Where You Live Matters

Washington Health Alliance Community Checkup 2024

WASHINGTON HEALTH ALLIANCE

Contents

About this report:

The Community Checkup Report is the definitive report of trusted, thorough analysis of quality and cost of health care in Washington state. The Washington Health Alliance has been publishing the Community Checkup since 2009. It relies on our voluntary All-Payer Claim Database, which encompasses more than 4 million covered lives across Washington state for both commercial and Medicaid insurance. Results are provided for 1,875 clinics, 325 medical groups, 100 hospitals and 16 health plans along with all 39 counties and nine Accountable Communities of Health.

Building off our original work on the quality of care in Washington state, the Alliance has expanded in the reporting in recent years to include Total Cost of Care. In 2023, the Alliance introduced the lens of equity into our reporting with the Neighborhood Atlas (Area Deprivation Index) tool, validated by the Center for Health Disparities Research at the University of Wisconsin School of Medicine and Public Health.

For highlights drawn from our reporting and to see scores for medical groups, clinics, hospitals, health plans, counties and Accountable Communities of health, please visit: www.wacommunitycheckup.org.

Executive Letter

Jan. 2024

Dear Community Members:

Where you live impacts your health. The 18th edition of the *Community Checkup* report continues to show stagnant quality of care and builds upon areas of explicit decision-making bias throughout our health care system. We demonstrate how the health risk of a population is adversely impacted by where they live, resulting in inequities in quality, access, and affordability.

Since 2008, *Community Checkup* has been providing purchasers, health plans and providers impactful insights into the quality of care provided, where care is best and how do we make it even better. Again this year, we have focused on an important view into health disparities. We clearly show how those in more deprived neighborhoods received lower quality care, accessed care in inappropriate settings or avoided care all together.

A new functionality introduced this year is demonstrating value, as defined as quality divided by cost. This tool allows the user to rank medical group, county, and Accountable Community of Health (ACH) performance based on their inclination toward quality or costs. For example, if you value quality more than cost, you can set the tool based on those preferences.

Everyone has a role in helping Washingtonians live their healthiest lives. We recognize those provider groups who actively engage with our multistakeholder organization as they continue to show the highest scores on quality. The top nine medical groups and 24 of the top 25 clinics are Alliance members. While we still have work to do on affordability, payment reform, and administrative simplification, active engagement in the Alliance and its membership makes a difference.

What can we do today?

Assign primary care providers (PCP). Over 30% of Washingtonians do not have a PCP, though having one improves quality and lowers costs as much as 30% through prevention and proper management of chronic conditions.

Employers, plans, and providers must **collaborate to remove barriers to equitable quality, access, and affordability**. Examples include targeting populations with increased risk or disparities in care; modifying plan designs to lift financial barriers; and helping providers through prospective payment models aligning accountability for quality and cost. Employers should navigate their members to the best care at the most affordable rates.

Address transparency in pharmacy pricing by offering fair “cost plus” pricing, removing rebates that skew formularies and eliminating extra fees by intermediaries that result in no value to the consumer.

While we continue to have a behavioral health access crisis, we should move forward in **measuring behavioral health outcomes** in the care being delivered and reimburse BH providers based on those outcomes.

We must **eliminate waste in the healthcare system**. In December we reported $126 million wasted on only 48 common services. This is the tip of the iceberg. No patient should receive care that professionals attest has no value.

We all have a lot of work ahead of us to catalyze change in Washington’s health care system. This must be a collective effort. It begins with everyone making a choice to change.

Sincerely,
Andrew B. Oliveira, MD, MHA
Executive Director

Paths to Action

The 2024 Community Checkup report raises tough questions, not just about disparities in quality and cost statewide, but on the socioeconomic barriers that are keeping residents from receiving appropriate care.

As we look toward our future work, the Alliance has defined four areas in which we can take actions with our membership to ensure all Washingtonians receive equitable high-quality care that is accessible and affordable.

Addressing Equity

Purchasers Actions:

- Collect REL data and provide to health plans.
- Coinsurance (e.g. HDHPs) impact on equitable outcomes.
- Understand where your employees live, assess neighborhood disparities and work to understand specific barriers.

Plans Actions:

- Act on SDoH indexes: pay for equity initiatives.
- Address high risk locations.
- Address providers with high variations across member neighborhoods.

Providers Actions:

- Population health panel management.
- Review high risk patient neighborhoods and pull patients into practice.
- Target removing barriers for access (e.g. advanced access scheduling).

Primary Care Today

Purchasers Actions:

- Plan design to require primary care assignment.
- Alternative payment models for PCP that are value based including both quality and financial accountability.

Plan Actions:

- Promote integrated primary care practice development with consistency among plans.
- Progressive move from FFS to prospective payments to PCPs.
- Administer PCP-assigned plan design.
- Standardized consistent measure sets among plans.

Providers Actions:

- Adopt integrated PCP team-based approach including behavioral health.
- PCP practices manage panel populations including addressing equity barriers.

Manage Pharmacy Coverage & Expenses Transparently

Purchasers Actions:

- Work with consultants for full transparency into Rx costs.
- Elimination of rebate driven formularies
- Prefer a Cost + pricing model.
- No extra consultant fees, rebate aggregators or spread pricing.

Plans Actions:

- Transparent pricing including ASO fee offsets.
- Lowest total cost pricing models.
- Standardize measure sets.

Providers Actions:

- Risk based contracting should include total Rx cost of care.

Hospital Fair Pricing

Purchasers Actions:

- Review commercial hospital pricing.
- Collectively move the contracting discussion from current fee-for-service to a reasonable multiple of Medicare.
- Steer to highest value facilities.

Plans Actions:

- Contract to allow breakeven rates.
- Develop networks of highest quality, lowest overall cost facilities.

Providers Actions:

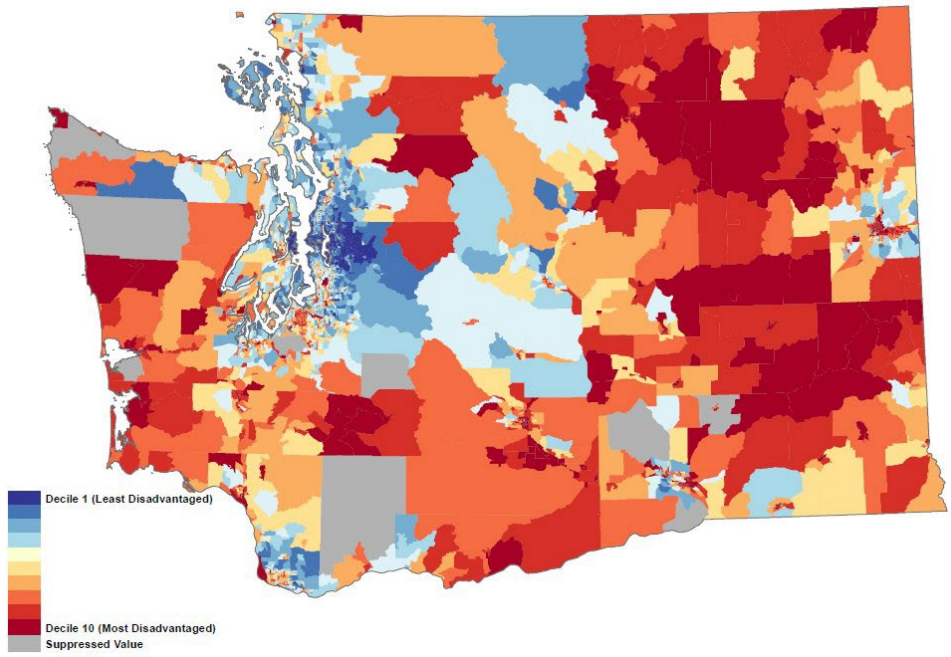
- Review contract rates to breakeven.
- Contract for market share based on pricing and quality.
- Deliver meaningful charity care and community benefit required to maintain non-profit status

The Importance of Where You Live

To view quality and cost of health care in Washington state through a one-size-fits-all lens would be unreasonable. Our state is vast, from towns with hundreds of residents to cities with hundreds of thousands. Access to care for our rural, urban and suburban populations remains a challenge for unique reasons.

In 2022, the Alliance first reported on healthcare differences by county. In our remotest counties, the cost to receive care went up, and the quality faltered. But even that analysis provided a limited picture of disparities residents face given that even our smallest communities are diverse. Washington also faces a sharp socioeconomic divide not just across regions but within cities and counties.

Figure 1: Atlas Area Deprivation Index Scaled for Statewide Comparison[1]



Utilizing the Neighborhood Atlas, a tool validated by the University of Wisconsin School of Medicine and Public Health, the Alliance can break down millions of claims annually into the unique communities in which people live. From there, the Neighborhood Atlas gives us a view into socioeconomic characteristics of the area from level of education and income to housing certainty and access to transportation.

This tool ranks communities, broken down to census block groups, into deciles. Residents in Decile 1 live in the areas with the most advantageous socioeconomic characteristics as defined by Neighborhood Atlas, and residents of Decile 10 live in areas with the highest level of socioeconomic challenge. For example, much of Bainbridge Island ranks as Deciles 1 or 2, while much of Bremerton ranks as Deciles 9 or 10.

This lens allows us to understand how quality, health status and cost can vary down to a resident's neighborhood, where distinct challenges, burdens and barriers are most acute.

In general, quality, health status and cost are negatively impacted by where you live, which means every community should assess the barriers, shortcomings and other factors affecting their neighborhoods, and engage with employers, health plans and providers to mitigate the effects of these challenges.

Quality

The quality of care our neighbors receive is not equal. For a resident living in an area designated Decile 10, our analysis shows wide disparities in rates of key screenings, access to care and other substantial measures.

Most glaring is the access to well care visits for children, a crucial step in building a life-long relationship with the health care system, receiving age-appropriate immunizations, and ensuring proper development.

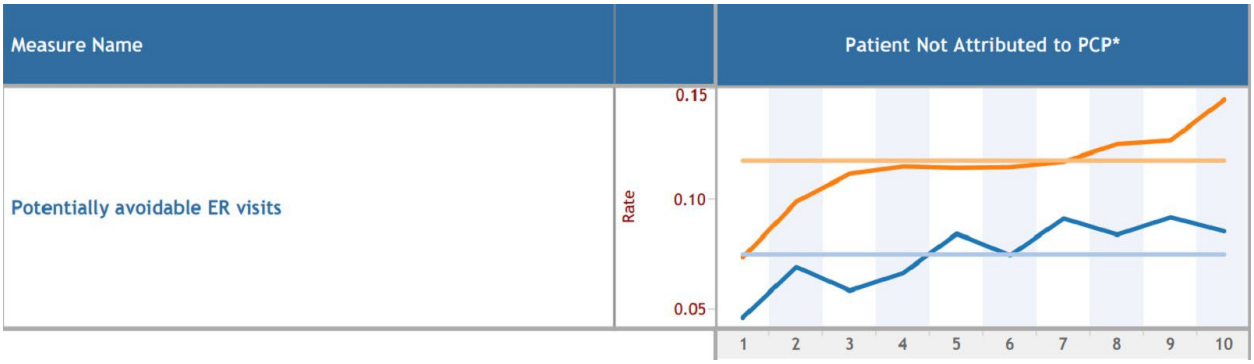
Other preventative measures, such as screenings for breast, cervical and colon cancer – routine and important to prevent life-threatening disease – follow a similar downward trend from the areas of high advantage to those of less advantage. The trend is particularly acute for commercially insured residents.

Figure 2: Commercial Insurance well-care visits by Area Deprivation Index

Through this analysis, we highlight percentages of those residents who are not attributed to a primary care provider. Since these metrics are primary-care based, those residents without an attributed PCP often receive quality of care that is far below the state average.

Further illustrating the importance of a PCP, the quality of care typically drops even more for those without a PCP as the disadvantage of where they live increases. A notable exception is seen in the metric tracking potentially avoidable visits to the emergency room, in which there is a considerable rate increase, which means that residents in lower deciles are receiving care they should not be in the emergency room.

Figure 3: Commercial and Medicaid insurance potentially avoidable ER visits by Area Deprivation Index Deciles



The blue line represents commercial insurance, and the orange line represents Medicaid.

What we have shown here is not an exhaustive list of disparities in the quality of care, but a starting point for where we can make demonstrable change in the health care system to close care gaps and improve the health of our communities.

Cost

Much like quality, the total cost of caring for our residents can have significant differences based on where they live.

There are some clear trends in this year's report. For those with commercial insurance, as the Area Deprivation Index decile rises, so does the spending on hospital-based care. However, the figure drops for spending in professional care settings. For example, $13 less is spent per member per month on inpatient care in a hospital for those in Decile 1 than those in Decile 10. However, $38.50 per member per month is spent on professional care for residents in Decile 1 compared to Decile 10. If you live in an advantaged neighborhood, you get more care in a provider office and use less hospital inpatient and outpatient care.

Overall, however, the cost of care for residents increases in areas of the highest socioeconomic advantage. It costs, on average, $403.58 per member per month if the member lives in Decile 10 compared to $442.65 for Decile 1 (Risk-adjusted and High-cost outliers excluded).

Figure 4: Per Member Per Month Spending Across Categories by Area Deprivation Index Deciles

		Insurance Type / ServiceSetting					
		Commercial					
Entity Name	StateADI	All Settings	Ancillary	Facility Inpatient	Facility Outpatient	Prescription Drug	Professional
WA	1	442.65	12.27	48.90	119.57	86.91	165.72
	2	442.12	11.22	56.68	120.28	86.99	161.66
	3	441.54	11.44	62.78	124.24	85.62	155.74
	4	432.83	11.00	63.00	119.75	86.15	151.96
	5	428.77	11.75	62.71	119.42	84.39	150.18
	6	433.19	11.78	66.26	123.87	85.04	145.98
	7	419.44	10.58	64.97	122.63	81.72	140.51
	8	420.84	11.01	66.26	128.96	78.50	135.98
	9	409.66	11.38	60.71	126.75	81.13	130.38
	10	403.58	11.41	62.60	124.24	80.59	124.47

In this analysis, we show that patients who are not attributed to a primary care provider are also likely to face a greater cost of care overall. Those without a PCP see costs increase roughly $100 a month in all settings. For our most disadvantaged residents without PCPs, costs are higher in facility inpatient and facility outpatient settings – largely hospitals – while our most advantaged residents with a PCP see the highest spending in professional settings.

Figure 5: Per Member Per Month Spending Across Area Deprivation Index Deciles for Non-PCP Attributed Patients

		Insurance Type / ServiceSetting					
		Commercial					
Entity Name	StateADI	All Settings	Ancillary	Facility Inpatient	Facility Outpatient	Prescription Drug	Professional
Patient Not Attributed to PCP	1	549.89	18.85	79.51	134.13	99.84	207.14
	2	561.29	16.40	98.63	138.68	101.89	202.21
	3	545.98	14.59	102.41	136.07	100.41	191.19
	4	552.62	15.90	105.28	149.69	104.45	178.44
	5	540.82	15.52	101.52	149.82	97.67	178.61
	6	539.00	16.69	105.26	147.51	99.15	171.99
	7	551.42	16.06	109.92	160.53	99.65	169.37
	8	524.46	17.90	102.70	166.15	84.54	162.85
	9	508.29	15.14	96.16	154.05	90.31	157.02
	10	536.88	18.03	106.69	168.25	95.47	152.17

Another alarming trend is that illness burden, as measured by the risk score, increases as the decile rises in all settings. The impact of where someone lives is seen most significantly in the difference of illness burden in the facility inpatient setting, mirroring the increased per member per month spending disparities for this category.

This higher risk for illness is problematic when those same neighborhoods are receiving a lower quality of care and accessing the health care s with fewer physician visits, instead having more emergency room visits and hospital care.

Figure 6: Risk Score For Washington Residents Across Area Deprivation Index Deciles

		Insurance Type / ServiceSetting					
		Commercial					
Entity Name	StateADI	All Settings	Ancillary	Facility Inpatient	Facility Outpatient	Prescription Drug	Professional
WA	1	0.94	0.84	0.81	0.91	1.03	1.01
	2	0.95	0.90	0.86	0.93	1.02	0.99
	3	0.96	0.90	0.92	0.93	1.02	0.98
	4	0.97	0.93	0.95	0.95	1.03	0.98
	5	0.97	0.94	0.96	0.96	1.03	0.97
	6	0.99	0.98	0.98	0.97	1.05	0.97
	7	1.01	1.02	1.04	1.00	1.06	0.97
	8	1.01	0.99	1.02	1.02	1.06	0.97
	9	1.05	1.04	1.08	1.04	1.12	1.00
	10	1.04	1.01	1.07	1.04	1.14	0.97

We should work to ensure that all residents are engaged in an ongoing care relationship with a primary care team to actively manage their health. Through this, we can improve outcomes, close gaps in care and see a reduction in the total cost of care for those communities.

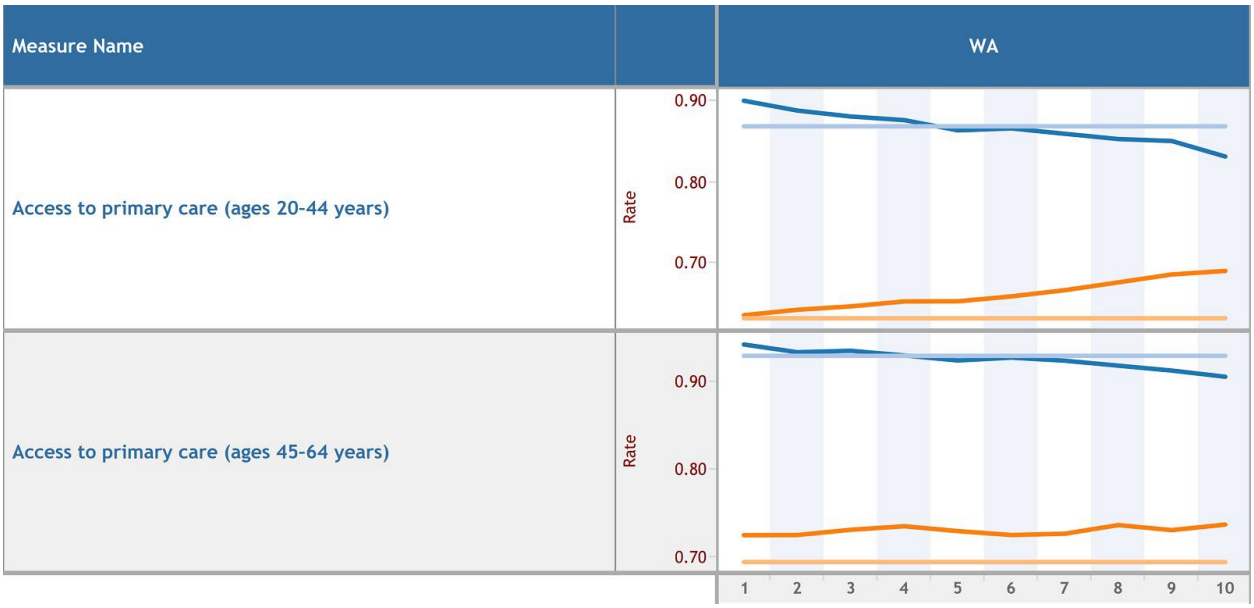
Access

Having insurance coverage and the ability to access care can be different things. We found that your neighborhood may have a profound impact on access to healthcare services.

For the commercial population, we find that 94% of residents in Decile 1 have claims, indicating contact with the healthcare system. However, in the most disadvantaged areas, Decile 10, 81% have claims – meaning that 19% of people are not utilizing, or are avoiding care, possibly due to insurance plan types. For Medicaid, the opposite appears true where in 16% of those living in Decile 10 have no claims, yet in the most advantaged areas, Decile 1, 21% have no claims.

For metrics tracking access to primary care, a crucial measure, commercially insured residents in Decile 1 have the highest access but that rate drops steadily down to Decile 10. However with Medicaid, the picture improves slightly across deciles, most notably in access to primary care for individuals age 20 to 44 where the rate gradually improves five percentage points.

Figure 6: Access to Primary Care Rates Across Area Deprivation Index Deciles



The blue line represents commercial insurance, and the orange line represents Medicaid.

Access to primary care is an important metric to investigate. It shows how our commercial insurance performance drops along deciles while the performance of Medicaid improves, raising important questions about how barriers can differ within where someone lives by the type of insurance they have.

While the exact reason is not clear, one hypothesis is for those with Medicaid in an advantaged neighborhood may not have providers who accept Medicaid. For some, another barrier to access may be the inability to get time off work.

Access is a crucial issue at the top of the funnel. The quality and cost of care mean little if people are not accessing it in the first place. Understanding the disparities in access and potential avoidance of care across our communities is an essential step in improving care.

Comparing Washington State to National Benchmarks

The Community Checkup provides the opportunity to make statewide comparisons of important health care quality measures and to compare Washington's performance with available national benchmarks. For many measures, our results can be compared with the national 90th percentile performance within the Healthcare Effectiveness Data and Information Set (HEDIS) dataset published by the National Committee for Quality Assurance (NCQA).[2]

HEDIS is one of the most widely used tools to measure performance across the country. As of this writing, it is used by more than 1,000 health plans that cover 191 million people, more than half of the U.S. population. It examines how people get preventive care, care provided to people with chronic conditions, and whether people are receiving potentially avoidable care that has the potential to cause them physical, emotional, or financial harm.

These charts show how Washington state compares to the national HEDIS benchmarks reported by NCQA. The benchmarks are calculated based upon commercial and Medicaid health plan information submitted to NCQA. When Washington's state average is at or above the national 90th percentile, it means that, on average, Washington performed better than 90% of the plans submitting data for that particular measure. Similarly, when the Washington state average is below the national 25th percentile, it means that overall, the quality of care in Washington falls below 75% of plans reporting nationally. Due to differences in the benchmarks for the commercially-insured and Medicaid-insured, the results are always reported separately for each group.

The figures on the next page (Figures 7 and 8) summarize how well Washington state results compare with national benchmarks as follows:

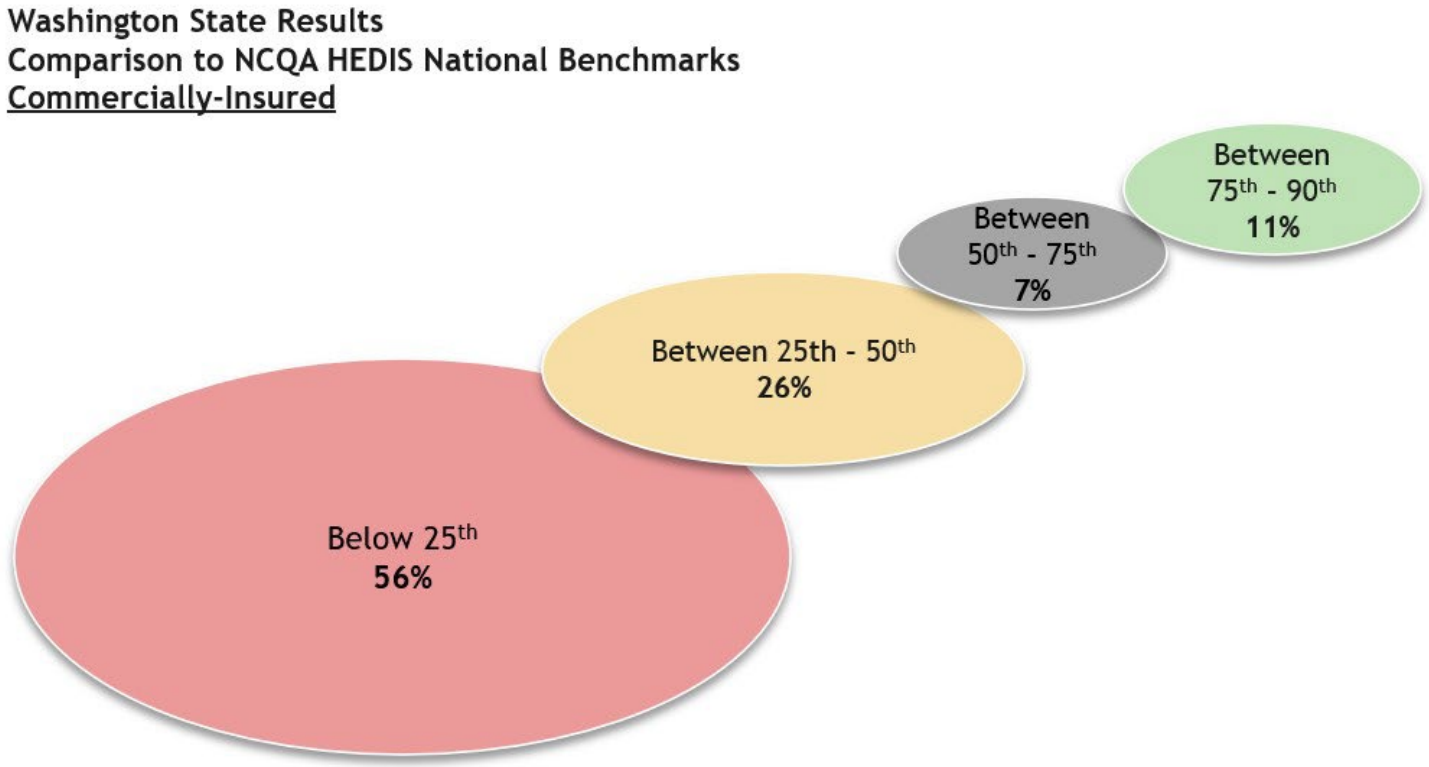
- at or above the national 90th percentile in dark green,
- between the 75th and 90th percentile in light green,
- between the 50th and 75th percentile in gray,
- between the 25th and 50th percentile in yellow, and
- below the 25th percentile in red.[3]

The majority of measures in Washington state are below the national 50th percentile: 82% for the commercially insured and 69% for the Medicaid insured.

While it is shown that the performance fluctuates year-over-year, it largely remains consistent with a majority of measures falling below the national 50th percentile. In recent years, the percentage of measures in which we perform higher than the national 90th percentile has declined. For both populations, Washington state did not perform above the national 90th percentile on any individual measure in this reporting year.

For more information and specific results on quality measures and total cost of care by Area Deprivation Index, visit wacommunitycheckup.org/highlights.

Figure 7: Washington State Results Comparison to NCQA HEDIS National Benchmarks



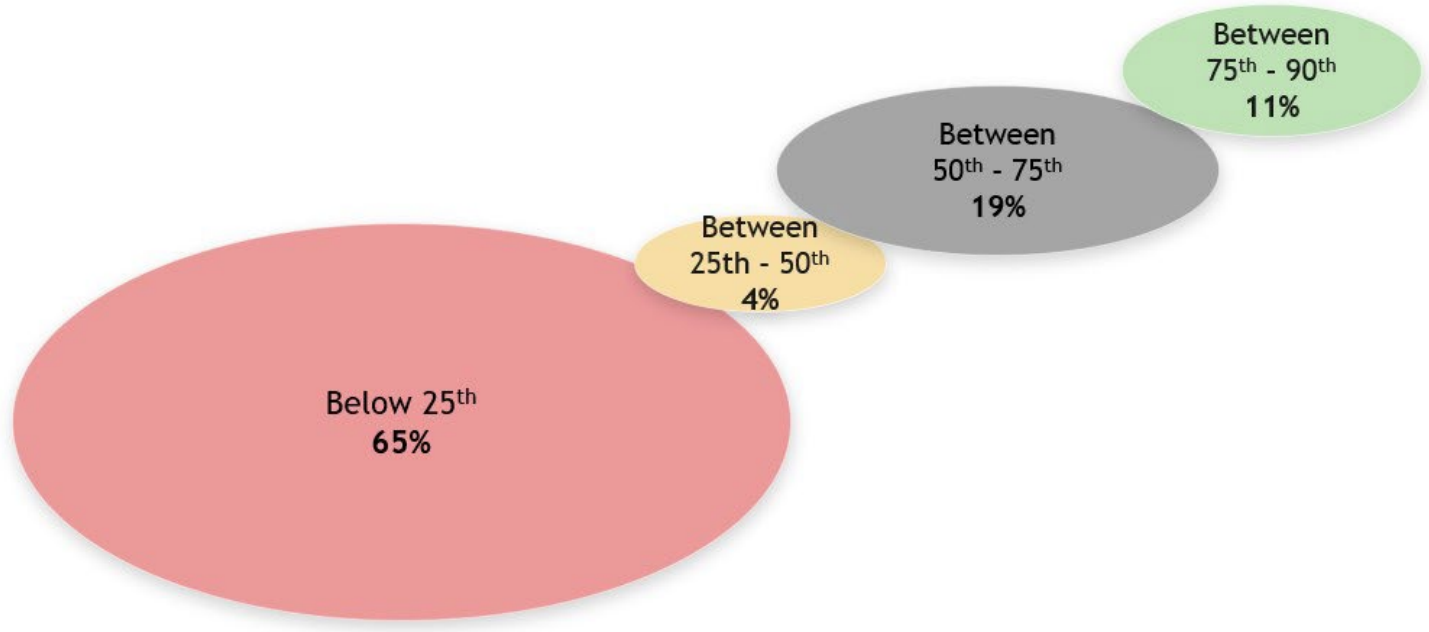
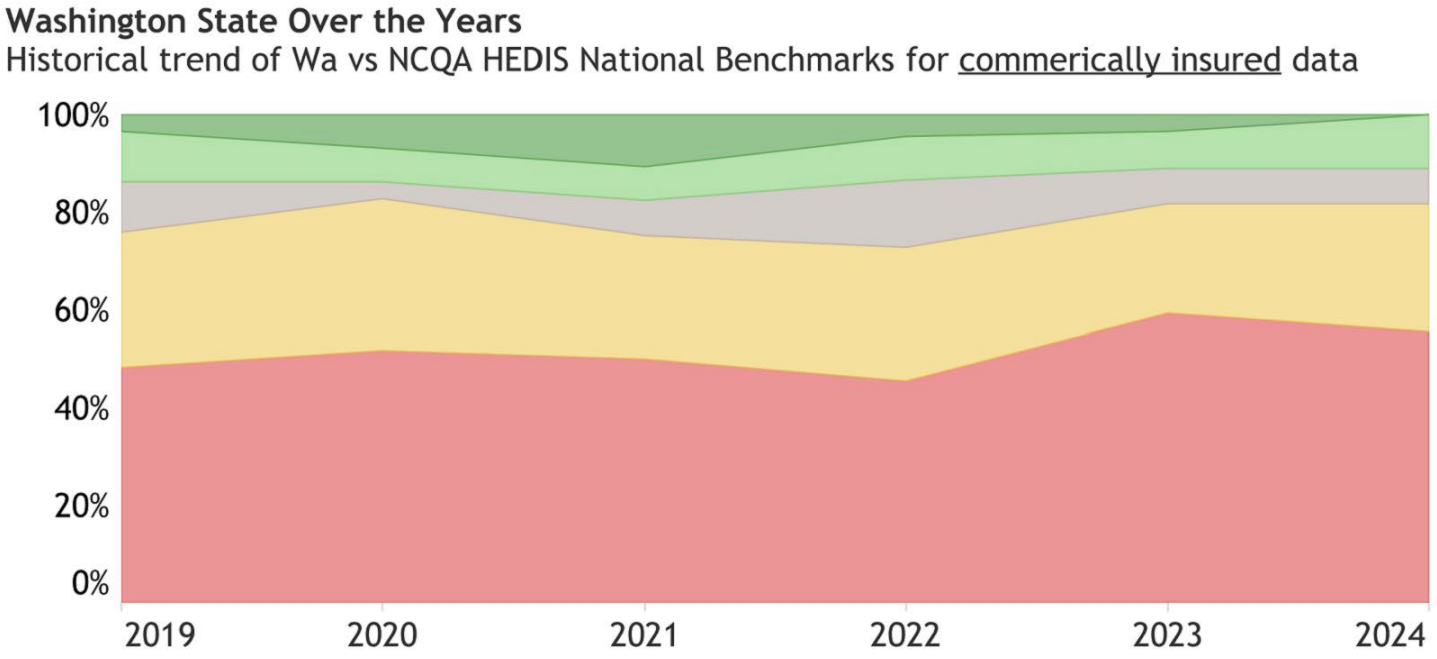


Figure 8: State Results Comparison to NCQA HEDIS National Benchmarks Year-Over-Year



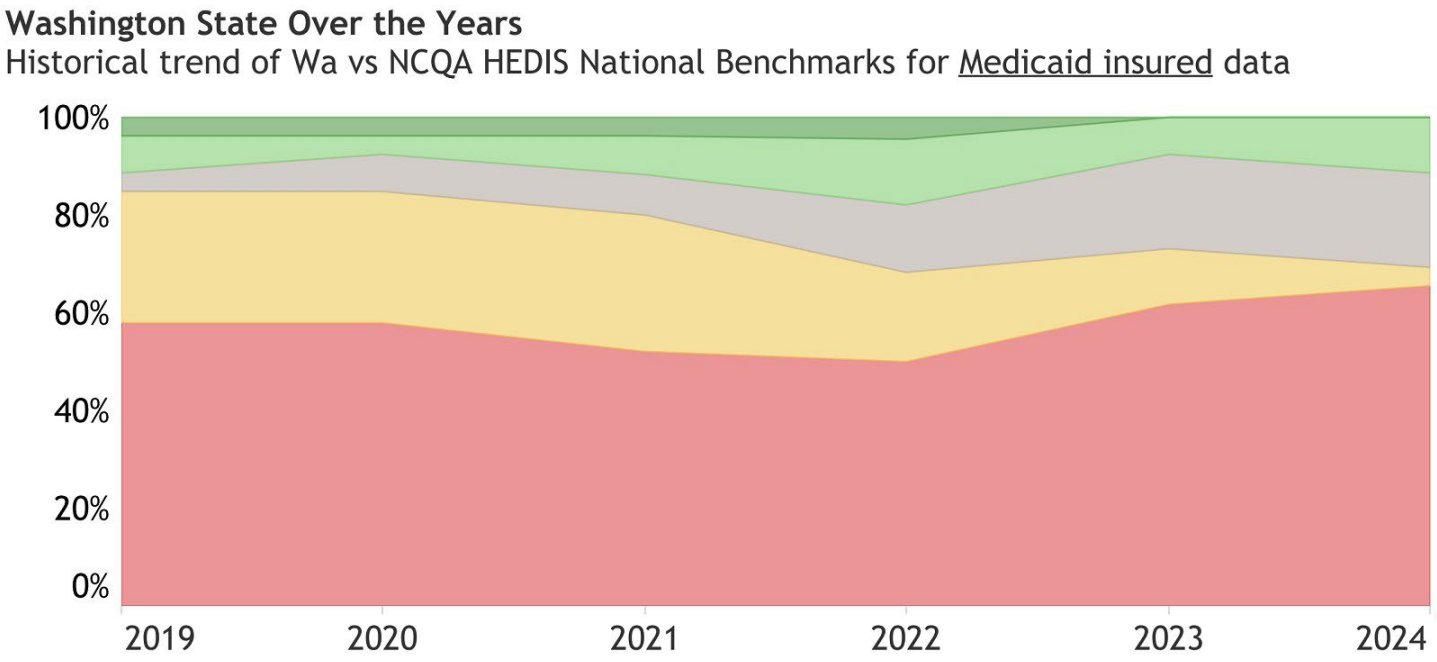


Figure 9(a): State Performance for Commercially-Insured Compared to NCQA National Benchmarks

Benchmarks	Measure	State Average	National 90th Percentile
Between 75th - 90th	Avoiding antibiotics for adults with acute bronchitis	62%	65%
	Avoiding X-ray, MRI and CT scan for low-back pain	81%	83%
	Hospital readmissions within 30 days	63%	44%
Between 50th -75th	Asthma medication ratio	85%	91%
	Kidney health evaluation for patients with diabetes (Total)	46%	55%
Between 25th - 50th	Access to primary care (ages 65+ years)	97%	98%
	Appropriate testing for pharyngitis (Total)	69%	79%
	Colon cancer screening	62%	73%
	Eye exam for people with diabetes	49%	64%
	Staying on antidepressant medication (12 weeks)	75%	83%
	Staying on antidepressant medication (6 months)	60%	69%
	Use of opioids at high dosage	4%	1%
Below 25th	Access to primary care (ages 20-44 years)	87%	96%
	Access to primary care (ages 45-64 years)	93%	97%
	Breast cancer screening	69%	80%
	Cervical cancer screening	61%	81%
	Child and adolescent well-care visits (Total)	48%	72%
	Chlamydia screening	36%	62%
	Controlling high blood pressure	2%	74%
	Follow-up care for children prescribed ADHD medication (30 days)	30%	51%
	Follow-up care for children prescribed ADHD medication (9 months)	35%	59%
	Postpartum care	54%	93%
	Spirometry testing to assess and diagnose COPD	28%	43%
	Statin therapy for patients with cardiovascular disease	73%	88%
	Timeliness of prenatal care	37%	94%
	Well-child visits (0-15 months)	73%	90%
	Well-child visits (15-30 months)	81%	95%

Figure 9(b): State Performance for Medicaid-Insured Compared to NCQA National Benchmarks

Benchmarks	Measure	State Average	National 90th Percentile
Between 75th - 90th	Asthma medication ratio	74%	76%
	Avoiding antibiotics for adults with acute bronchitis	75%	77%
	Staying on antidepressant medication (6 months)	49%	58%
Between 50th -75th	Appropriate testing for pharyngitis (Total)	75%	82%
	Avoiding X-ray, MRI and CT scan for low-back pain	76%	80%
	Hospital readmissions within 30 days	90%	83%
	Kidney health evaluation for patients with diabetes (Total)	36%	47%
	Staying on antidepressant medication (12 weeks)	66%	74%
Between 25th - 50th	Use of opioids at high dosage	6%	1%
Below 25th	Access to primary care (ages 20-44 years)	63%	79%
	Access to primary care (ages 45-64 years)	69%	87%
	Access to primary care (ages 65+ years)	27%	92%
	Blood sugar (HbA1c) testing for people with diabetes	72%	91%
	Breast cancer screening	38%	63%
	Cervical cancer screening	46%	66%
	Child and adolescent well-care visits (Total)	39%	61%
	Chlamydia screening	45%	67%
	Controlling high blood pressure	8%	72%
	Eye exam for people with diabetes	38%	63%
	Follow-up care for children prescribed ADHD medication (30 days)	32%	54%
	Follow-up care for children prescribed ADHD medication (9 months)	36%	64%
	Postpartum care	58%	85%
	Spirometry testing to assess and diagnose COPD	17%	31%
	Statin therapy for patients with cardiovascular disease	72%	85%
	Timeliness of prenatal care	48%	91%
	Well-child visits (0-15 months)	50%	68%
	Well-child visits (15-30 months)	58%	78%

Top Performing Medical Groups

To determine performance of clinics and medical groups as a whole, the Alliance relies on its Quality Composite Score analysis that relies on Community Checkup measures considered to be strong indicators of robust primary care delivery.

In 2022, the Alliance added Total Cost of Care to the Quality Composite Score analysis so we could report how medical groups performed quality with cost as an independent domain.

New for 2024, the Alliance has added a tool to the Quality Composite Score analysis that allows a user to define how they weigh cost and quality to rank medical groups, counties and Accountable Communities of Care.

By pairing the Quality Composite Score (QCS) and Total Cost of Care (TCoC)*, the Alliance now can share a first-ever blended quality-and-cost score, which offers a glance at value directly based on those two measures. Users can move the tool in 10% increments, adding weight to quality or cost accordingly.

With this tool, we can rank medical groups both by quality and by cost.

Congratulations to our top medical groups by quality!

Commercial:

- **Kaiser Permanente Washington**
- **Swedish Medical Group**
- **The Polyclinic**
- **Virginia Mason Medical Center**
- **Association of University Physicians (DBA UW Physicians)**

Medicaid:

- **Kittitas Valley Healthcare**
- **The Polyclinic**
- **Evergreen Health Medical Group**
- **Memorial Physicians**
- **Pacific Medical Centers**

Congratulations to our top medical groups by cost!

Commercial:

- **Yakima Valley Farm Workers Clinic**
- **MultiCare Rockwood Clinic**
- **Pacific Medical Centers**
- **Kaiser Permanente Washington**
- **Memorial Physicians**

Medicaid:

- **International Community Health Services**
- **Kaiser Permanente Washington**
- **Community Health of Central Washington**
- **Yakima Valley Farm Workers Clinic**
- **Columbia Valley Community Health**

Additional rankings on Quality and Total Cost of Care with the added preference blending tool are available at wacommunitycheckup.org/highlights.

Best In Class Clinical Quality

From the Variation in Health Care Quality Highlight, the Alliance selected five measures where achieving high performance can prevent serious disease, improve the overall quality of treatment, or avoid unnecessary and costly care:

The Washington Health Alliance would like to celebrate the highest performing clinics across Washington that not only exceed the National 90th Percentile benchmark in most cases, but they set the bar for excellence in performance. **The Alliance applauds the efforts of these clinics on these measures as we all work together to improve the quality and affordability of care in Washington state.**

Best In Class: Commercial Insurance

Clinical Measure	State Average	HEDIS Ranking	National 90th Percentile	Top Clinic in WA	Score
Breast Cancer Screening	69%	<25th	80%	Kittitas Valley Healthcare Women's Health	94%
Colon Cancer Screening	62%	25th - 50th	73%	University of Washington Medical Center - Digestive Disease Center	86%
Cervical Cancer Screening	61%	<25th	81%	Spokane OB/GYN	97%
Chlamydia Screening	36%	<25th	62%	Kaiser Permanente - Burien Medical Center	52%
Diabetic Eye Exam	49%	25th - 50th	64%	The Vancouver Clinic - Gateway Salmon Creek	97%
Avoiding imaging for Acute LBP	81%	75th - 90th	83%	Kaiser Permanente - Northshore Medical Center	93%

Best In Class: Medicaid Insurance

Clinical Measure	State Average	HEDIS Ranking	National 90th Percentile	Top Clinic in WA	Score
Breast Cancer Screening	38%	<25th	63%	Grandview Medical-Dental Clinic	84%
Colon Cancer Screening	40%			International Community Health Services - Bellevue Medical & Dental Office	73%
Cervical Cancer Screening	46%	<25th	66%	North Spokane Women's Health	83%
Chlamydia Screening	45%		67%	Overlake OB/GYN	79%
Diabetic Eye Exam	38%	<25th	63%	Kaiser Permanente - Orchards Medical Office	99%
Avoiding imaging for Acute LBP	76%	50th - 75th	80%	Yakima Neighborhood Health Services - 8th Street Campus	86%

Health Care Spending

Healthcare Spending in Washington

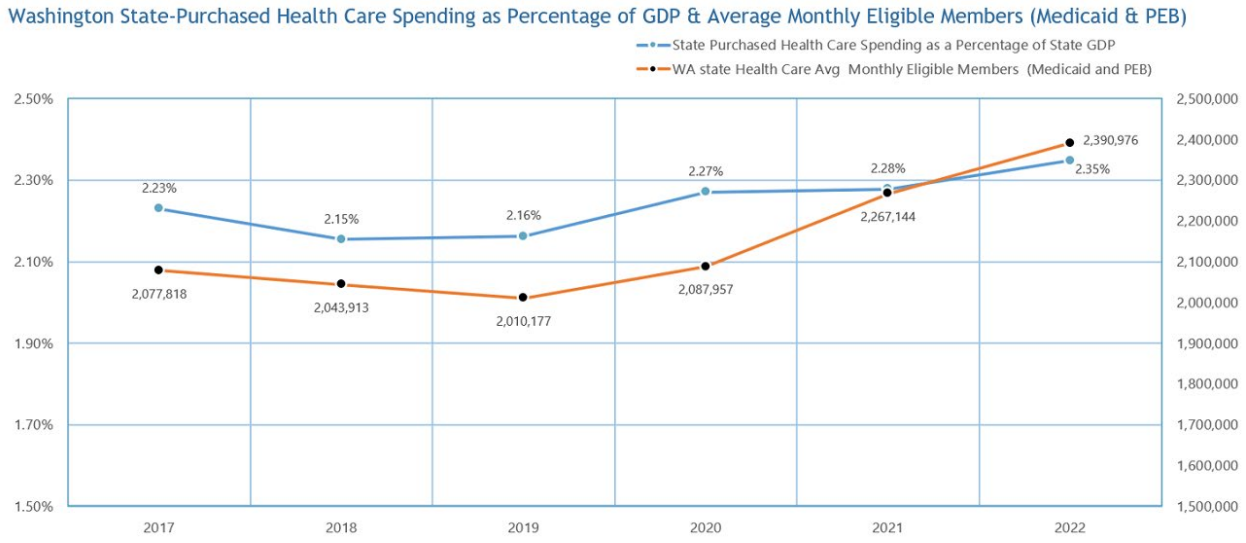
The cost of a good or service is one of the primary pieces of information consumers use to assess value and inform their purchasing decisions. However, when it comes to the cost of health care, accurate information about the cost of a treatment or procedure is hard to determine. Not only do consumers often struggle to gather accurate price information, but costs can vary significantly between facilities. This lack of price transparency makes it impossible for consumers to make informed decisions about how to get the highest value care.

In the state of Washington, as in much of the rest of the nation, price transparency is slowly moving forward, and a complete picture has still not been formed. Over time, with more collaboration among stakeholders, we expect to see greater transparency of health care costs in our state. In the meantime, the state, as the largest purchaser of health care, is doing its part to encourage transparency by reporting what it is spending to purchase health care and by continuing to look for opportunities to slow the rate of spending growth.

Annual per-capita state-purchased health care spending growth relative to state GDP

The table below reports on the Washington state-purchased health care annual spending [Medicaid and Public Employees Benefits Board (PEBB)] as a percentage of Washington state gross domestic product (GDP) for a six-year period (2017–2022).[4] For each year, the denominator is that year's GDP and the numerator is the amount spent by the state on health care that year. Percentages reflect year-over-year changes.

	WA State-Purchased Health Care Annual Spending (Medicaid and PEBB)		WA State Health Care Average Monthly Eligible Members (Medicaid and PEBB)		WA State GDP		State Purchased Health Care Spending as a Percentage of State GDP	
2017	$11,581,755,005		2,077,818		$519,409,600,000		2.23%	
2018	$12,156,921,106	5% Change	2,043,913	-2% Change	$564,313,900,000	9% Change	2.15%	-3% Change
2019	$12,868,379,844	6% Change	2,010,177	-2% Change	$595,231,800,000	5% Change	2.16%	0% Change
2020	$13,920,217,783	8% Change	2,087,957	4% Change	$612,969,100,000	3% Change	2.27%	5% Change
2021	$15,431,964,907	11% Change	2,267,144	9% Change	$677,489,500,000	11% Change	2.28%	0% Change
2022	$17,030,839,210	10% Change	2,390,976	5% Change	$725,513,500,000	7% Change	2.35%	3% Change



Health Care Waste in Washington (Commercial)

To understand waste in Washington, the Alliance applied the Milliman MedInsight Health Waste Calculator to the commercial population in our voluntary All-Payer Claim Database. Focusing on 48 common measures that our U.S. specialty medical societies consider wasteful, the results cover a three-year period between Jan. 1, 2020, to Dec. 31, 2022.

Our report on health waste limits the scope to only 48 common services among hundreds of services that some professionals consider wasteful or unnecessary. Nevertheless, the result is $126.5 million in excess spending over the three-year period. **These dollars could provide 2,000 Washington families full insurance every year.**

	2020	2021	2022	Combined
Total number of services	680,971	737,957	747,634	2,166,562
Total number of low-value services (wasteful and likely wasteful)	257,678	278,430	281,489	817,597
Waste index	38%	38%	38%	38%
Number of members with at least one low-value service per year	181,532	203,118	205,532	196,727*
Estimated total spending on low-value care	$45,347,343	$41,944,054	$39,249,314	$126,540,711

* **Given that the Health Waste Calculator records unique individuals with at least one low-value service, this number is presented as an average for the three years instead of a combined total.**

Top 5 Areas of Low-Value Care Spending over the Three-Year Reporting Period:

As in the past, the majority of health care waste occurs within a limited number of different services. While the total waste in dollars for these five services represents 57% of the total wasteful spending in the three-year period, it only represents 43% of the total wasteful services.

	Total Services	Wasteful Services	Waste Index	People impacted	Total Waste in Dollars
PICC stage III–V CKD	626	550	88%	513	$20,802,178
Prostate-specific antigen test	126,275	108,411	86%	101,897	$15,417,944
25-OH-Vitamin D deficiency	171,731	55,137	32%	52,866	$14,306,161
Coronary angiography	11,028	825	7%	810	$12,140,423
Annual resting EKG	625,603	195,685	31%	180,264	$10,171,856

About the Alliance

The Washington Health Alliance (Alliance) is a 501(c)(3) nonprofit nonpartisan organization working collaboratively to transform Washington state's health care system for the better. The Alliance brings together more than 140 committed member organizations to improve health and health care by offering a forum for critical conversation and aligned efforts by health plans, employers, union trusts, hospitals and hospital systems, health care professionals, start-up companies, consultants, consumers, and other health care partners. The Alliance believes strongly in transparency and offers trusted and credible reporting of progress on health care quality, value, pricing, and overall spending. The Alliance publishes its reports at www.WACommunityCheckup.org and provides guidance for consumers at www.OwnYourHealthWA.org so that individuals can make informed health care decisions.

How to Contact Us

Please direct questions about the Washington Health Alliance or the *Community Checkup* report to:

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For more on how your organization can join more than 150 others in driving market change to improve the health of all Washingtonians, visit wahealthalliance.org/join-us.

Footnotes

1. Neighbor Atlas ®, University of Wisconsin School of Medicine and Public Health's Center for Health Disparities Research
2. National Committee for Quality Assurance, HEDIS and Performance Measurement, https://www.ncqa.org/hedis/.
3. Washington Health Alliance, Community Checkup, 2024 Technical Specifications, https://www.wacommunitycheckup.org/about/methodology/.
4. This information is provided by the Washington State Health Care Authority. WA State GDP data are from the U.S. Bureau of Economic Analysis.

Learn more about the Alliance at: www.wahealthalliance.org.
For the Community Checkup reports visit: www.wacommunitycheckup.org.

WASHINGTON HEALTH ALLIANCE