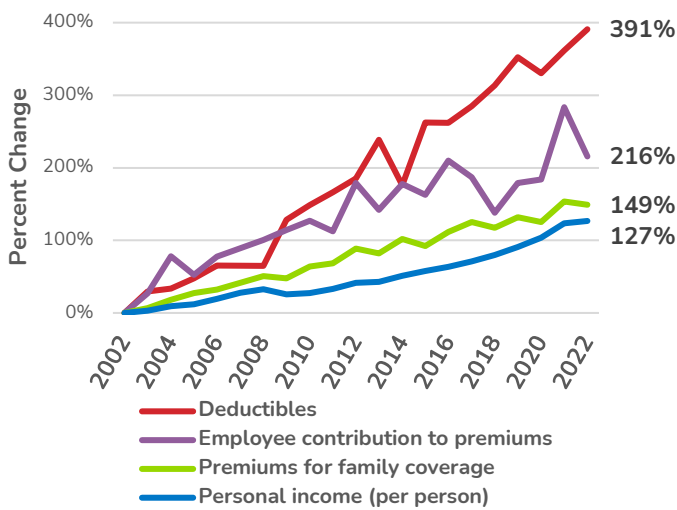


The impact of high health care costs in Washington State

Affordability for consumers

Over the past two decades, out-of-pocket health care costs for Washington consumers such as co-pays and deductibles have been outpacing wage growth. Higher health care costs have also translated to higher monthly premiums for consumers. For Washingtonians with health insurance through their employer, more health care spending gets passed on to employees in the form of employee contributions. While more is being subtracted from workers' paychecks every month, deductibles have risen even faster, increasing workers' overall financial responsibility for health care services they receive.

Figure 1. Health care premiums and deductibles outpacing income in Washington



Source: The Bureau of Economic Analysis (BEA) and the Medical Expenditure Panel Survey (MEPS)

This rise in health care costs has a real impact on affordability for Washingtonians. Mounting out-of-pocket costs drive consumers to delay care, negatively impacting their health and putting a strain on household budgets.

Figure 2. In 2022, 62% of WA respondents reported experiencing health care affordability burdens in the past 12 months

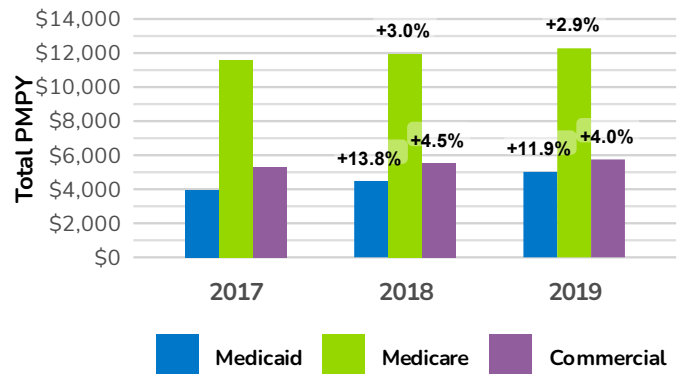


Source: Altarum's Consumer Healthcare Experience State Survey (CHES)

Increasing costs across markets

The high out-of-pocket costs experienced by Washington consumers are driven by the increasing costs of health care services for each patient. Data show that spending in each health insurance market including commercial, Medicare, and Medicaid saw substantial growth between 2017 and 2019.

Figure 3. Health care spending increasing across all markets, 2017 - 2019



Source: WA Benchmark Report: 2017-2019

The path forward

The Health Care Cost Transparency Board has been charged with gathering data annually from providers and carriers in Washington to analyze health care spending growth. Policy makers and stakeholders will use this information to find ways to control the growth of health care costs. Some opportunities may include:

- **Provider Rate Setting:** Assigning reimbursement levels for certain health care services
- **Price Growth Caps:** Establishing the highest rate of growth allowable for certain types of health care services
- **Limiting Facility Fees:** Capping additional out-of-pocket charges in outpatient services
- **Mergers and Acquisitions:** Preventing further consolidation in the health care industry

Learn more at hca.wa.gov/costboard.