2022 Healthcare Affordability State Policy Scorecard

This Scorecard looks at both policies and related outcomes across four affordability-related areas that were implemented as of Dec. 31, 2021. Lawmakers, regulators, consumer advocates and the public can use the Scorecards to understand how their state performs when it comes to healthcare affordability policies and outcomes relative to other states and identify opportunities to improve.

STATE: WASHINGTON **RANK: 1** out of 50 states + DC

Policy Score	33.0	out of 40
Outcome Score	31.4	out of 40

TOTAL 64.4 OUT OF 80 POSSIBLE POINTS

According to the Healthcare Value Hub's 2022 CHESS survey, 62% of Washington adults experienced healthcare affordability burdens. According to the Personal Consumption Expenditure, healthcare spending per person in Washington grew 29% between 2013 and 2021, totaling $8,126 in 2021. Please note some of the outcome measures in this Scorecard include data from 2020, which may have been impacted by the COVID-19 pandemic.

CURB EXCESS PRICES IN THE SYSTEM

POLICY SCORE

7.0 OUT OF 10 POINTS

This section reflects policies the state has implemented to curb excess prices, outlined below.

OUTCOME SCORE

8.5 OUT OF 10 POINTS

WA is among the least expensive states, with inpatient/outpatient private payer prices at 174% of Medicare prices. Ranked 4 out of 50 states, plus DC.

RECOMMENDATIONS

Even states like WA with lower price levels than other states should consider creating health spending targets.

THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

✓	***Create an all-payer or multi-payer claims database to analyze healthcare price inflation, price variation and utilization*** Washington has both a voluntary all-payer claims database (APCD) and a mandatory APCD run by the state. The voluntary APCD captures 50% of the state's population and the state-run mandatory APCD captures 75% of the state's total population. Some mandatory APCD data is available to the public.
✓	***Create a permanently convened health spending oversight entity*** Washington has a permanently convened health spending oversight entity that targets all spending. The Health Care Cost Transparency Board was established in 2020, with a mission to reduce healthcare cost growth and increase price transparency. Though the healthcare cost growth benchmark does not go into effect until 2022, the Board has begun work and established benchmark values in 2021.
✗	***Create all-payer healthcare spending and quality benchmarks for the state*** Washington did not have active health spending benchmarks as of Dec. 31, 2021. In 2019, Washington created the Health Care Cost Transparency Board, which in turn developed total healthcare expenditure benchmarks. The benchmark is set at 3.2% in 2022 and will phase down to 2.8% by 2026, although there are currently no enforcement mechanisms.
✓	***Implement free, public-facing healthcare price transparency that reflects negotiated rates and features treatment- and provider-specific prices*** Washington's tool met the criteria to receive credit as of Dec. 31, 2021. To receive credit, a state's tool has to be public-facing, searchable by specific procedure and hospital and show the negotiated rate paid by insurance plans/patients (not chargemaster rate).

KEY: ✓ = implemented by state ✗ = not implemented by state ··· = the state has implemented policies, but could be enhanced

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

ALTARUM HEALTHCARE VALUE HUB

Healthcare Affordability State Policy Scorecard

STATE: WASHINGTON **RANK: 1** out of 50 states + DC

REDUCE LOW-VALUE CARE

POLICY SCORE

8.4 OUT OF 10 POINTS

WA has taken important steps to measure the extent of low-value care being provided. They require some forms of patient safety reporting. 84% of hospitals have adopted antibiotic stewardship.

OUTCOME SCORE

7.9 OUT OF 10 POINTS

Washington was among the states with the least low-value care, with 12% of residents having received at least one low-value care service. Ranked 4 out of 50 states, plus DC.

RECOMMENDATIONS

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

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✓	***Analyze claims and electronic health records data to understand how much is spent on low- and no-value services*** Washington 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.
···	***Require validated patient-safety reporting for hospitals*** Central line-associated bloodstream infections (CLABSI) and catheter-associated urinary tract infections (CAUTI) are two common forms of hospital-acquired infections. Washington mandates patient safety reporting for CLABSI/CAUTI, but does not require validation.
···	***Universally implement antibiotic stewardship programs using CDC's 7 Core Elements*** 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, and states were scored on what share of their hospitals follow the CDC's stewardship program. 84% of Washington hospitals have adopted antibiotic stewardship. States with 90% adoption or more get the most credit.

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EXTEND COVERAGE TO ALL RESIDENTS

POLICY SCORE

9.4 OUT OF 10 POINTS

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

OUTCOME SCORE

7.6 OUT OF 10 POINTS

6% of WA residents are uninsured. Ranked 17 out of 50 states, plus DC.

RECOMMENDATIONS

WA should ensure that upcoming public plans for undocumented immigrants are affordable at all income levels.

THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

✓	***Expand Medicaid to cover adults up to 138% of the federal poverty level*** Washington has expanded Medicaid.
✓	***Provide high-quality, affordable coverage options for people whose incomes are too high to qualify for Medicaid, e.g., Basic Health Plan, reinsurance or augmented premium subsidies*** Washington 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. Washington also passed legislation in 2021 establishing a premium assistance program that included public option participation requirements, building upon the 2019 legislation.
···	***Provide options for immigrants that don't qualify for the coverage above*** Washington offers Medicaid coverage to lawfully residing immigrant pregnant women and children without a 5-year wait, uses state-only funds to cover children under 215% FPL, regardless of immigration status, and provides prenatal care and 12 months of postpartum care to otherwise-eligible individuals, regardless of immigration status. Looking Ahead: In the 2022 legislative session, Washington passed SSB 5693, funding $12M in agency start-up costs, to launch a Medicaid-equivalent program for those up to 138% FPL and an Exchange-based program for others (contingent on 1332 waiver), with state Cascade Care premium assistance for those up to 250% FPL, regardless of immigration status, by January 2024.
✓	***Conduct strong rate review of fully insured, private market options*** Washington has incorporated some affordability criteria into the rate review process. Washington's Office of the Insurance Commissioner has authority to review insurer-provider contracts.

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MAKE OUT-OF-POCKET COSTS AFFORDABLE

POLICY SCORE

8.2 OUT OF 10 POINTS

WA has some protections against short-term, limited duration health plans and comprehensive protections against surprise medical bills. WA provides patient-centered, standard plan designs on their exchange. WA also caps cost-sharing for some high-value services.

OUTCOME SCORE

7.4 OUT OF 10 POINTS

WA ranked 6 out of 50 states, plus DC on affordability burdens, but 21% of adults faced any affordability burden: not getting needed care due to cost (7%), delaying care due to cost (8%), changing medication due to cost (8%), problems paying medical bills (11%), or being uninsured due to cost (73% of uninsured population).

RECOMMENDATIONS

WA should consider a suite of measures to ease consumer burdens, such as implementing stronger protections against short-term, limited-duration health plans and surprise medical bill protections not addressed by the federal No Surprises Act.

THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

⋯	***Limit the availability of short-term, limited-duration health plans*** Washington has enacted protections against short-term, limited duration health plans (STLDs) but there are still plans available with a maximum duration under one year. Some people choose STLD health plans for their lower monthly premiums compared to ACA-compliant plans. However, they offer poor coverage, can discriminate against people with pre-existing conditions and pose financial risks for consumers. States received credit depending on how much they limit these plans. See Methodology for details.
⋯	***Protect patients from inadvertent surprise out-of-network medical bills*** Washington has comprehensive protections against surprise medical bills (SMBs). 'Comprehensive' 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 SMBs in most plans effective January 2022. However, it does not cover ground ambulances. States can still implement protections in this area—76% of ground ambulance rides in WA charged to commercial insurance plans had the potential for SMBs (2021).
✓	***Waive or reduce cost-sharing for high-value services*** Washington requires any payment/discount made for the patient for prescription drugs be applied to the patient's annual OOP cost-sharing requirement. In 2022, Washington capped the total amount a carrier can require a covered patient with diabetes to pay for a 30-day supply of insulin at $35. In 2021, Washington's public option, Cascade Care, capped 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 2023, the state will be required to ensure Cascade Select plans are offered in every county and certain hospitals must participate in Cascade Select networks. The state also created standardized health plans on the exchange to lower deductibles and copays and capped cost-sharing for insulin to $100 for a 30-day supply in 2021.
✓	***Require insurers in a state-based exchange to offer evidence-based standard plan designs*** Washington has a state-based exchange with standard plan design. Washington's standard plan design went into effect in 2021. Standard plan design makes cost-sharing the same across plans within metal tiers, making it easier for consumers to compare plans. They also help regulators and exchanges negotiate or set rates with insurance carriers, which may translate to lower prices for consumers.

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