

# FAIR HEALTH PRICES

## WASHINGTON

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### **New National Report Shows Many Washington Nonprofit Hospitals Provided Less Community Benefits than Received in Tax Breaks**

**SEATTLE, WA** - Washington's nonprofit hospitals lag behind most of the country when it comes to fulfilling their community obligations, according to Lown Institute's new [Fair Share Spending report](#) released earlier this week. According to the available 2021 IRS filings, 40 of Washington's nonprofit hospitals received an estimated \$970M more in federal tax breaks than they gave out in charity care and other community benefits, including subsidized health services, cash and in-kind contributions, and community building activities.

Three health systems with [the highest deficits](#) in the country have hospitals in Washington state; Kaiser Permanente totaling -\$1.2B, Providence totaling -\$1.0B, and CommonSpirit Health operating as Virginia Mason Franciscan Health, totaling -\$823M. Many of these hospital systems also received large [federal bail-outs](#) in the same time period.

While all Washington hospitals are required to provide charity care to financially eligible patients, many patients still face challenges getting the care they need. Debt collectors are [chasing](#) 400,000 Washingtonians for costs associated with medical treatment. That is not surprising given Washington has the nation's [4th highest](#) average charge per day for a hospital stay, at \$3,843. A person in Washington earning a minimum wage of \$16.28 would have to work 1,052 hours to pay the cost for an average hospital stay of [\\$17,127](#).

"Patients with cancer and other serious conditions are suffering," says Adam Zarrin, Regional Director of State Government Affairs for The Leukemia & Lymphoma Society. "The price of their care is rising at an alarming rate; this report tells us that meanwhile, hospitals are shirking their responsibilities to provide charity care."

There are ongoing efforts to improve the charity care and community benefits provided by Washington hospitals. Legal actions by Washington Attorney General Bob Ferguson involving [Providence](#) and [PeaceHealth](#) recently resulted in significant penalties for the hospital systems' failure to provide charity care to thousands of patients who should have been eligible but

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instead faced millions in medical debt. The Attorney General's actions will yield millions in patient refunds.

Patient advocates applaud these actions but say more is needed. "Hospital community benefit is just one small piece of Washington's larger health care affordability problem," says Northwest Health Law Advocates Deputy Director Emily Brice. "Too many people simply can't afford health care and we need to look at the bigger picture."

This session, the legislature passed [HB 1508](#), sponsored by Representative Nicole Macri (D, 43rd), which includes a state underinsurance survey to study the number of Washingtonians who delay or forgo care due to cost, analyze rising premiums and out-of-pocket costs, and examine insurance trends for employers and employees. That's important to Jill Nelson, owner of Hot Diggity! dog walking services in Vancouver, WA. "The escalating costs of healthcare threaten my financial stability and hinder the growth of my business. As a result, I have had to make tough decisions like delaying hiring and contemplating increasing prices to offset these rising costs."

State budget writers like Rep. Macri are looking at the issue from every angle. This year's budget directed state agencies to look at a number of health care affordability issues, including the state tax breaks nonprofit hospitals, medical providers and insurers receive. "We need to address our health care affordability crisis, and this information is critical to helping us develop the policy solutions that will work best for Washington," says Rep. Macri. "When health care is one-fifth of our state budget and my constituents still have to choose between going to the doctor and paying rent, it's time for a fresh approach."

Implementing effective policy solutions is the focus of [Fair Health Prices Washington](#), a campaign of patients, workers, and businesses that supported [HB 1508](#) and other bills in the 2024 legislative session such as [SB 5986](#), banning surprise bills for ground ambulance services and putting a limit on what can be charged. "While we are encouraged by these gains, we know that these are just the first steps and we need to continue the fight for incentives that put patients over profits," said Sam Hatzenbeler, Senior Policy Associate at the Economic Opportunity Institute.

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