Issue Brief: The True Price of Health Care
How are high health care prices impacting Washingtonians?

The escalating cost of health care in Washington State has reached a breaking point. From patients unable to afford essential care to employers straining under the burden of health insurance costs, every Washingtonian is paying the price for the unchecked power of the health industry.

Washingtonians are going without care due to high health care costs.

Too many people live in fear of getting sick or wind up with medical debt from getting the care they need. **Recent surveys** of Washingtonians highlight the severity of the crisis:

- **Missed care.** Over half went without medical care, skipped doses, cut pills in half, or didn't pick up a prescription because of cost.
- **Rural hardships.** 1 in 2 rural residents depleted savings, sacrificed basic necessities like food or rent, or incurred debt to pay for medical care.
- **Disparities.** Low-wage earners, people with disabilities, and Black or Hispanic respondents reported higher rates of going without care and incurring health care debt.

The health care industry is forcing people into debt and bankruptcy.

- **Ruined lives.** Debt collectors can tack on an additional 50% fee on the charges and garnish up to **20% of every paycheck or wipe out all but $2,000** in a bank account.
- **5% of WA in debt.** **400,000 Washington residents are being sued** by debt collectors because of medical bills they can't afford to pay. There are even more who are hounded by hospitals, medical groups, and insurers for past-due bills.

WA Patients Speak Out: We Can't Afford to Get Sick

Caleb K. has a heart condition and makes too much money for Medicaid coverage, but can't afford the cost of health insurance.

"Every day I am faced with the possibility that my heart will give out and I will again be taken to an ER and face thousands of dollars in medical bills. There are a lot of hard working people like me, trying to do the right thing in life to get ahead, but you can't do that if you're not up to full health and it's hard to be at full health when you can't even afford to go to the doctor."

FAIR HEALTH PRICES
WASHINGTON

Washingtonians are facing unprecedented premiums and out-of-pocket costs.

Washington families and employers are facing ever-increasing health care costs that are far surpassing our budgets and threatening our economic security.

- **Escalating premiums.** The average premium for individuals and families **doubled** in the last decade and just keeps growing. Washingtonians who buy their own coverage will face a **9% average premium increase** in 2024, on top of last year's **8% premium increase**.
- **Staggering out-of-pocket costs.** When insured families try to use coverage, they face extra costs for deductibles and copays that can reach **$18,900** each year, far **outpacing average wages** for Washington residents, which fall between $41,000- $81,000.
- **Unchecked inflation.** Though all Washingtonians are struggling in the recent economy, health care price inflation has been excessive, increasing **114% compared to 81%** for all other goods and services.
- **Squeezed employers.** From 2010-2020, Washington **employers faced a 49% increase** in premiums for their workers and employees faced a 51% increase in their deductibles. This increasing cost burden threatens employers' ability to pay a fair wage and employees' stability.

Washingtonians are ready for action.

These problems are not going to fix themselves. Recently-surveyed Washingtonians across party lines **agree** that it's time for lawmakers to get our health system back on track:

- **Manage excess prices.** 2 out of 3 say the reason for high health care costs are the unfair prices charged by hospitals, drug makers, and insurance companies.
- **Time to step in.** 4 out of 5 say the government should set limits on health care spending growth and penalize payers or providers that fail to comply.

New data is helping us understand what's driving health care spending, including the prices charged by certain large hospital systems, providers, and pharmaceutical suppliers. But data alone is not enough and we know there isn't one solution to the problem.

Fair Health Prices Washington is an effort by patients, workers, and employers to take on the high cost of health care with a range of proven data-driven policy solutions.

Visit fairhealthprices.org to learn more.

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