



February 7, 2023

Washington State Health Care Authority
Health Care Cost Transparency Board
628 8th Ave SE
Olympia, WA 98501

Dear Members of the Health Care Cost Transparency Board,

We write to you as the patient and consumer, business, and labor union members of Fair Health Prices Washington, joining forces with one goal: to bring Washington state's health care prices under control.

For too long, we have stood by while ever-rising health care prices have caused serious harm to Washingtonians. A [recent survey](#) shows 4 out of 5 Washington respondents are worried about being able to afford health care in the future and 3 in 5 had at least one health care affordability burden in the past year. We write today to express our concern that the mission of the Health Care Cost Transparency Board (Board) is being forgotten.

In recent months, the Board has heard from health industry stakeholders encouraging you to revise the benchmark to account for inflation. But what these voices fail to say is that the high annual inflation in health care spending we are seeing now is not an anomaly. Rather, it is the [pattern](#) we have seen time and time again in our state. The Board's [annual report](#) makes this clear: from 1995 to 2014, Washington's average annual health care spending growth was 6.7%, the highest among states that have implemented a benchmark.

The Board was created to change that trend. In the [first hearing](#) for the Board's [enabling legislation](#), former House Health Committee Chair Cody explained the need for the Board: "We are all concerned about the cost of health care and how much more can this country spend out of the gross national product? We need to get a handle on how much are we spending and how do we bring down the trend line?" At a subsequent [hearing](#), Representative Cody stated, "the impetus for this bill is so that we actually measure how much the whole state is spending on health care and the goal being that we set a benchmark and try to stay below it, instead of having runaway health care costs."

Three years later, the Board's work is even more pressing, as Washingtonians continue to suffer from escalating health prices. Debt collectors are chasing nearly [400,000](#) residents for medical bills. Washington is ranked [44th worst in the country](#) for the average cost of a hospital stay. And recent polling shows that consumers are struggling under pressure from inflation too: a [record number delayed health care](#) due to cost in 2022. Unfortunately, consumers have no choice when it comes to inflation. Washingtonians can't apply an inflation adjustment factor to their paycheck and have it automatically increase to address higher costs.

The Board is now at a critical juncture. After extensive research and careful deliberations, the Board thoughtfully established a benchmark of 3.2% benchmark for 2023. [At the time](#), the Board recognized that the benchmark was assertive, but Board members focused on the impact of



increasing prices on consumers as the primary issue. We ask for you to remain strong in this goal now. Simply put, adding an inflation adjustment factor would defeat the purpose of setting a benchmark: to set a goal for our health system spending that responds to what our state can afford, and work together to curb spending over time toward that goal.

You will no doubt continue to hear from health industry stakeholders that an inflation adjustment is necessary due to post-pandemic ripple effects. We disagree for the following three reasons:

1. Our state's benchmark is [already higher](#) than the majority of other states that set a 2023 benchmark.
2. Currently, there are no enforcement mechanisms in place that would hold an entity accountable for exceeding the benchmark. Though such measures have been proposed in the Legislature, they are set out on a longer trajectory, well after the pandemic's impacts.
3. The Board can acknowledge the unusual post-pandemic inflation trends without adjusting the benchmark, for example by tracking other inflation trends as an additional data point to contextualize the findings. The Board can also continue to monitor general inflation in the months to come and evaluate further action later, recognizing that [inflation is forecast to drop significantly](#) in 2023.

If the Board chooses to stay the course, we will be in good company: Oregon's Cost Growth Target Advisory Committee [recently voted](#) to retain its current cost growth target at 3.4%.¹

Every day, Washington families set a budget and do their best to live within their means. We ask you to hold fast in your commitment to Washington patients, workers, and employers and retain the current benchmark. Please contact emily@nohla.org with any questions.

Sincerely,

Economic Opportunity Institute
Health Care for All - Washington
Health Care is a Human Right - WA
National Multiple Sclerosis Society
North Seattle Progressives
Northwest Health Law Advocates
Patient Coalition of Washington
Physicians for a National Health Plan - WA
Pro-Choice Washington
Pugset Sound Advocates for Retirement Action
Purchaser Business Group on Health
SEIU Healthcare 1199NW
Washington Poor People's Campaign
Washington State Labor Council
Washington State Nurses Association

¹ Oregon's advisory committee also voted to delay performance improvement plans for 2021-2022; this is not salient in WA since we do not have any accountability measures for the benchmark.