

FACT SHEET: HB 1379/SB 5393

IMPROVE HEALTH CARE AFFORDABILITY THROUGH FAIR NEGOTIATIONS

Washington's largest health systems are using outsized market power to demand higher payments from insurers, which in turn inflates prices for consumers without improving care. We need guardrails on anti-competitive behavior during negotiations between providers and insurers so competition can bring down prices for patients, workers, and employers.

THE PROBLEM: UNFAIR PROVIDER NEGOTIATIONS DRIVE UP HEALTH PRICES

Consolidations in the health care industry have created large and powerful health systems that have too much control in setting prices. In 2017, big health care systems [controlled 73%](#) of the hospital beds in our state. In 6 counties, a single system had [100% of hospital beds](#). Consolidations often result in [price increases of 20% or more](#). Typically, quality of patient care [does not improve](#).

Washington residents are ready for change: [87%](#) say the government should strengthen policies to drive competition in health care markets.

In contract negotiations, some large health systems require insurers to contract with all the hospitals and providers in its system, even if an insurer only wants to contract with the lower-cost, higher-quality hospitals in a specific geographic area.

CASE STUDY:

The Everett Clinic is a dominant health care provider in Snohomish County. In 2017, Everett Clinic was bought up by Optum, a large national for-profit health system owned by UnitedHealth Group, which earned \$28.4 billion in profits in 2022. Then, the Everett Clinic's corporate owners bought up a local independent physician practice and raised the prices up to their higher rate, without justification.

TAKEAWAY: Premera tried but failed to stop this behavior through a lawsuit.

THE SOLUTION: STOP ANTI-COMPETITIVE PRICE NEGOTIATIONS

We can prevent anti-competitive behavior when health care systems negotiate with insurers with an [expert-recommended](#) tool. [HB 1379/SB 5393](#) would:

- Prevent common anti-competitive practices in contract negotiations between insurers and providers
- Direct the AGO and OIC to study anti-competitive behavior

Please support [HB 1379/SB 5393](#).