



FACT SHEET: HB 2066/SB 5948

IMPROVE HEALTH CARE AFFORDABILITY THROUGH FAIR MARKET 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. It's time for new tools to curb these price increases so competition can bring down prices for patients, workers, and employers.

THE PROBLEM: UNFAIR PROVIDER NEGOTIATIONS DRIVE UP HEALTH PRICES

In 2017, big health care systems [controlled 73%](#) of the hospital beds in our state and now [8 hospital systems control 90%](#) of licensed beds. In 6 counties, a single system had 100% of hospital beds. Recent [reports](#) from the Insurance Commissioner and the Attorney General discuss how consolidations can result in higher [prices](#) and lower [quality](#).

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

Some large health systems use their market advantage to include “**all-or-nothing**” clauses that require insurers to include all providers in the network, even those that are lower quality. With “**anti-tiering**,” they require certain providers to have the most favorable cost-sharing status so more patients go to them and “**anti-steering**” provisions prevent insurers from incentivizing certain providers. The [Attorney General](#) says most anti-competitive contract clauses are not prohibited in Washington and “banning or restricting these clauses can be more efficient and effective than litigation.”

CASE STUDY:

In a recent [letter](#) to the legislature, Premera and Regence describe how several large systems, including University of Washington, Optum (The Everett Clinic and Polyclinic), EvergreenHealth, and Peacehealth, were using “strong-arm negotiating tactics” to require increases of **50%** and as high as **75%** over three years, substantially higher than targets set by the state. This results in higher costs for consumers and employers.

THE SOLUTION: STOP ANTI-COMPETITIVE PRICE NEGOTIATIONS

We can prevent anti-competitive behavior when health care systems negotiate with insurers with an [expert-recommended](#) policy. A similar measure recently [passed with bipartisan support](#) in Texas. [HB 2066/SB 5948](#) would:

- **Prevent all-or-nothing, anti-steering, or anti-tiering** requirements
- **Allow the Attorney General to enforce** violations under the Consumer Protection Act

Please support [HB 2066/SB 5948](#).



Help make health care more affordable in Washington!
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