Washington State Health Care Authority

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

June 12, 2024

Virtual meeting held electronically (Zoom) and in person at the Health Care Authority (HCA)
2 – 3 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 Health Care Stakeholders' webpage**.

Members present

Emily Brice
Patrick Connor
Paul Fishman
Justin Gill
Adriann Jones
Jodi Joyce
Louise Kaplan
Stacy Kessel
Eric Lewis
Vicki Lowe
Natalia Martinez-Kohler
Sulan Mylnarek
Paul Schultz
Dorothy Teeter
Wes Waters

Members absent

Bob Crittenden
Nariman Heshmati

Call to order

Rachelle Bogue, committee facilitator, called the meeting of Advisory Committee of Health Care Stakeholders (committee) to order at 2:04 p.m.

Agenda items

Welcoming remarks

Rachelle Bogue welcomed committee members and provided an overview of the meeting agenda.

Washington State Health Care Authority

Introduction of New Chair

Eileen Cody was introduced as the new chair for the Advisory Committee of Health Care Stakeholders.

Meeting summary review from the previous meeting

The members present **voted by consensus to approve** the September 7, 2023, Advisory Committee of Health Care Stakeholders summary.

Purpose of Stakeholder Committee and Review of Charter

Chair Eileen Cody
Liz Arjun, Health Management Associates (HMA)

In 2024, the Legislature passed HB 1508 creating the committee and expanding membership to include consumers and purchasers. Chair Cody reviewed the purpose of the committee which is to assist the Health Care Cost Transparency Board (Cost Board) through collaboration, representation, and participation. This is all detailed in the committee's charter and includes sections on membership requirements, responsibilities, and accountability and reporting.

A committee member recommended adding employers and businesses to the list of stakeholder groups "member responsibilities" in the charter. Chair Cody said HCA staff will update the charter.

Policy Discussion: Medical Debt

Gary Cohen, HMA

In April 2024, the Cost Board received a presentation concerning medical debt from Noam Levey with the Kaiser Family Foundation. The work of the Cost Board has shown clearly that the cost of health care is high and continues to increase. More and more Washingtonians are impacted by a growing portion of out-of-pocket expenses, as are others in the US. Currently, over 100 million Americans have medical debt. Millions are skipping or postponing needed medical care or have experienced economic hardships because of medical debt. Black and low-income Americans are disproportionately impacted compared to their representation in the general population. Nationally, two-thirds of hospitals sue patients or take other legal action and two-thirds of hospitals report patients with outstanding bills to credit reporting agencies to collect on medical debt.

Washington law requires a 120-day waiting period before medical debt can be sent to a credit reporting agency. However, it is not prohibited as in some states. Recently, the Consumer Finance Protection Bureau (CFPB) released a proposed rule banning medical debt from being reported to credit agencies. If the CFPB rule is adopted, it would become a federal law. Unlike some states, Washington does not require that low-income and uninsured patients be offered a payment plan. Concerning charity care, Washington requires larger hospitals (about 80% of hospitals in the state) provide care at no or at a discounted out-of-pocket cost to patients at 300% of the federal poverty level up to 400%. However, it is unclear how closely the policy is followed by relevant hospitals. For example, Washington State Attorney General recently settled with Providence, requiring fines, refunds and forgiven debt for failure to comply with charity care requirements. The process for applying for and receiving charity care could be simplified. Washington requires a waiting period and an eligibility screen for charity care before a bill is sent to collections, but not before the bill is sent to the patient. Unlike Washington, six states (Illinois, Nevada, Rhode Island, Pennsylvania, Texas, and Utah) require hospitals to provide a minimum amount of charity care. Oregon uses a formula that considers a hospital's revenue and operating margin to determine the minimum amount for charity care it is required to provide.

Three discussion questions were proposed:

1. 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?
2. Are there any policies related to addressing medical debt that you would like to discuss in more detail?
3. Are there any policies that have not been identified to address medical debt that you would like to discuss more?

A committee member asked about the bill at the federal level preventing medical debt going to collection. Gary answered the Biden Administration is working on introducing this policy. Just yesterday, CFPB proposed the rule that would prohibit medical debt from being included on anybody's credit report. The reason for this is because often medical debt is the result of something out of a patient's control. Medical debt would no longer be factored in computing a credit score. The goal is to not factor medical debt into your credit score, which currently can negatively impact one's ability to get a loan, buy a car, ability to get a job, etc. The committee member asked if Washington is currently thinking about this type of state policy. Gary responded there is no state law prohibiting medical debt from being reported to credit agencies. Another committee member said people with insurance are billed at a contracted rate that is not given to those without insurance. This creates a disparity of what a person owes for medical expenses depending on insurance status. How has anyone tried to approach the issue of disparity? Gary responded that he is not aware of any regulation or legislation concerning the issue. The committee member said it's usually the big hospitals that go after people with medical debt, and it's an issue that should be considered. Another committee member agreed and questioned if there is a way to differentiate the data between uninsured patients directly billed from hospitals versus patients covered through a contracted payer rate. Gary said that was a good idea and would try to analyze the data through that lens. A member said that a number of areas could be improved: charity care laws that have not been fully implemented; gaps in hospital charity care such as physician services and satellite clinics not addressed in current statutes; charity care requirements obliging only hospitals; high interest rates, particularly on public debt; high limits for garnishment of wages and bank accounts for people with medical debt; and cash vs insured rates. These are all important considerations for Washington State that the Cost Board and committee could help support. There is a statutory charge to have a standing underinsurance survey and an employer trend survey. Gathering data on medical debt at a granular level is important and can be uniquely handled by the Cost Board. The Cost Board could also surface the information around the amount of charity care and community benefit happening across the state also at a granular level. Chair Cody said the required charity care reports may not differentiate between costs and charges which could cause inflated charity care reports. A committee member posed the question of what the actual impact of bad debt on health care prices not necessarily the cost of care.

Analytic Support Initiative Introduction

Marty Ross, HCA

Opening with a brief history the Disease Expenditure (DEX) project housed at the Institute for Health Metrics and Evaluation (IHME), DEX was framed as an outgrowth of the Global Burden of Disease project, focusing specifically on health care expenditure in the US. The IHME has extensive experience in data modeling and interactive visualization. Health care spending estimated by DEX is broken up into many granular categories, including by age, sex, disease, payer, time, and type of care.

The Analytic Support Initiative (ASI) project is a joint project of HCA and IHME, with funding from Peterson Center on Healthcare and Gates Ventures. The project has a two-year timeline, and objectives and deliverables which include health care spending analysis which can support policy recommendations that the Cost Board pursues. The data produced is meant to be useful to not just the HCA, but also other state agencies, advocates, and purchasers.

This background was provided to the Stakeholders Committee members ahead of the presentation of the Preliminary Disease Expenditure Report by Dr. Joe Dieleman of the IHME in the joint committee meeting immediately following the Stakeholders Committee. This report is the first data product produced by the project and feedback is sought to improve the report and inform the drafting of the follow-on report expected in the fall.

A committee member asked what the process is to update the data to move past 2019. Marty answered one of the first things is to involve the APCD up through 2021, depending on how late the APCD is incorporated.

Adjournment

The next meeting is Wednesday, August 21, 2024, at 2 p.m. Meeting adjourned at 4:03 p.m.