

# Health Care Cost Transparency Board meeting summary

October 18, 2023

Virtual meeting held electronically (Zoom) and in person at the Health Care Authority (HCA)  
2–4 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 [Health Care Cost Transparency Board webpage](#).

## Members present

Sue Birch, Chair  
Jane Beyer  
Lois Cook  
Bianca Frogner  
Ingrid Ulrey  
Margaret Stanley  
Kim Wallace  
Edwin Wong

## Members absent

Eileen Cody  
Jodi Joyce  
Mark Siegel  
Carol Wilmes

## Call to order

Sue Birch, Board Chair, called the meeting to order at 2:02 p.m.

## Agenda items

### Welcoming remarks

Chair Sue Birch welcomed board members and provided an overview of the meeting agenda. Sue Birch introduced Ingrid Ulrey as a new member of the Health Care Cost Transparency Board.

### Meeting summary review from the previous meeting

The Board voted by consensus to adopt the June 2023 meeting summary.

## Public comment

Chair Sue Birch explained, by way of background, that during prior committee meetings, a member of the Advisory Committee on Data Issues and a member of the Advisory Committee of Health Care Providers and Carriers requested that their committees consider bringing a motion to the Board. The motion included a series of questions for the Board to respond to. HCA staff agreed to respond to the questions in upcoming committee meetings as the information becomes available. The committee members voted that instead of requesting the Board to respond to the questions brought forth in the motion, a response from HCA would be sufficient. The written motion and HCA's current written response is found under [Tab 3 of the board book](#).

Chair Sue Birch called for comments from the public. Katerina LaMarche, Washington State Hospital Association (WSHA), stated they were providing public comment on behalf of Jonathan Bennett, WSHA representative and member of the Advisory Committee on Data Issues, who proposed the motion. Katerina LaMarche expounded on the items brought forth in the motion during the prior committee meetings and noted the motion requested for information they believe has not been addressed to date.

Thom Hightower, Board President of the Board of Commissioners at the Olympic Medical Center, remarked that the cost to provide care to patients has increased with inflation. Statewide hospitals lost \$750 million from operations during the first 6 months of 2023. There were unforeseen expenses in 2022 related to the necessary costs of the pandemic and labor costs continuing to increase. Their commercial payer mix decreased from roughly 18 to 15 percent causing an operating loss this year. He communicated that it is important that the cost growth benchmark does not decrease access to care.

Jeb Shepard, Washington State Medical Association (WSMA), provided further comment on the motion. They wish to inform the large provider entities that will be subject to the benchmark of the answers to the key questions to allow them to improve performance prior to public reporting. Health care costs are expected to increase significantly in the next year, including but not limited to increased price of goods, unnecessary administrative burden, prescription drug costs, and labor costs.

The public comment section of the meeting begins at [timestamp 11:22](#).

## Primary Care Data Collection and Reporting Strategy

Judy Zerzan-Thul, Medical Director of HCA, Chair of the Advisory Committee on Primary Care

Judy Zerzan-Thul [provided an overview](#) of the current data collection process from payers and the differences between the All-Payer Claims Database (APCD) and the HCA aggregate data call. The existing data call can be modified to incorporate the Board-approved primary care definition and to solve for missing data elements in the APCD. However, there are persistent challenges and data limitations by only using this method. HCA staff proposed a hybrid solution: collect claims-based expenditures from the APCD and non-claims-based expenditures from the data call. Questions and comments from the Board begin at [timestamp 29:07](#). The Board voted by consensus to adopt the recommendation of a hybrid solution of the data collection and reporting for claims-based and non-claims-based expenditures on primary care.

## Washington State Health Care Affordability Activities

Mich'l Needham, Chief Policy Officer, HCA

Laura Kate Zaichkin, Senior Policy Advisor, Health Benefit Exchange (HBE)

Jane Beyer, Senior Health Policy Advisor, Office of the Insurance Commissioner (OIC) and Board Member

Mich'l Needham [provided a general overview](#) of other cost transparency efforts across the state, including but not limited to the Department of Health's Hospital Financial Reports, Rx Price Transparency, and the newly formed Prescription Drug Affordability Board (PDAB). The Board heard about several affordability activities in the state and their respective timelines for review and reporting.

Laura Kate Zaichkin [discussed efforts undertaken at the HBE](#) to approach rising health care costs. After addressing the fact that the Individual Market only comprises 4.5 percent of the total insurance market in Washington, the HBE can identify price differences in both premiums and utilization. She presented policy options to reduce costs and address market failures at the state-level, as well as within the exchange. She summarized the performance of Cascade Care, Washington’s public option, with regards to premiums, showing an overall increase of 0.5 percent as compared to an average increase of 19 percent across other carriers between 2022-2024. Finally, while premiums of Cascade Care have risen at a slower pace than other carriers, there are policy options to strengthen the offering moving forward through innovation and analysis. Questions from the committee begin at [timestamp 52:30](#).

Jane Beyer [presented an introduction](#) to the legislatively-mandated Health Care Cost Affordability Report produced jointly by the OIC and the Office of the Attorney General (AGO) as provided by the 2023 Budget. The OIC has contracted with Health Management Associates (HMA) to prepare the report, while the AGO is focused on merger & acquisition and anti-competitive issues regarding health care affordability. A preliminary report will be delivered to the Legislature on December 1, 2023, providing an overview of the “business of health care” in Washington, and identifying policy options to address issues around affordability. A final report is due to be delivered on August 1, 2024, that contains a deeper actuarial and economic analysis of findings from the preliminary report. Jane Beyer briefly discussed the OIC’s scope on rate setting, then shared initial findings of what is driving health care costs up in Washington. Based on these drivers, recommendations to the Legislature may address balance billing for medical transport and coverage of transportation services to behavioral health or crisis service facilities. Questions from the Board begin at [timestamp 1:07:06](#).

## Benchmark and Analytic Status Report

Vishal Chaudhry, Chief Data Officer, HCA

Vishal Chaudhry [provided an update](#) to the Board on the Benchmark Analysis. He reviewed the components of Total Health Care Expenditure (THCE) in Washington, surveyed the data sources, summarized the analytic process and reporting schedule, and benchmark targets through 2026. On the HCA’s analytic process, Vishal discussed the validation of carrier-level aggregation of expenditures and how unexpected results require further clarifications with individual carriers. While the initial benchmark report will summarize state and market-level spend from 2017-19, later benchmark reports will delve into carrier- and provider-level performance against the benchmark to better understand cost drivers in Washington State. A progress report regarding the 15 carriers charged with submitting data for the benchmark was provided in anticipation of the December 7, 2023, presentation of results to the Board. The Board’s questions and comments in the presentation begin at [timestamp 1:25:16](#).

## Analytic Support Initiative

Joe Dieleman, Associate Professor at the University of Washington’s Institute for Health Metrics and Evaluation (IHME)

Joe Dieleman [led a discussion](#) to enable the Board to identify analyses that would assist with the development of health care cost mitigation strategies. The goal of the discussion was to survey eight potential analyses that IHME could produce in 2024 meeting key criteria: serve a Board need; yield actionable outputs; be both impactful and novel. Of the eight potential products proposed, five stood out as optimally meeting the criteria, while aligning with potential use cases identified by cost boards in other states. Over the course of the discussion, the Board reached a consensus to focus on Options B, C, and G, citing potential hurdles with A and D. Joe Dieleman will formalize and present the strategy for approval at the December 7, 2023 meeting. The Board’s questions and comments in the presentation begin at [timestamp 1:41:00](#).

## Adjournment

The meeting adjourned at 4:02 p.m.