

# Health Care Cost Transparency Board meeting summary

December 7, 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 Board is available on the [Health Care Cost Transparency Board webpage](#).

## Members present

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

## Members absent

Lois Cook  
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 members of the Health Care Cost Transparency Board (the Board). She encouraged board members to read [a New York Times article](#) that explores how America spends more money as a proportion of its economy than any other advanced industrialized country. Chair Birch also pointed out a [White House press release](#) outlining its recent efforts by the White House to reign in health care costs and concluded by providing an overview of the meeting agenda.

## Meeting summary review from the previous meeting

The Board voted by consensus to adopt the October 2023 meeting summary. There was feedback by board members regarding an updated format for the summary that included precise timestamps. Generally, these changes were accepted by members, but there was a preference for future summaries to provide a brief synopsis of discussion.

## Public comment

Chair Sue Birch called for comments from the public. Jeb Shepard, of WSMA, provided public comment regarding challenges in the practitioner community, referencing recent articles from the Seattle Times and the Kitsap Sun. The Seattle Times article describes the recent closure of a Seattle-area OB/GYN due to high costs and low reimbursement for Medicare and Medicaid patient care, and that these pressures drive consolidation in Washington. The piece in the Kitsap Sun outlines investments made that, while raising costs, have improved access to quality care.

Katerina LaMarche, Washington State Hospital Association (WSHA), had questions regarding whether there would be a reconsideration or reaffirmation of the benchmark for 2024 given higher labor costs, citing data from the Bureau for Labor Statistics that showed a 33 percent increase in RN wages between 2013 and 2022. Additionally, Katerina LaMarche asked that meetings be set far in advance with set agendas to maximize participation and encourage feedback. Chair Birch responded that the workplan and key dates for 2024 would be shared near the end of the meeting.

Sharon Eloranta, Medical Director at the Washington Health Alliance, brought a report on the health waste calculator to the board's attention. With the newest iteration, data from the Washington All Payer Claims Database (APCD) was run through the calculator, along with poverty data from the Area Deprivation Index dataset to allow users to explore health waste in the context of socioeconomic challenges.

Written public comments can be found in the meeting materials.

## 2024 Analytic Strategy for the Analytic Support Initiative

**Dr. Joseph Dieleman, Associate Professor at the University of Washington's Institute for Health Metrics and Evaluation (IHME)**

Dr. Dieleman presented an analytic strategy based on discussions and feedback from the Board, Health Care Authority, the Board's Advisory Committee on Data Issues, and health care subject matter experts as a part of the Analytic Support Initiative (ASI). Three analyses were proposed, building on a foundation of IHME's Disease Expenditure Project (DEX), with a fourth optional analysis. The first three analysis included: 1) estimates of health care spending by disease, payer category, and age/sex group, 2) age and risk-standardizing those estimates, and 3) using the estimates to investigate cost drivers. All outputs would be presented by county, CMS Geographic Rating Area, and Accountable Community of Health. Maps, tables, and plots would be created as the primary outputs of the analyses. Dr. Dieleman presented a fourth analysis that would investigate price differentials as a function of sites of care. The presentation touched upon potential use cases for these data analyses and products that have been of interest to cost boards and legislatures in other states and concluded with a high-level timeline for delivery of the strategy. Comments from the board centered on whether the products included a dashboard or interactive data product, with a consensus to perform the first three analyses, but not perform the fourth in favor of working to build a dashboard output. This strategy was adopted into a motion and **passed unanimously** by the board.

## Preliminary Spending Growth Benchmark of the Cost Board

**Vishal Chaudhry, Chief Data Officer, HCA**

Vishal Chaudhry presented preliminary results of the Washington Health Care Spending growth benchmark data. Prefacing the data, Vishal Chaudhry emphasized that there is still ongoing work to finalize results. The presentation began with a review of the reporting cycle timeline over the next five years, key terminology, and

which payers submitted data that went into the report. The context of the data and caveats of what data is still missing was communicated prior to presenting the State and Market levels results for 2017-2019. Total health care expenditures in Washington were \$48B in 2019, reflecting a cost growth of 7.15 percent and 5.81 percent from 2017 and 2018 levels respectively. State Spending by Category (Claims, Non-Claims, Retail Rx, Long Term Care, Physician, Hospital Inpatient, and Hospital Outpatient) showed little change in proportion between 2017-2019. Medicaid showed Per Member Per Year (PMPY) yearly growth of 13.8 and 11.9 percent in that same period, with Sue Birch and Megan Atkinson, HCA Chief Financial Officer, offering policy-related context for the growth during this period. Much of the growth was a product of legislative directives that increased behavioral health spending, provider reimbursement rates, and expanded eligibility. Medicare spending PMPY grew slower than Medicaid in the same time period (6.2 and 7.0 percent), even while total Medicare spending is significantly higher than that of Medicaid. Commercial spending increased 4.5 and 4.0 percent between 2017 and 2019. Vishal Chaudhry concluded by discussing 2024 work that included finalization of this data, the next data call for 2021 and 2022, and exploration of cost containment strategies to recommend to the Legislature. The discussion included additional explanations of where specific spend categories appear in benchmark categories, how to handle age- and gender-adjustment, and working with data submitters to accurately capture primary care spending with an updated submission template.

## Review of Broad vs. Narrow Definitions of Primary Care

Dr. Judy Zerzan-Thul, Chief Medical Officer, HCA

Dr. Judy Zerzan-Thul provided an update on the use of broad versus narrow definition of Primary Care for data categorization. In a prior meeting, the Board voted to move forward with the narrow definition. Using the narrow definition will require greater investment for organizations to achieve the 12 percent target of total health care spending and is in alignment with other states. A brief discussion by the board reviewed the rationale behind specific types of care categorized as falling under either the broad or narrow definition.

## Nomination Committee for Board Vacancies

Sue Birch, Chair of the Health Care Cost Transparency Board

Chair Birch led discussion on a proposal to create a Nomination Committee for the specific function of identifying, vetting, and presenting qualified candidates for committees to the Board for approval. The context for the creation of the nomination committee is news that three members of advisory committees are stepping down. Previously, filling committee vacancies had fallen either to the Chair or staff, but the time was right to open the process up. Chair Birch specified that the Nomination Committee could also serve the function of identifying and vetting *Board-level* candidates for presentation to the Governor, who is charged with making the appointments. Finding general support among the Board, Chair Birch asked for a motion to approve the proposal and it was seconded, **passing unanimously**. Mandy Weeks-Green, HCA's Cost Board and Commissions Director, specified that membership in the Nomination Committee likely could not be delegated due to a lack of authority. To fill an existing vacancy, Board Member Eileen Cody moved to appoint Eric Lewis, the Chief Financial Officer of WHSA, to the Board's Advisory Committee of Health Care Providers and Carriers. The motion was seconded and **approved**. A proposal to send the remaining two committee vacancies to a new Nomination Committee was moved, seconded, and **approved unanimously**.

## Nomination Committee for Board Vacancies

Mandy Weeks-Green, Board and Commissions Director at the Health Care Authority

The final discussion of the meeting was led by Mandy Weeks-Green, centering on a discussion of the workplan and calendar for 2024. The early part of the calendar is driven by the legislative mandate to submit a Legislative Report by August. The contents of this report must be reviewed, discussed, and ultimately approved by June. A February 9<sup>th</sup> Board Retreat was introduced to board members and other meeting dates in 2024 for the Board. There was a suggestion to have some flexibility on the in-person meeting date and a review of when the ASI outputs would be reviewed.

## Adjournment

The meeting was adjourned at 4:04 p.m.