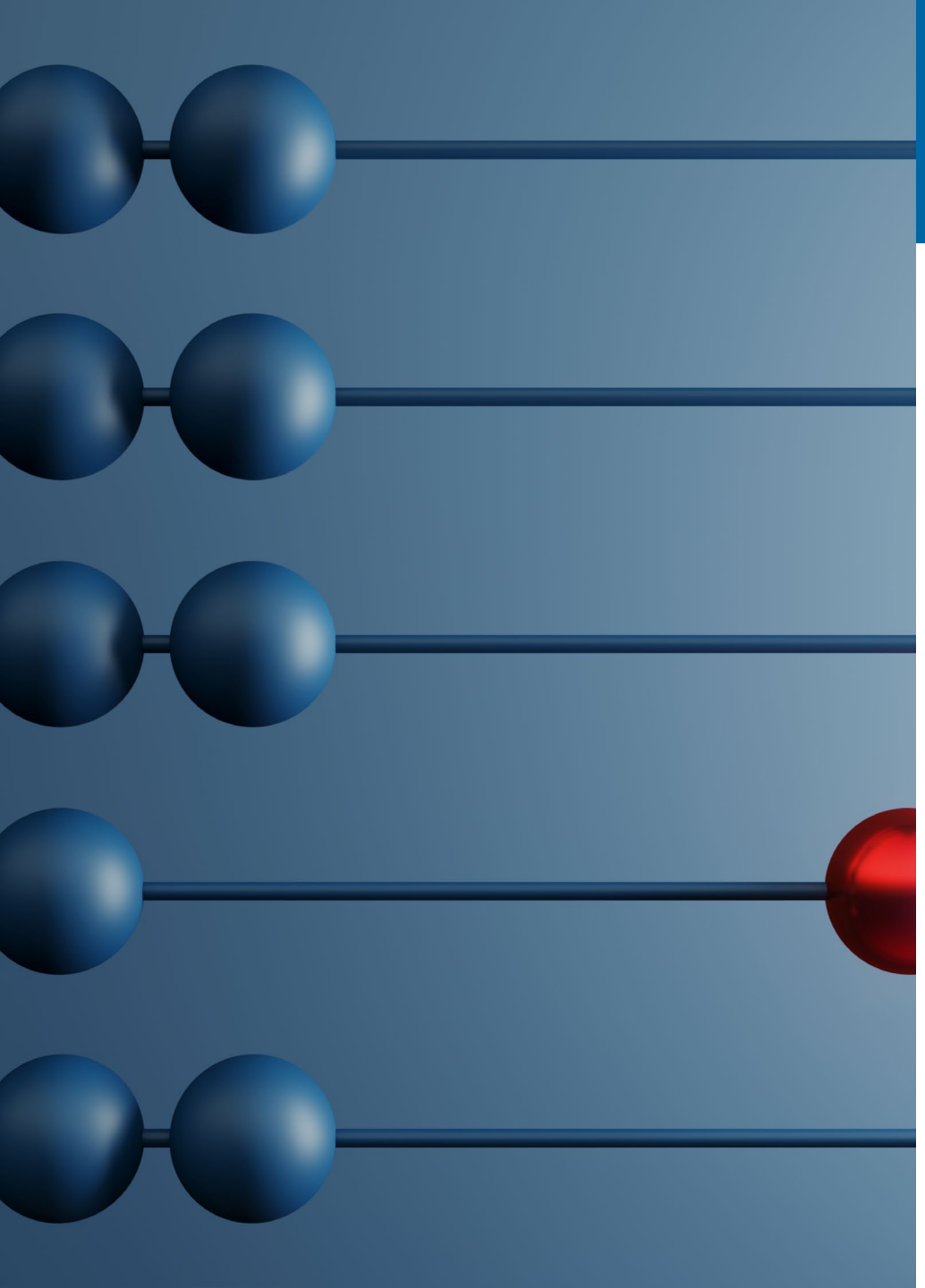
Tab 5

Washington State Health Care Authority

HMA

Medical Debt

An impact of high health care costs and discussion of potential strategies



MEDICAL DEBT: WHY IT MATTERS

- The work of the Cost Board has shown clearly that the cost of health care continues to rise.
- While the Cost Board is deliberating on policies to address these costs, more and more Washingtonians being hit with a growing portion of out-of-pocket expenses.
- Over 100 million Americans now have medical debt, and millions are skipping or postponing needed care.
- Impacts Black and low-income Americans disproportionately.
- Two-thirds of hospitals sue patients or take other legal action.
- Two-thirds of hospitals report patients with outstanding bills to credit reporting agencies.

MEDICAL DEBT: COLLECTIONS PRACTICES

- Washington requires a waiting period before medical debt can be sent to a credit reporting agency, but does not prohibit it, as some states do, and the federal government is considering.
- Washington does not require that low-income and uninsured patients be offered a payment plan, as some states do.

MEDICAL DEBT: CHARITY CARE

- Washington requires larger hospitals to provide care with no or discounted out of pocket costs to patients earning from 400% of the federal poverty level to 300% or below.
- State AG recently settled with Providence, requiring fines, refunds and forgiven debt for failure to comply with these requirements.
- Process for applying for and receiving charity care could be simplified
- Washington requires a waiting period and a screen for eligibility for charity care before a bill is sent to collections.
- Six states require hospitals to provide a minimum amount of charity care; Washington does not. Oregon uses a formula that considers the hospitals' revenue and operating margin.

DISCUSSION QUESTIONS

- While the Cost Board continues to evaluate policies that could impact health care costs, what can and should be done to protect patients and consumers?
- Are there any policies related to addressing medical debt that you would like discuss in more detail?
- Are there any policies that have not been identified to address medical debt that you would like to discuss more?

Medical Debt in America

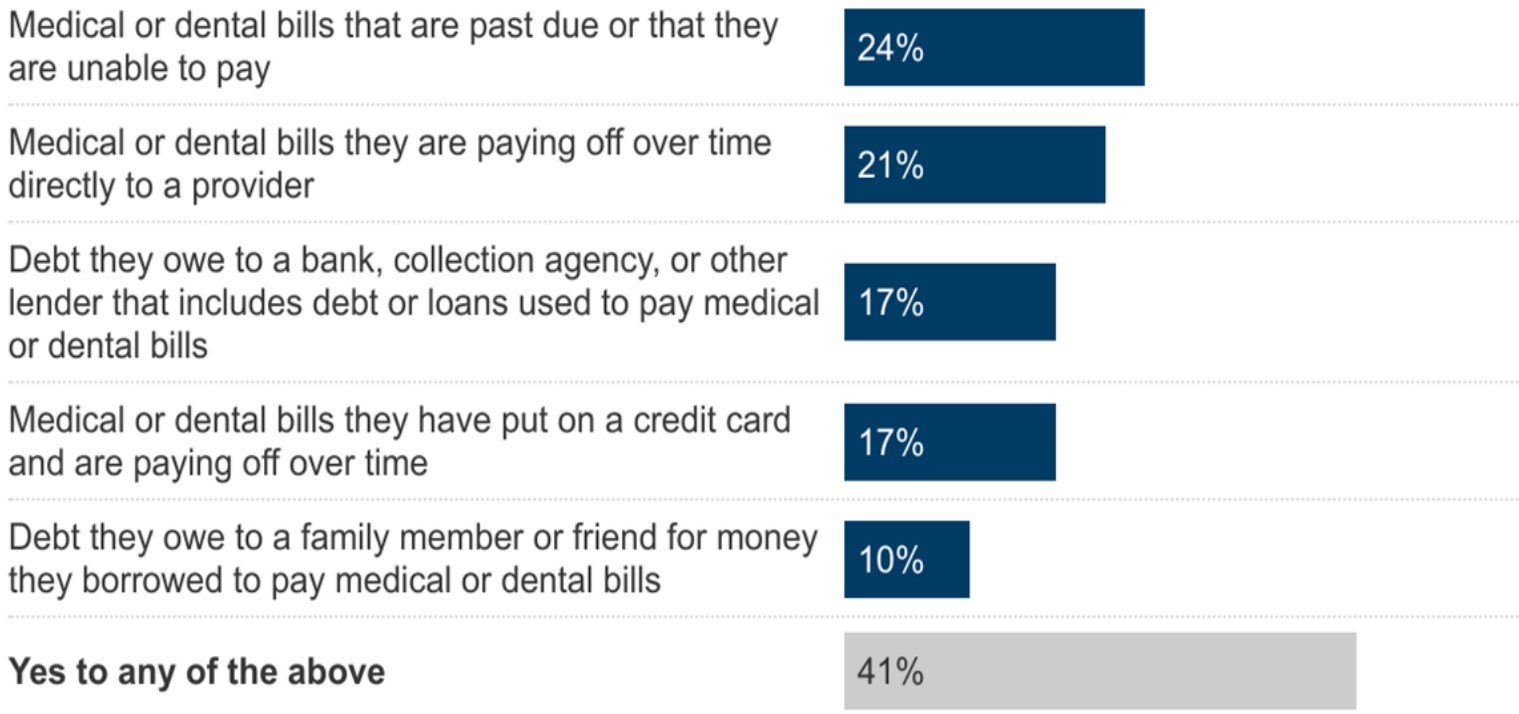
Noam N. Levey,
Senior Correspondent

KFF Health News

Medical Debt is Upending Millions of Lives

How Big Is the Problem?

100 Million People with Health Care Debt



Source: KFF

How Much Medical Debt?

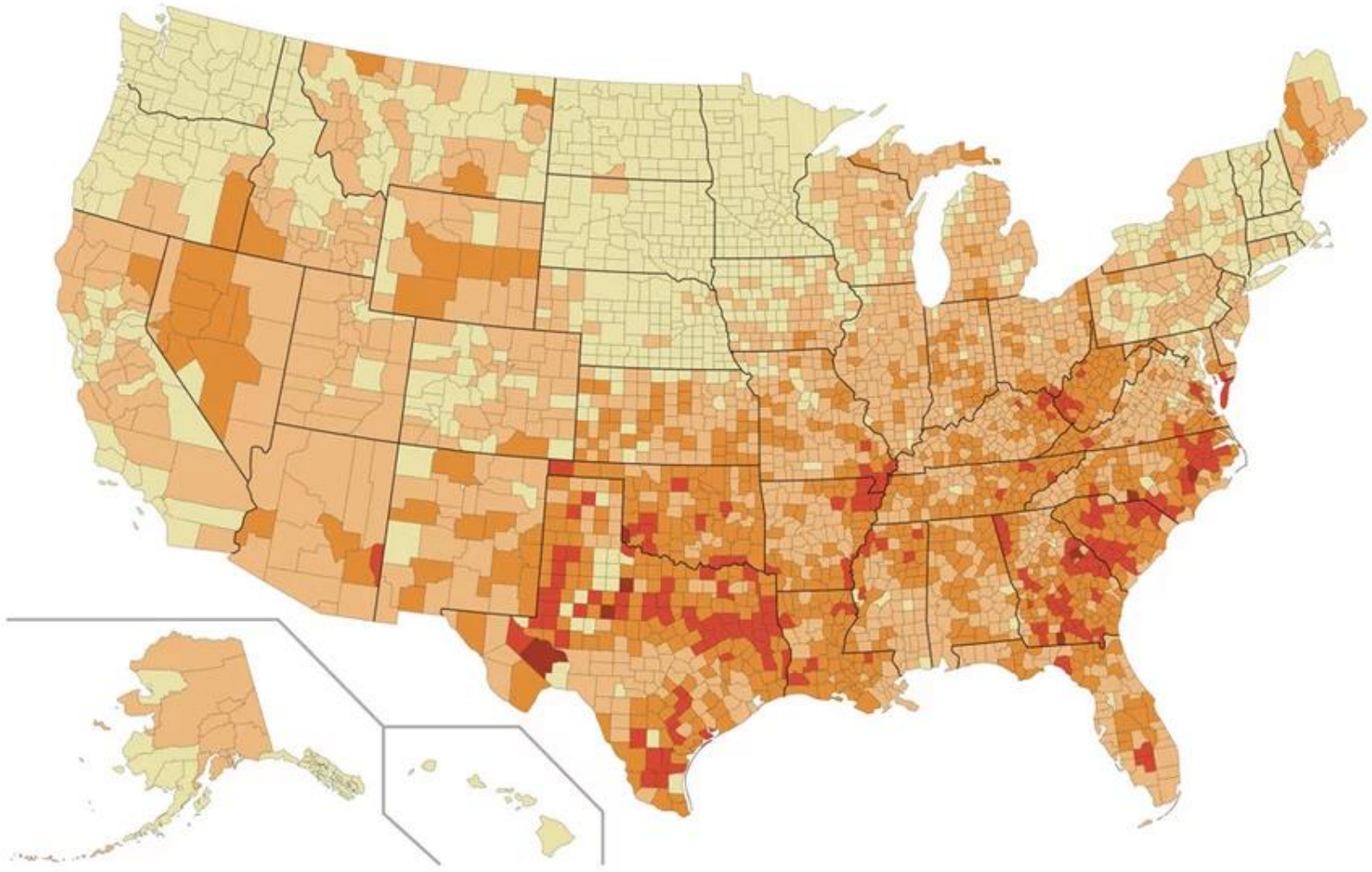
What Americans estimate they owe in health care debt

- **A third** owe less than $1,000
- **A quarter** owe at least $5,000
- **1 in 8** owe at least $10,000
- **1 in 5** don't expect to ever pay it off

Source: KFF

Where is Medical Debt?

Share of adults with medical bills in collections, by county



Source: Urban Institute

Impact of Medical Debt

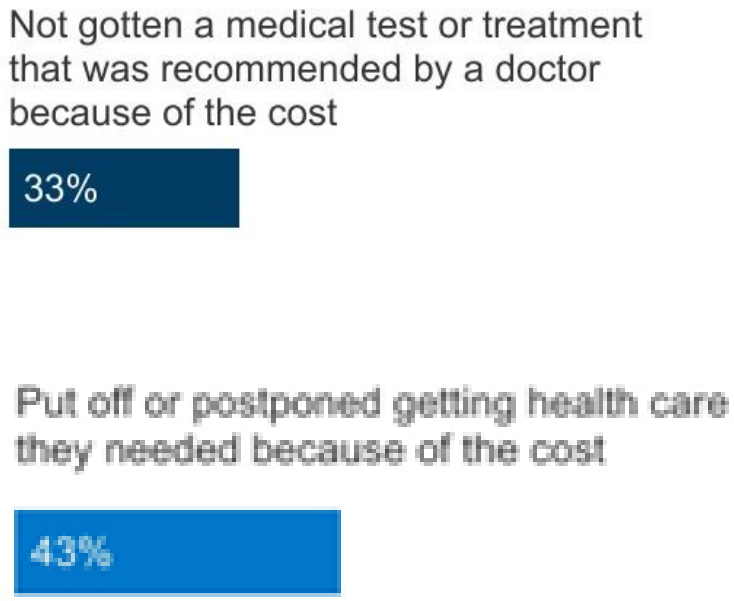
More than half of adults have made a difficult sacrifice

- **63%** cut spending on food, clothing & other basics
- **40%** took on extra work
- **19%** changed their living situation
- **12%** were denied medical or dental care

Source: KFF

What Are Patients Doing?

Millions Are Skipping or Postponing Care



Source: KFF

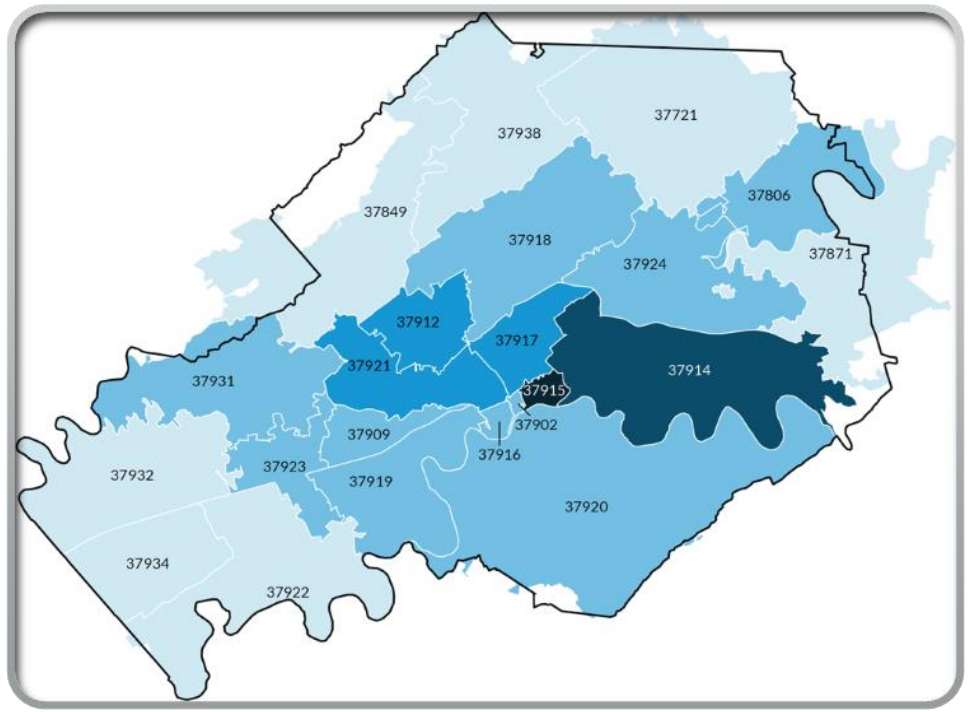
Medical Debt's Unequal Toll

- Black Americans are 50% more likely to have health care debt
- Young people (18-29) are twice as likely as seniors to have debt
- Parents are almost twice as likely as non-parents to have debt
- Sick Americans are a third more likely to have debt
- Low-income Americans are more than twice as likely to have debt

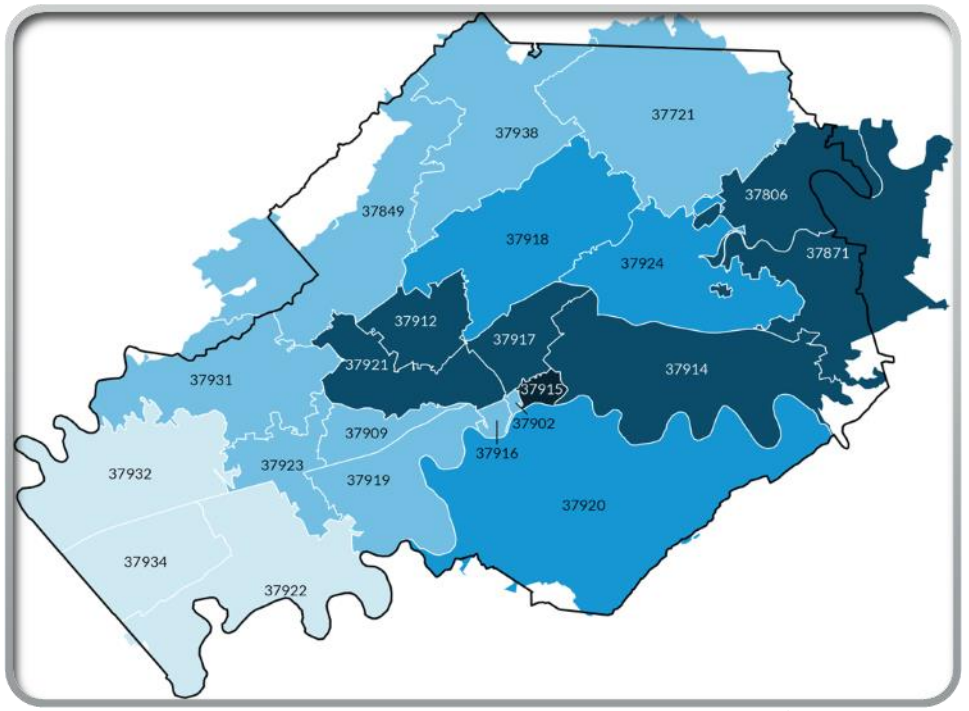
Source: KFF

Deepening Racial Disparities

Share of non-white residents by zip code in Knox County, Tenn.



Share of adults with medical bills in collections in Knox County, Tenn.



Source: Urban Institute

What’s Going on Here?

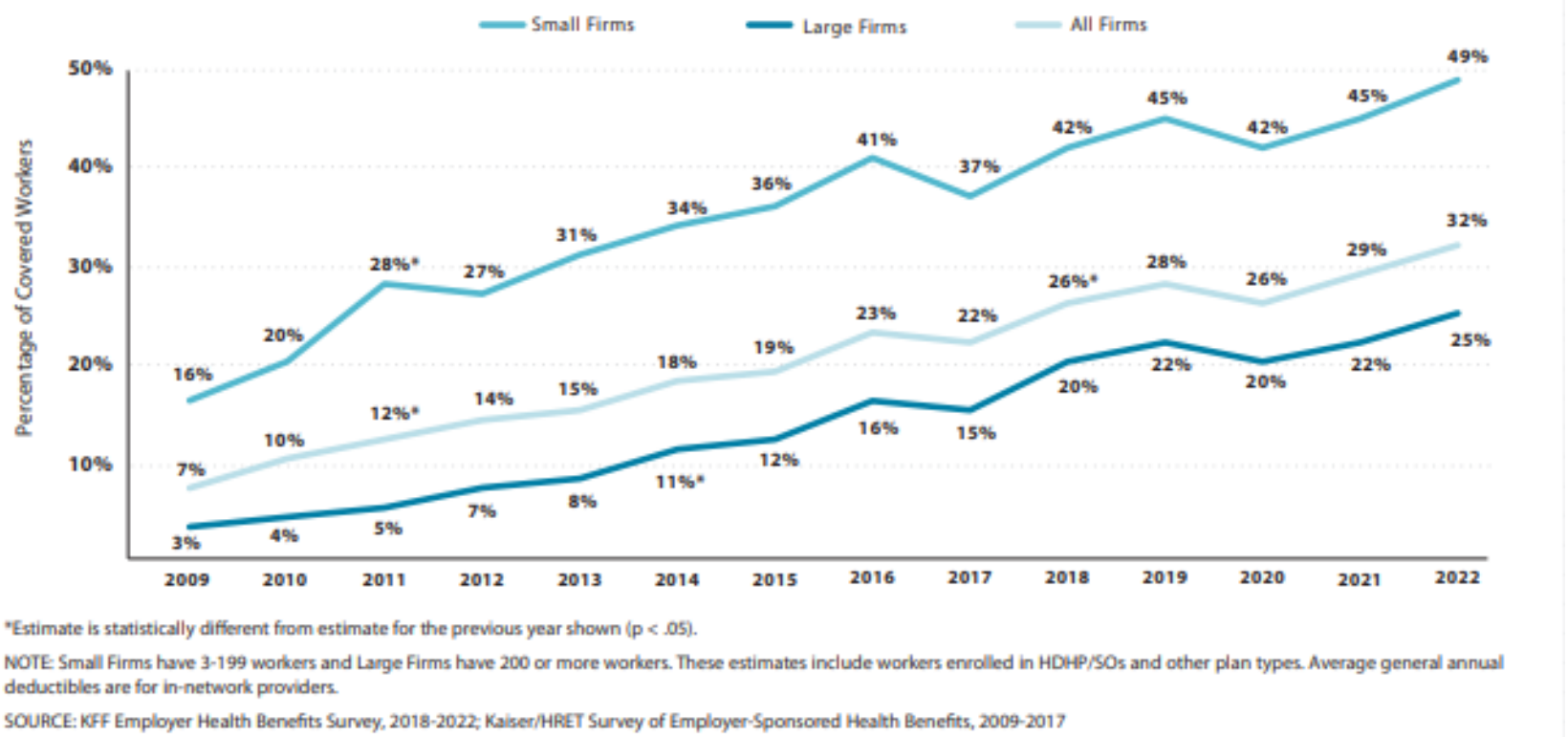
The Hospital Collection Machine

- **Two-thirds** sue patients or take other legal action, such as garnishing wages or placing liens on property
- **Two-thirds** report patients with outstanding bills to credit rating agencies
- **A quarter** sell patients' debts to debt collectors
- **1 in 5** deny nonemergency care

Source: KFF

The Bigger Problem

Share of US workers in a health plan with a deductible of $2,000 or more for single coverage



*Estimate is statistically different from estimate for the previous year shown ($p < .05$).

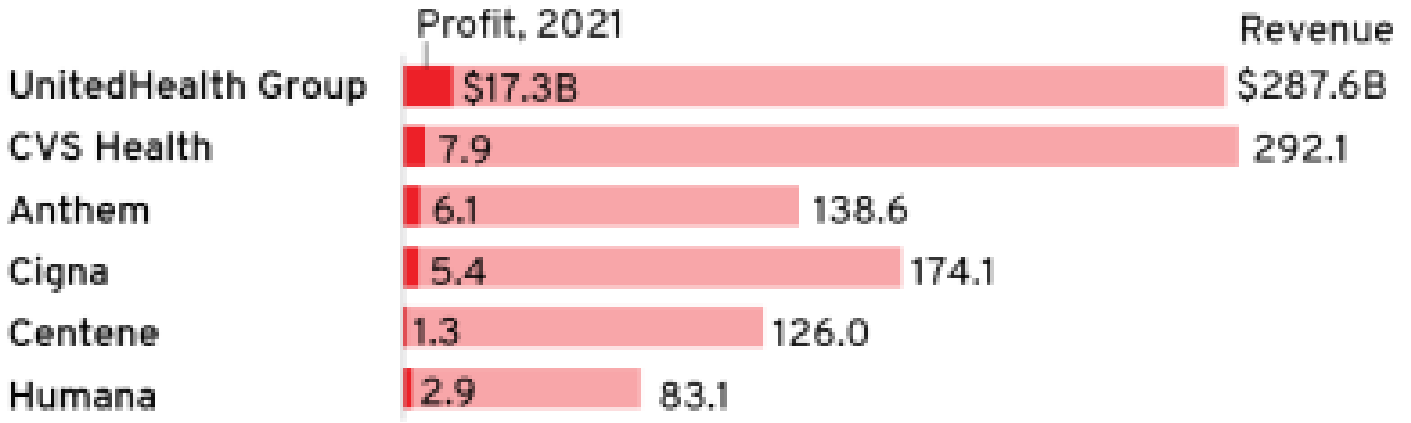
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. These estimates include workers enrolled in HDHP/SOs and other plan types. Average general annual deductibles are for in-network providers.

SOURCE: KFF Employer Health Benefits Survey, 2018-2022; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009-2017

Whose Problem Is This?

A Threat to Health Insurance Profits?

For-Profit Health Insurance Companies Are Earning Billions of Dollars



Source: Company earnings reports
By Randy Leonard

FIERCE

Big Opportunities for Patient Financing

Annual revenues of the U.S. patient financing industry:

$9.5 billion

Gross Domestic Product of Rwanda:

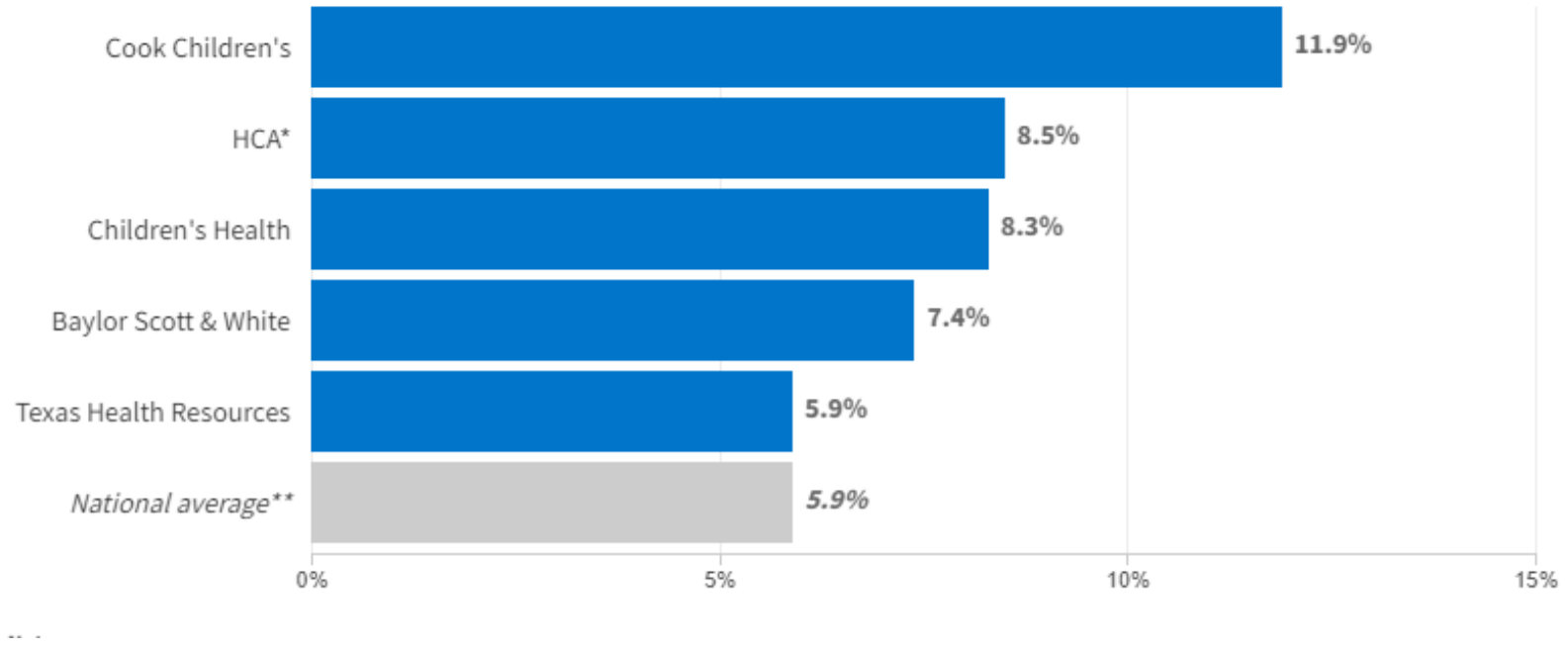
$9.1 billion

Source: IBIS World

A Threat to Hospital Margins?

Operating Margins at Major Hospital Systems Around Dallas-Fort Worth

The average operating margin for leading hospital systems in the Dallas-Fort Worth area from 2018 to 2021 was very strong. All the systems below are nonprofit, except HCA.



Source: KFF

What Do We Do Now?!?

Restrict Aggressive Collections

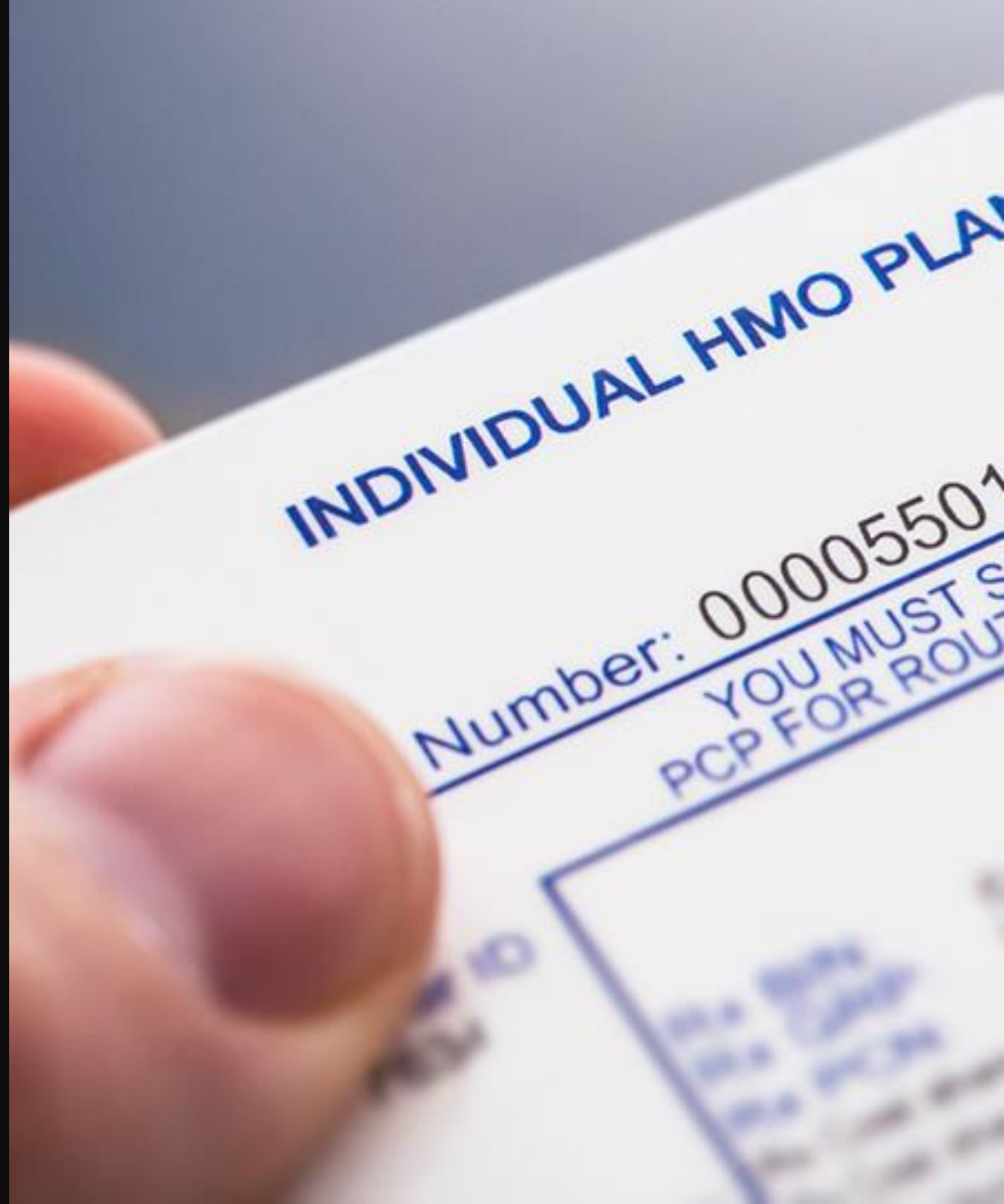
- Credit Reporting
- Lawsuits, Wage Garnishment
- Other “Extraordinary Collection Actions” – Debt Sales & Restrictions on Care
- Interest on Medical Debt

Improve Financial Assistance

- Transparency
- Uniform Standards
- Simpler Charity Care Applications
- Presumptive Eligibility
- Tighter Rules for Community Benefits

Rethink Health Plan Design

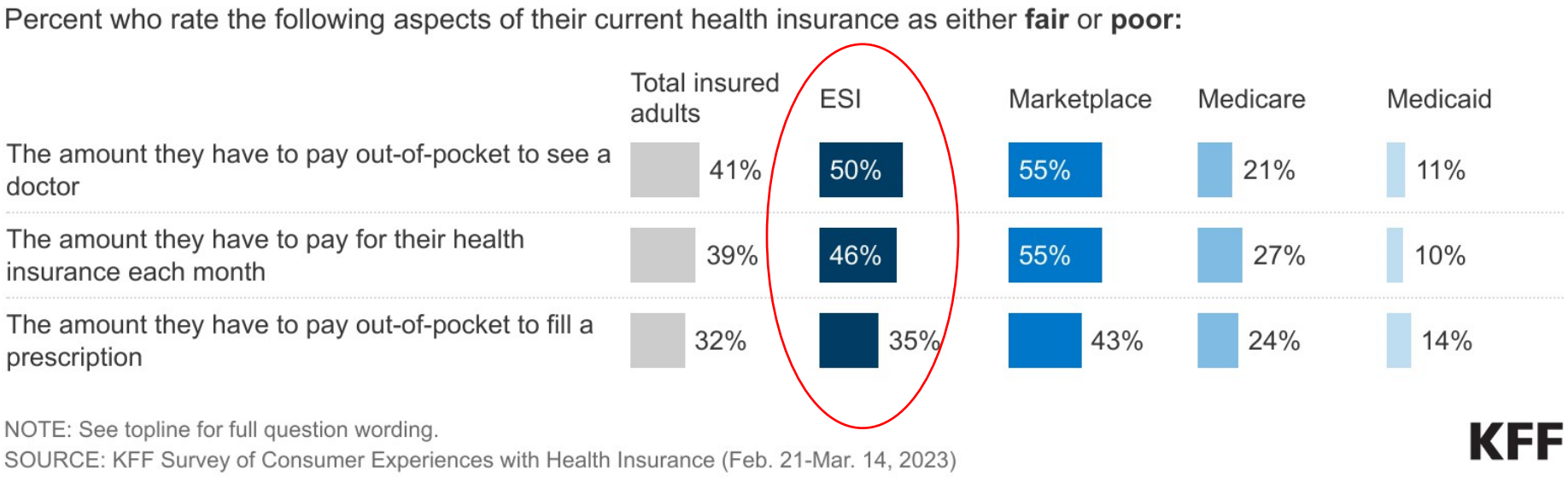
- Lower Out-Of-Pocket Maximums
- Exempt Primary Care & Other Services from Deductibles
- Cancer? Childbirth? Chronic Disease?
- Standardized Benefit Design



A Flashing Light for Employers …

Who Likes ESI?

How do Americans rate their insurance coverage?



Big Cost Barriers

Who is skipping care due to costs, by insurance type?

Percent who say they delayed or went without the following in the past 12 months because of the cost:

	Total insured adults	Main insurance coverage			
		ESI	Marketplace	Medicare	Medicaid
A visit to a doctor's office	14%	17%	18%	5%	10%
Prescription drugs	13%	12%	14%	11%	14%
Dental care	28%	25%	37%	26%	39%
Vision services, including eyeglasses	19%	17%	27%	14%	28%
Hearing services, including hearing aids	6%	5%	5%	10%	5%
Any of these types of care in the past year	41%	38%	50%	36%	51%

NOTE: See topline for full question wording.
SOURCE: KFF Survey of Consumer Experiences with Health Insurance (Feb. 21-Mar. 14, 2023)

KFF

Diagnosis: Debt

- Noam N. Levey
- KFF Health News
- nlevey@kff.org
- 202-247-0811

https://kffhealthnews.org/diagnosis-debt/

Tab 6

Washington State Health Care Authority

ANALYTIC SUPPORT INITIATIVE BACKGROUND

JUNE 12, 2024

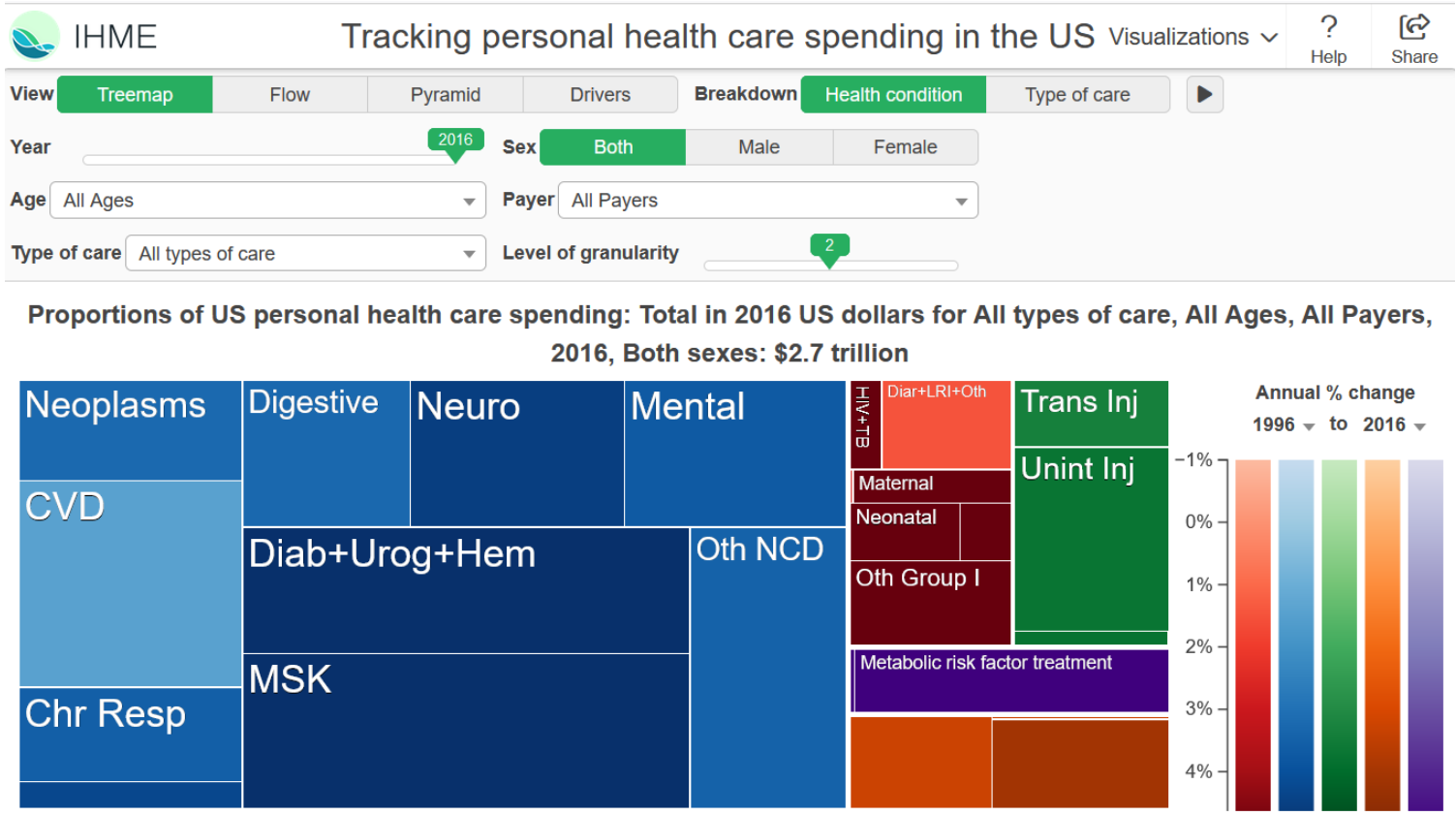
HCA & Institute for Health Metrics and Evaluation

ASI

History of the Disease Expenditures Project

Since 2013, the Disease Expenditure (DEX) Project at the Institute for Health Metrics and Evaluation (IHME) has researched how resources are spent on US health care across health conditions, age groups, sexes, types of care, and time.

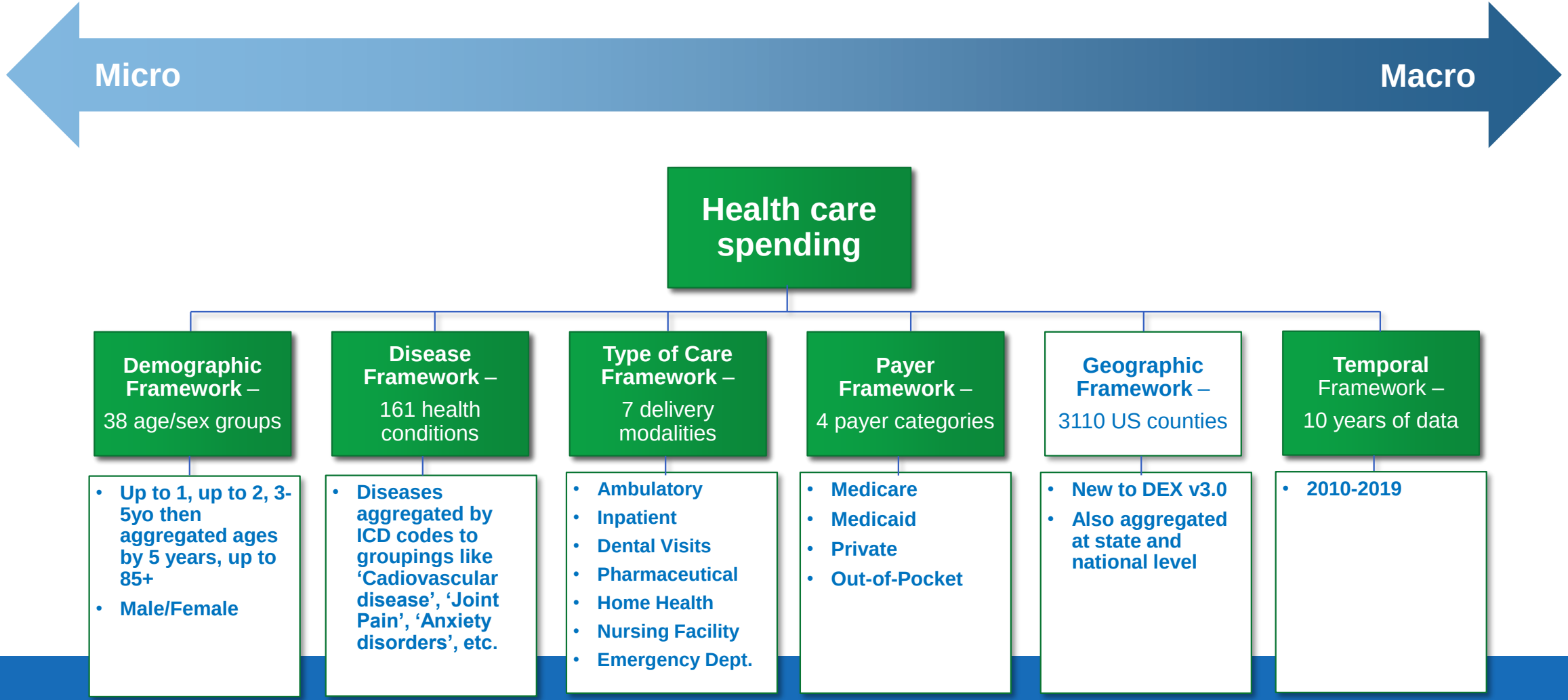
These findings, delivered through scientific publications and interactive visuals, can help health system researchers and policymakers identify the driving forces behind spending increases.



Interactive Tool:

https://vizhub.healthdata.org/dex/

IHME's Disease Expenditure (DEX) Project



IHME / HCA: Analytical Support Initiative

Condensed objective:

- *Develop WA specific analyses of cost growth trends to identify specific areas of focus for discussion, additional analysis, and development of cost mitigation strategies*
- *Provide information that will result in actionable recommendations on reducing health care cost growth in WA*

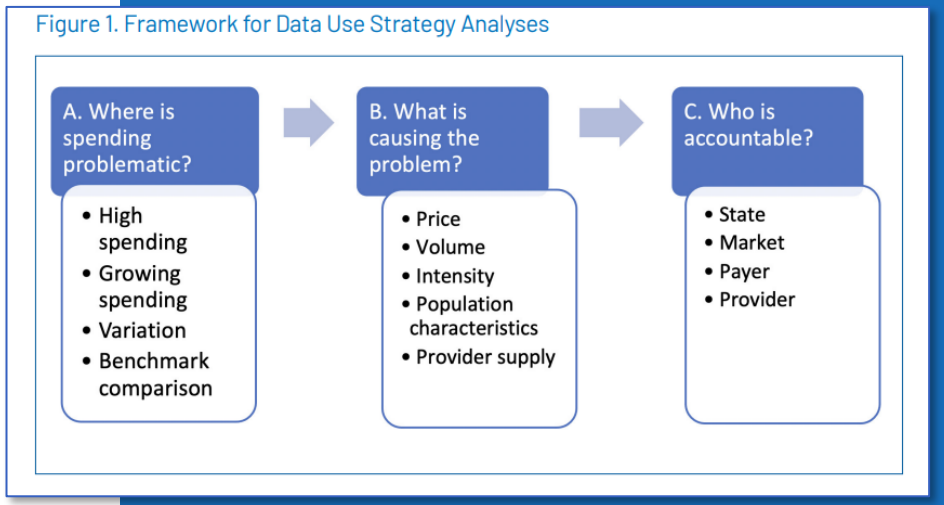
Philanthropic funding for July 2023-July 2025

- Gates Ventures
- Peterson Center on Health Care

Staffing: 1 policy analyst at WA HCA, ~3 researchers at IHME

Timeline:

- 1st six months → building foundation
- 2nd and 3rd six months → doing the work collaboratively
- 4th six months → formalizing recommendations



Potential users of ASI data products beyond the Cost Board

Other WA state public agencies	Other organizations with some focus on cost-containment	Business and purchaser groups	Consumer groups
Health Benefit Exchange	*The National Academy for State Health Policy (NASHP)*	*National Alliance of Health Care Purchaser Coalitions*	*AARP*
Office of the Insurance Commissioner	*The Bree Collaborative*	*Purchaser Business Group on Health (PBGH)*	*Northwest Health Law Advocates*
WA Dept. of Health	*Comagine Health*	*The Washington Health Alliance*	
Prescription Drug Affordability Board			
Universal Health Care Commission and its Finance Technical Advisory Committee			

Note: *This is a sample of users, not an exhaustive list.*

Analytic Strategy 2024

Timeline:

- 1st six months → building foundation
- 2nd and 3rd six months → doing the work collaboratively
- 4th six months → formalizing recommendations

1. In December 2023, the **Cost Board endorsed the *ASI Analytic Strategy*** containing three key analyses to be completed in 2024
    a) Estimate spending and utilization per capita and prevalent case for key diseases disaggregated by age, sex, type of care, location, payer group, and health condition
    b) Direct age- and indirect risk-adjustment of spending and utilization estimates for comparison across counties, states, and time
    c) Decompose differences in spending across counties and time

Building the analysis

Timeline:

- 1st six months → building foundation
- 2nd and 3rd six months → doing the work collaboratively
- 4th six months → formalizing recommendations

2. In March, IHME finished its **first complete set of estimates *(DEX 3.0)*,** tracking spending by health condition, age, sex, type of care, payer, and county for the entire US for 2010 – 2019

3. In May, IHME presented the **Preliminary Disease Expenditures Report** to the Cost Board