

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.

STATE:

WASHINGTON

RANK:

7

out of
42 states
+ DC

Washington has relatively high healthcare spending per person and a high percentage of residents reporting affordability problems, suggesting a need for policymaker attention.

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
EXTEND COVERAGE TO ALL RESIDENTS 	7 OUT OF 10 POINTS Medicaid coverage for childless adults extends to 138% of FPL. Recent and undocumented immigrants have some state coverage options.	8 OUT OF 10 POINTS In 2018, WA was in the middle third of states in terms of covering the uninsured, ranking 17 out of 50 states, plus DC, for this measure.	<i>Consider options that help families earning too much to qualify for Medicaid like Basic Health Plan, reinsurance or supplementary premium subsidies. WA should also consider creating coverage options for undocumented adults.</i>
MAKE OUT-OF-POCKET COSTS AFFORDABLE 	5 OUT OF 10 POINTS WA has some protections against skimpy, confusing STLD health plans and comprehensive protections against SMBs.	5 OUT OF 10 POINTS Forty percent of adult residents report healthcare OOP affordability burdens. WA ranked 25 out of 49 states, plus DC, for this measure.	<i>Consider strengthening protections against STLD health plans and pursuing strategies to lower the cost of high-value care.</i>
REDUCE LOW-VALUE CARE 	7 OUT OF 10 POINTS WA requires some forms of patient safety reporting, has non-payment policies for 'never events' and has measured the provision of low-value care. WA ranks below average for hospital antibiotic stewardship.	9 OUT OF 10 POINTS WA ranks highly in terms of reducing C-sections for low risk mothers (13 out of 50 states, plus DC) and per capita antibiotic prescribing (3 out of 50 states, plus DC).	<i>Curtailing low- and no-value care is a key part of a comprehensive approach to affordability. WA is a rare state that has taken steps to identify low-value care. Next, the state should enact a multi-stakeholder campaign to systematically reduce the use of these low-value services.</i>
CURB EXCESS PRICES IN THE SYSTEM 	2.5 OUT OF 10 POINTS Beyond establishing an APCD and some price transparency measures, WA has done little to curb the rise of healthcare prices.	6.3 OUT OF 10 POINTS Private payer prices in WA are well above the national median. The state ranks 37 out of 42 states, plus DC, for this measure.	<i>Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. WA should consider establishing a health spending oversight entity and health spending targets.</i>

APCD = All-Payer Claims Database FPL = Federal Poverty Level EHR = Electronic Health Records OOP = Out-of-Pocket Costs SMB = Surprise Medical Bill STLD = Short-Term, Limited-Duration

See state notes on page 2.

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. In this summation, the Extend Coverage to All Residents category received the biggest weight (reflecting its large impact on the uninsured population) and Reduce Low-Value Care received the smallest weight, reflecting its smaller impact on spending. 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.

The Problem:

Forty percent of Washington adults report healthcare affordability burdens, giving the state a rank of 25 out of 49 states, plus DC, for this measure. The most common burden reported was 'made changes to medical drugs because of cost' (30% of adults), followed by 'trouble paying medical bills.' According to the BEA, healthcare spending in Washington totalled \$7,779 per person in 2018.* Moreover, between 2013 and 2018, healthcare spending per person grew 28.2%.* WA residents are struggling to afford needed healthcare. The state has much work to do to ensure wise health spending and affordability for its residents.



Extend Coverage to All Residents:

Legally residing immigrant children and pregnant women are eligible for Medicaid without a 5-year wait. Coverage options are also available to undocumented children and pregnant women through CHIP's unborn child option.

Washington's insurance commissioner has the authority to review normally secret provider contracts.

LOOKING AHEAD: In 2021, Washington is introducing a public option hybrid model (Cascade Care) whereby the state will dictate the terms of plans in the Marketplace but contract with private insurers to administer those plans. Because provider rates are tied to Medicare rates, premiums are expected to decrease.



Make Out-of-Pocket Costs Affordable:

High-deductible health plans create barriers to care for many families. Between 2011 and 2016, the average deductible associated with employer coverage rose 7.6% per year in Washington.*

LOOKING AHEAD: Washington will require standard plan designs in the exchange starting in 2021.



Reduce Low-Value Care:

Addressing medical harm to improve patient safety can take many forms. One form is declining payment for services related to "never events," serious reportable events identified by the National Quality Forum (NQF) that should never occur in a healthcare setting.

Washington has partnered with large purchasers to tackle overuse and misuse.

Seventy-four percent of Washington hospitals have adopted the CDC's 'Core Elements' of antibiotic stewardship – short of the goal of 100% of hospitals.



Curb Excess Prices in the System:

Washington exhibits private payer price levels that are 237% higher than prices paid by Medicare.*

LOOKING AHEAD: For 2021, Washington is creating a hybrid public-private system where the state will contract with private health insurers to administer the plans, but will control the terms to manage costs. The new plans will cap total provider and facility reimbursement rates at 160% of Medicare.

NOTE: The very high healthcare prices seen in Alaska (relative to the national median) means that most other states received a relatively good outcome score for this category.

* Informational data, not used in state score or ranking. DOI = Department of Insurance BEA = U.S. Bureau of Economic Analysis • Scorecard Updated: Jan. 7, 2020