



# HEALTH SYSTEM TRANSPARENCY



## Approve ESHB 2036 to improve accountability and access

**Healthcare spending is growing faster than purchasers can sustain while policymakers and patients face a delivery system that is increasingly complex and consolidated. While we have some price transparency, we have not yet overlaid that with network transparency in order to make this information more actionable.**

Nationally, hospitals account for one third of healthcare spending. Spending on hospitals is increasing steadily – this reflects greater growth in prices, in spite of slowing growth in the volume and intensity of services.<sup>1</sup> Meanwhile the healthcare system is changing rapidly due to financial and practice consolidation and technological changes. This is creating gaps in our regulatory system and increased confusion and loss of agency for patients.

**Several states – including California and Oregon – have taken action to regulate and oversee their increasingly consolidated healthcare delivery system.**

QUESTION	OTHER STATES	ESHB 2036
How are health systems and facilities spending money? Where does their revenue come from?	CA, GA, MA, ME	Health systems create a consolidated annual income statement and balance sheet including all entities operating in Washington state. All hospitals disclose 14 new categories for “other” expenses and 11 new categories for “other” revenues. <sup>2</sup>
How much are patients paying for facility fees?	CT	Standardizes reporting on facility fees for affiliated clinics by closing a loophole.
What are affiliated organizations?	CA, MA	Consolidated annual income statement and balance sheet will show affiliated entities operating in Washington state.
What’s happening with quality, staffing and finances in clinics, where healthcare is shifting?	CA, OR, TX	Requires ambulatory surgery facilities to report on service utilization, number of patient encounters, acquisition of equipment or capital investments.
Are hospitals truly meeting their community benefit obligation?	CA, CO, GA, IL, NV, OR	Report on cost to provide community benefits and how these activities meet identified community needs. <sup>3</sup>
What is the process for sending patients to collections for medical debt?	CA, CO, GA, IL, OR	Requires disclosure if there is a revenue-generating relationship between a hospital and debt collection company.

To ensure patient access while addressing costs in the healthcare system, we need to understand cost drivers in the areas of largest healthcare spending: healthcare delivery. **Washington needs up-to-date oversight and transparency to create a sustainable healthcare system that works for us all.**

1. CMS Office of the Actuary Releases 2018 National Health Expenditures, Dec. 2019. [cms.gov/newsroom/press-releases/cms-office-actuary-releases-2018-national-health-expenditures](https://www.cms.gov/newsroom/press-releases/cms-office-actuary-releases-2018-national-health-expenditures)  
 2. Most hospitals disclose remaining uncategorized “other” expenses/revenues over \$1 million. (Sole community and critical access hospitals exempted.)  
 3. Sole community and critical access hospitals report on 10 activities, compared to 20 activities for other hospitals.