

Where is Washington's Health Care System Now: Access

- In 2004, Washington had nearly 603,000 uninsured under age 65, about 16 percent of whom were children, compared to 503,000 in 2002. This is not just a function of population growth because the rate of uninsurance also continued to rise, from 9.4 percent to 11 percent.¹
- The uninsured rate for adults ages 19-64 rose from 11.5 percent in 2002 to 13.2 percent in 2004 while the uninsured rate for children ages 0-18 rose from 4.5 percent in 2002 to 6.0 percent in 2004.²
- While very poor and near-poor families continue to be the most likely to be uninsured, lower-middle class families in Washington face a growing problem. The rate of uninsurance for this latter group increased by about 50 percent between 2000 and 2004.³
- Health coverage via an employer in Washington has steadily dropped from about 71 percent in 1993 to around 66 percent in 2004.⁴
- In 2004, only 77 percent of those in Washington who worked for an employer with less than 20 workers had any type of health insurance compared to 96 percent of those working for an employer with 1,000 or more workers.⁵
- In 2004, 336,000 uninsured adults in Washington were unable to see a doctor when needed due to cost. This represents 48 percent of uninsured adults. Nine percent of insured adults, or 298,000, had the same problem.⁶
- In 2004, 82,000 uninsured Washington women had not had a pap smear in the past three years. This represented 27 percent of uninsured women. 14 percent of insured women, or 220,000, had not had one either.⁷
- In Whatcom County, new Medicaid fee-for-service patients are accepted by only 20 percent of practitioners; new Healthy Options patients by only 17 percent; new Medicare patients by only 19 percent; and new Basic Health Plus patients by only 23 percent.⁸
- Clark County's ratio of total population to primary care physicians reflects a system approaching stress levels. The ratio of population per 1 FTE (40 hours direct patient care) is 2208:1. Access to care in the rural areas of Clark County is significantly worse.⁹
- The Institute of Medicine reports that 51 percent of providers surveyed believe patients do not adhere to treatment because of culture or language; however 56 percent of these providers reported having received no language or cultural competency training.¹⁰
- Spanish-speaking Latinos are less likely than Whites to visit a physician or mental health provider, or receive preventative care, such as a mammography exam or influenza vaccination. Among non-English speakers who needed an interpreter during a health care visit, only 48% reported that they always or usually had an interpreter.¹¹

Where is Washington's Health Care System Now: Costs

- In 2000, Washington State spent \$2.7 billion from the general fund; in 2006, the health care spending will be \$4.5 billion. This increase of nearly \$2 billion means the share of the state budget going to health care has increased from 22 percent in 2000 to 28 percent today, diverting \$750 million a year away from education, infrastructure and public safety.¹²
- Health care spending from the general fund and health services account combined is expected to grow by 10.5 percent for FY 2006 and 7.1 percent for FY 2007. Growth rates like that crowd out other spending. OFM places the long-run rate of growth of general fund revenues at 5 percent at current rates of inflation and population growth. The rate of growth in health services account revenue is lower, 1 to 2 percent.¹³
- Average health benefit costs per employee grew more than 10 percent between 2002 and 2003 for the nation's largest employers. At 14 percent, the change for Washington's major employers was even greater, well ahead of national growth and ahead of growth for large employers in the West of about 12 percent.¹⁴
- Between 1999 and 2004, the annual increase in health insurance premiums for small businesses in Washington was substantially greater than the annual increase in wages or gross business income, some years by a factor of more than five.¹⁵
- In 2000, year-end enrollment in the Washington State Health Insurance Pool (WSHIP) was 2333. In 2005 it was 3087. In that same period, annual expenses grew from just over \$14 million to more than \$54 million.¹⁶
- Nationally, the amount spent per person on health care increased 74 percent between 1994 and 2004. Health care is projected to account for 16.5 percent of the U.S. gross domestic product in 2006, and 20.0 percent by 2015.¹⁷
- Between spring 2004 and spring 2005, premiums nationally for employer sponsored health insurance rose by 9.2 percent, lower than the 11.2 percent increase in 2004 and the 13.9 percent increase in 2003. Despite this slowdown, premiums continued to increase much faster than overall inflation (3.5 percent) and wage gains (2.7 percent).¹⁸
- The average employee contribution to company-provided health insurance has increased more than 143 percent since 2000. Average out-of-pocket costs for deductibles, co-payments for medications, and co-insurance for physician hospital visits rose 115 percent during the same period.¹⁹
- In Washington, the cost of health care for the uninsured not paid out-of-pocket by the uninsured is expected to grow from an estimated \$950 million in 2005 to over \$1.3 billion by 2010.²⁰
- Five percent of the U.S. population accounts for roughly 50 percent of health care expenditures.²¹
- Per capital health spending in the United States in 2002 was 53 percent above that of Switzerland, the next-highest spending country, and 140 percent above the Organization for Economic Cooperation and Development (OECD) median.²²

Where is Washington's Health Care System Now: Quality

- The Institute of Medicine estimates that 20 to 30 percent of health expenditures do not improve health or extend life. That means [Washington] state is spending \$1 billion per year on things that do not work.²³
- It is estimated that poor-quality health care costs the typical employer between \$1,900 and \$2,250 per covered employee each year. Unless action is taken, the total cost of poor-quality care will likely exceed \$1 trillion by 2011, equivalent to over 6 percent of projected GDP, with private purchasers picking up approximately \$350 billion of this tab.²⁴
- There are huge gaps between the levels of care delivered by the nation's top accountable organizations and the rest of the health care system. These quality gaps continue to result in 39,000-83,000 avoidable preventable deaths each year, between \$2.8 billion and \$4.2 billion in avoidable medical costs and up to 83.1 million sick days -- or the equivalent of nearly 42,000 full time employees -- and \$13 billion in lost productivity.²⁵
- Recent studies show that only a little more than half (54.9 percent) of adult patients receive recommended care. The level of performance is similar whether it is for chronic, acute, or preventive care and across all spectrums of medical care – screening, diagnosis, treatment and follow-up.²⁶
- Vulnerable elders receive about half of the recommended care, and the quality of care varies widely from one condition and type of care to another. Preventive care suffers the most, while indicated diagnostic and treatment procedures are provided most frequently.²⁷
- Children make up 27 percent of all emergency department visits, but only 6 percent of emergency departments in the U.S. have all of the necessary supplies for pediatric emergencies. Many drugs and medical devices have not been adequately tested on, or dosed properly for, children.²⁸
- Five years after the Institute of Medicine reported that as many as 98,000 people die annually as the result of medical errors, experts suggest that the groundwork for improving safety has been laid, but that progress is frustratingly slow.²⁹
- A recent survey of adults in five nations indicates that the U.S. health care system often performs relatively poorly from the patient perspective. The U.S. system ranked first on effectiveness but ranked last on other dimensions of quality. It performed particularly poorly in terms of providing care equitably, safely, efficiently, or in a patient-centered manner.³⁰
- There is unwarranted variation in the practice of medicine and the use of medical resources in the United States. There is underuse of effective care, misuse of preference-sensitive care, and overuse of supply-sensitive care.³¹
- Despite evidence to the contrary that “more care is better care”, this widespread belief, along with other factors such as “biomedical miracles”, contributes to the unsustainable increases in health care costs.³²

-
- ¹ “Talking Points about Washington’s Uninsured,” *Washington State Planning Grant on Access to Health Insurance* (August 2005), available at <http://www.ofm.wa.gov/healthcare/spg/profiles/0805talkingpoints.pdf> (last viewed June 18, 2006).
- ² *Id.*
- ³ *Id.*
- ⁴ *Id.*
- ⁵ E. Gardner, “Health Insurance by Work Characteristics: 2004,” *Washington State Population Survey Research Brief No. 34*, Washington State Office of Financial Management (April 2005), available at <http://www.ofm.wa.gov/researchbriefs/brief034.pdf> (last viewed June 18, 2006).
- ⁶ *The Coverage Gap: A State-by-State Report on Access to Care*, Robert Wood Johnson Foundation (April 2006), available at <http://www.rwjf.org/files/newsroom/CoverageGap0406.pdf> (last viewed June 18, 2006).
- ⁷ *Id.*
- ⁸ V. Schueler, et al., *Access to Primary Care Providers in Whatcom County*, Washington State Department of Health (July, 2004) available at <http://www.doh.wa.gov/hsqa/ocrh/har/hcresrch.htm> (last viewed June 18, 2006).
- ⁹ C. Berthon, et. al., *Access to Primary Care Providers in Clark County*, Washington State Department of Health (June, 2005), available at <http://www.doh.wa.gov/hsqa/ocrh/har/ClarkPrimarycare04.pdf> (last viewed June 18, 2006).
- ¹⁰ M. Youdelman and J. Perkins, “Providing Language Services in Small Health Care Provider Settings: Examples from the Field,” The Commonwealth Fund (April 2005), available at: http://www.cmwf.org/publications/publications_show.htm?doc_id=270667 (last viewed June 19, 2006).
- ¹¹ “Cultural Competence in Health Care: Issue Brief,” Georgetown University Center on an Aging Society, available at: <http://ihcrp.georgetown.edu/agingsociety/pdfs/cultural.pdf> (last viewed on June 19, 2006).
- ¹² “Q&A with Steve Hill: Health Care Takes a Bigger Bite,” *Washington Business Magazine* (March 2006), available at <http://www.awb.org/cgi-bin/absolutenm/templates/?a=1238&z=3> (last viewed June 18, 2006).
- ¹³ “A World of Hurt: Medical Costs Squeeze State Budget,” *Washington Alliance for a Competitive Economy Competitiveness Brief* (February 28, 2005), available at http://researchcouncil.blogs.com/weblog/files/washace_brief_54v02_final.pdf (last viewed June 18, 2006).
- ¹⁴ “Shaping Up Health Care,” *Washington Alliance for a Competitive Economy WashACE Report* (September 2004), available at http://www.researchcouncil.org/health_care_rev2.pdf (last viewed June 18, 2006).
- ¹⁵ R. Sailors, “New Coverage Programs: Federal and State Efforts to Cover the Uninsured – Washington State,” Presentation to the State Coverage Initiatives National Meeting, February 23, 2006, available at <http://www.statecoverage.net/2006/sailors.pdf> (last viewed June 18, 2006).
- ¹⁶ Washington State Health Insurance Pool operational information available at https://www.wship.org/yearly_reports.asp (last viewed June 18, 2006).
- ¹⁷ “Snapshot: Health Care Costs 101,” California Healthcare Foundation (2006), available at <http://www.chcf.org/documents/insurance/HealthCareCosts06.pdf> (last viewed June 18, 2006).
- ¹⁸ *Employer Health Benefits 2005 Summary of Findings*, The Kaiser Family Foundation and Health Research and Educational Trust, available at <http://www.kff.org/insurance/7315/sections/upload/7316.pdf> (last viewed June 18, 2006).
- ¹⁹ “Facts on Health Care Costs,” National Coalition on Health Care, available at <http://www.nchc.org/facts/cost.shtml> (last viewed June 18, 2006).

-
- ²⁰“Paying a Premium: The Added Cost of Care for the Uninsured,” Families USA (June 2005), available at http://www.familiesusa.org/assets/pdfs/Paying_a_Premium_rev_July_13731e.pdf (last viewed June 19, 2006).
- ²¹ W.W. Yu and T.M. Rice, “Concentration of Health Care Expenditures in the U.S. Civilian Noninstitutionalized Population,” *MEPS Statistical Brief #81*, Agency for Healthcare Research and Quality (May 2005), available at <http://www.meps.ahrq.gov/papers/st81/stat81.pdf> (last viewed June 20, 2006).
- ²² G. Anderson, et. al., “Health Spending in the United States and the Rest of the Industrialized World,” *Health Affairs*, Vol. 24, No. 4 (July/August 2005).
- ²³ *Supra* note 11.
- ²⁴ Midwest Business Group on Health. “Reducing the Costs of Poor-Quality Health Care Through Responsible Purchasing Leadership,” Chicago: Midwest Business Group on Health (2003), available at <http://mbgh.org/templates/UserFiles/Files/COPO/copq%20nd%20printing.pdf> (last viewed June 18, 2006).
- ²⁵ “The State of Health Care Quality 2005: Industry Trends and Analysis,” *National Committee for Quality Assurance*, p. 11, available at http://www.ncqa.org/Docs/SOHCQ_2005.pdf (last viewed June 19, 2006).
- ²⁶ E.A. McGlynn, et al., “The Quality of Health Care Delivered in the United States,” *The New England Journal of Medicine*, 2003:348(26): 2635-2645; and updated in S. Asch, et al., “Who is at Greatest Risk for Receiving Poor-Quality Health Care?” *The New England Journal of Medicine*, 2006:354(11): 1147-1156. Cited in “Facts on Health Care Quality,” National Coalition on Health Care, available at <http://www.nchc.org/facts/cost.shtml> (last viewed June 18, 2006).
- ²⁷ “The Quality of Health Care Received by Older Adults,” *RAND Health Research Highlights* (2004), available at: http://www.rand.org/pubs/research_briefs/RB9051/RB9051.pdf (last viewed June 19, 2006).
- ²⁸ “The Future of Emergency Care: Key Findings and Recommendations,” Institute of Medicine Fact Sheet (June 2006), available at <http://www.iom.edu/Object.File/Master/35/040/Emergency%20Care%20Findings%20and%20Recs.pdf> (last viewed June 19, 2006).
- ²⁹ L. Leape and D. Berwick, “Five Years After *To Err is Human* What Have We Learned?” *Journal of the American Medical Association*, May 18, 2005: Vol. 293, No. 19, 2384-2390.
- ³⁰ K. Davis, et al., “Mirror, Mirror on the Wall: An Update on the Quality of American Health Care Through the Patient’s Lens,” The Commonwealth Fund (April, 2006), available at http://www.cmwf.org/usr_doc/Davis_mirrormirror_915.pdf (last viewed June 19, 2006).
- ³¹ “Effective Care,” *A Dartmouth Atlas Project Topic Brief*, available at http://www.dartmouthatlas.org/topics/effective_care.pdf (last viewed on June 19, 2006).
- ³² “Capturing Value: Increasing Efficiency in Health Care,” *National Institute for Health Care Management Foundation Meeting Brief* (March 2006) available at <http://www.nihcm.org/finalweb/MeetingBriefFinal.pdf> (last viewed June 20, 2006).

Compiled by Washington State Senate Committee Services.