

2021 Healthcare Affordability State Policy Scorecard

Polling data repeatedly shows that healthcare affordability is the number one issue that state residents, on both sides of the political aisle, want their policymakers to work on. This scorecard identifies areas where Washington is doing well and areas where it can improve. It reflects policies implemented as of Dec. 31, 2020.

STATE:

WASHINGTON

RANK:

6

out of
47 states
+ DC

TOTAL SCORE: 54.1 OUT OF 80 POSSIBLE POINTS

Washington has many policies to address affordability, but still has much work to do to ensure wise health spending and affordability for its residents. According to SHADAC, 11% of WA adults could not get needed medical care due to cost as of 2019, and the share of people with other affordability burdens is far higher. While WA's uninsurance rate (6.6%) may be a factor, healthcare is increasingly unaffordable largely due to high costs that affect everyone. According to the PCE, healthcare spending per person in WA grew 29% between 2013 and 2019, totaling \$8,129 in 2019.*

POLICY SCORE

OUTCOME SCORE

RECOMMENDATIONS

CURB EXCESS PRICES IN THE SYSTEM



7.0 OUT OF 10 POINTS

WA has made some progress in this area, with an active APCD and a healthcare spending oversight entity. However, their policies can still be expanded.

1.8 OUT OF 10 POINTS

High private prices are one factor driving costs. WA is among the most expensive states, with inpatient private payer prices at 221% of Medicare prices. Ranked 43 out of 48 states, plus DC.

Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. WA should consider creating health spending targets.

REDUCE LOW-VALUE CARE



8.4 OUT OF 10 POINTS

WA requires some forms of patient safety reporting. 79% of hospitals have adopted antibiotic stewardship. WA has taken important steps to measure the extent of low-value care being provided.

8.0 OUT OF 10 POINTS

WA has less low-value care than the national average. Ranked 5 out of 50 states, plus DC.

WA is the rare state that has taken the key initial steps to identify low-value care. The next step is enacting a multi-stakeholder campaign to reduce the use of the services identified.

EXTEND COVERAGE TO ALL RESIDENTS



9.3 OUT OF 10 POINTS

Medicaid coverage for childless adults extends to 138% of FPL. Only some immigrants can access coverage options (see back). WA uses a public option to reduce costs in the non-group market. Private payer rates are subject to affordability review.

7.7 OUT OF 10 POINTS

7% of WA residents are uninsured. Ranked 16 out of 50 states, plus DC.

WA should consider offering coverage options for undocumented adults.

MAKE OUT-OF-POCKET COSTS AFFORDABLE



5.0 OUT OF 10 POINTS

WA has some protections against short-term, limited-duration health plans and has comprehensive surprise medical bill protections.

6.9 OUT OF 10 POINTS

11% of adults could not get needed medical care due to cost. The share of people with other affordability burdens is far higher.

WA should consider stronger protections against short-term, limited-duration health plans to ensure there are none available on the market, as well as explore new policies targeting high deductibles and prescription drugs (although there are limits to state influence on employer insurance and Medicare).

APCD = All-Payer Claims Database CHES = Consumer Healthcare Experience State Survey CMS = Centers for Medicare and Medicaid Services EHR = Electronic Health Records FPL = Federal Poverty Level PCE = Personal Consumption Expenditure (Healthcare PCE measures spending growth among households as well as nonprofit, commercial and government hospitals/nursing homes) SHADAC = State Health Access Data Assistance Center SMB = Surprise Medical Bill STLD = Short-Term, Limited-Duration

Full report and additional details at www.HealthcareValueHub.org/Affordability-Scorecard/Washington

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WASHINGTON NOTES

Methodological Notes:

State rank reflects the weighted sum of the policy and outcome scoring components. A lower state rank number (i.e. close to 1) reflects a higher overall score and better performance when compared to other states. For a complete discussion of methodology, please see healthcarevaluehub.org/affordability-scorecard/methodology.



Curb Excess Prices in the System:

In order to receive credit for price transparency tools, a state's tool had to be public-facing, searchable by specific procedure and hospital and show the negotiated rate paid by insurance plans/patients (not chargemaster rate). Washington's tool met this criteria. WA has a healthcare spending oversight entity that targets all spending and an APCD. WA established a Health Care Cost Transparency Board in 2020 with the goal of reducing healthcare cost growth and increasing price transparency. The board is tasked with setting a healthcare cost growth benchmark for providers and payers, among other responsibilities.



Reduce Low-Value Care:

According to the Johns Hopkins Overuse Index created using Medicare data, WA's overuse of low-value care is -1.2 standard deviations below the national average, which is likely a good thing assuming they are also delivering appropriate care. WA is a national leader in using claims data to measure spending on low-value care and has partnered with large purchasers to tackle overuse and misuse. In June 2021, the Washington Health Alliance released a purchaser-led project's white paper, explaining how each purchaser received customized reports including 24 measures of high-value care and 48 measures of low-value care. Improper use of antibiotics is another type of low-value care. Antibiotic stewardship is the effort to measure and improve how antibiotics are prescribed by clinicians and used by patients—states were scored on what share of their hospitals follow the CDC's stewardship program. Washington mandates reporting and validation for CLABSI, but not for CAUTI.



Extend Coverage to All Residents:

WA passed legislation in 2019 to establish "Cascade Care," the nation's first public option plan. Enrollment for Cascade Care began Nov. 1, 2020 and coverage became effective Jan. 1, 2021. WA also passed legislation in 2021 establishing a premium assistance program that included public option participation requirements, building upon the 2019 legislation. WA offers Medicaid coverage to lawfully residing immigrant pregnant women and children without a 5-year wait; uses state-only funds to cover income-eligible children regardless of immigration status; and provides some services not covered through emergency Medicaid for certain pregnant or postpartum women who would otherwise be ineligible due to immigration status. WA does not offer coverage options for undocumented adults. WA's Office of the Insurance Commissioner has authority to review insurer-provider contracts.



Make Out-of-Pocket Costs Affordable:

High-deductible health plans create barriers to care for many families. According to SHADAC, the average family deductible among employer insurance plans in WA rose 34% between 2013 and 2019, totaling \$3,435 in 2019. States should consider exploring new policies to reduce financial barriers to care for people with high-deductible health plans, although there are limits to how much states can influence employer insurance and Medicare. In response to rising insurance costs, some people turn to STLD health plans, which offer lower monthly premiums compared to ACA-compliant plans. However, these policies offer less coverage, can discriminate against people with pre-existing conditions and pose significant financial risks for consumers. States received credit depending on how much they limit or protect against these plans. WA has comprehensive protections against surprise medical bills. 'Comprehensive' surprise medical billing protections include emergency departments and hospitals, apply to all insurance types, hold consumers harmless/prevent balance billing and adopt adequate payment standard or dispute resolution process. States with only some of these policies have 'partial' protections. The federal No Surprises Act prohibits surprise medical billing in most plans effective January 2022. However, it does not cover ground ambulances which often result in surprise bills. States can still implement protections in this area—76% of ground ambulance rides in WA charged to commercial insurance plans had the potential for surprise medical billing.* Beginning in 2021, WA's public option, Cascade Care, will cap provider reimbursement rates at 160% of Medicare rates for all medical services except pharmaceuticals (with reimbursement floors for primary care providers and critical access hospitals) in an attempt to make care more affordable. WA also created standardized health plans in the exchange with the goal of lowering deductibles and copays and capped cost-sharing for insulin to \$100 for a 30-day supply in 2021.

* Informational data, not used in state score or ranking. Scorecard Updated: Oct. 27, 2021