



Contact: Leslie Bennett
Email: leslie@nohla.org
Phone: (206) 325-6464
ext. 409

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WASHINGTON CONSUMER GROUPS TAKE AIM AT HIGH HEALTH INDUSTRY PRICES

Urge lawmakers to move bills out of House Health & Wellness Committee

OLYMPIA, WA—A key bill aimed at reducing Washington’s high health care costs is making its way through the legislature. In yesterday’s House Health and Wellness Committee, lawmakers considered [HB 1508](#), a measure to uncover the root causes of why health care prices are increasing for consumers each year and hold the industry accountable when prices are repeatedly out of line through the state’s Health Care Cost Transparency Board (HCCTB).

Prime sponsor Representative Nicole Macri introduced the bill by saying she was “proud of the work we’ve done in Washington to develop a really strong health care system” but “we should have strong concerns about how costs continue to rise here in our state.” With 20% of the state’s budget coming from health care costs, Macri said, “we are making tough choices about what kinds of services we can provide for Washingtonians with the greatest needs as we continue to see health care costs rise.”

Former long-term House Health Committee Chair Eileen Cody, who was the prime sponsor of the original [legislation](#) that created the HCCTB in 2020, made an appearance and testified in support of the bill. Addressing repeated industry complaints regarding the effects of inflation, Cody took aim at hospital executive compensation. “The Providence CEO still makes over \$10 million a year and has been one of the top ten in the country for several years now.”

The effects of rising health care costs are undeniable. “This year alone, health insurance premiums for people who buy their own coverage will increase by an average of over 8%,” according to Emily Brice, Senior Attorney and Policy Advisor at [Northwest Health Law Advocates](#). “Hundreds of thousands of people in Washington can’t get the care they need or end up with crushing medical debt. What’s worse is that communities of color are hit the hardest. We need policy solutions that will help us reduce health care costs.”

High deductibles and copays are a significant issue facing patients and [HB 1508](#) would provide the means to better understand the problem, according to Sam Hatzenbeler, Senior Policy Associate at [Economic Opportunity Institute](#). Hatzenbeler testified about a [recent survey](#) in Washington that indicated that “four out of five people reported that they were worried about affording health care and 62% said that they had had trouble paying for their care in the last twelve months. Meanwhile, large health systems and carriers continue to sit on massive reserves that in some cases are even larger than before the pandemic.” The bill would also require the HCCTB to evaluate how profit accumulation and nonprofit tax breaks contribute to state spending.

Industry representatives repeatedly strongly opposed penalties on violators of the state health care benchmark, but Bill Kramer, Senior Advisor for Health Policy for [Purchaser Business Group on Health](#), said the current HCCTB doesn’t go far enough. “Setting a cost growth goal and gathering data on cost trends are necessary first steps, but they are insufficient by themselves to hold down costs. Most importantly, we need to put in place an aggressive accountability process that includes public reporting for outliers, performance improvement plans for those that are not meeting targets, and ultimately financial incentives for those that do not consistently meet the targets.”

Small business owner and organizer with [Washington Community Action Network](#), John Godfrey, cast doubt on the health care industry’s claim that inflation is the reason for high health care costs. “We know health care costs have been rising unsustainably long before COVID.” Calling health care costs “a major burden,” Godfrey urged the committee to consider it from their constituents’ perspective, “health care systems need to operate within financial constraints, just like Washingtonians and our own state budget.”

There is widespread bipartisan support for government action to address health care costs. “More than 80% want the government to set limits on health care spending growth and penalize excessive spending, establish acceptable prices for drugs, strengthen policies to drive more competition, and impose controls on price contracts,” says Jim Freeburg, Executive Director of Patient Coalition of Washington. “Now is the time for legislators to fulfill their promise to voters and act. People are suffering and this measure needs to move out of committee, because we can’t afford to continue with business as usual.”

To continue this session, this bill must make it out of the House Health Care and Wellness committee by February 17th.

The measure to improve the HCCTB is among several policy proposals being supported by [Fair Health Prices Washington](#), a new effort by patients, workers, and employers working together to address high health care prices through evidence-based policy solutions.

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