

# SSB: 6569- Patient Out of Pocket Costs Taskforce Meeting 1

## Purpose of Taskforce

During the winter of 2016 the Washington State Legislature passed SSB 6569, which charges the Department of Health (DOH) with convening a taskforce on Patient Out-of-Pocket Costs. As stipulated, the taskforce will focus on (a) evaluating factors that contribute to out-of-pocket costs for patients and (b) considering the health and economic impact of out-of-pocket costs both to patients and to the state.

During this first meeting we initiated the taskforce, discussed factors influencing Patient Out-of-Pocket Costs and the impacts of patient out of pocket costs. We also began the process of brainstorming ideas to address this issue.

## Meeting Summary

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### *Meeting Section 1: Identifying Factors and Impacts*

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Our meeting began with a talk from taskforce member Professor Bill Dowling who provided background on the historical context in which patient out-of-pocket costs were first initiated, the trends that we have seen over time for patient out of pocket costs, and the impacts that these costs have had on consumers. (Slides from Professor Dowling's presentation can be found [here](#).)

Following Professor Dowling's presentation, taskforce members built upon the ideas that he had put forward and added additional factors and impacts around patient out of pocket costs.

### **Factors that influence a consumer's experience of OOP costs:**

*\*Boxes are an exact duplications of the board crafted during the meeting – see Appendix I for original board pictures*

#### Premiums

- Increased OOP costs help create cost consciousness
- Increased premium costs create competitive disadvantage
- Coverage out of reach for many low wage workers
- Cost = 40% -> most important factor for plan selection

#### Copayments and Coinsurance

- Consistency of information
- Access to information on total OOP
- Education (patient, provider, facility, other)
- % based coinsurance
- Price variation, Hidden Fees (e.g. facility), lack of transparency
- Affects low wage earners more
- Plan design

#### Deductibles

- Increasing high deductible plans
- Subsidy offset for market plans

#### Rx Spending

- 5% annual increase projected
- Generic prices
- Specialty drugs
- CPCL (cost per covered life)
- Disparate impact on health status
- Site of Care (med vs. Rx benefit)
- Coverage (what's in/out)

#### Access

- Decreased utilization of necessary care
- Delayed d/t cost

#### Fairness

- Poor and chronically ill most vulnerable
- Disparate impact on low income
- First quarter solution

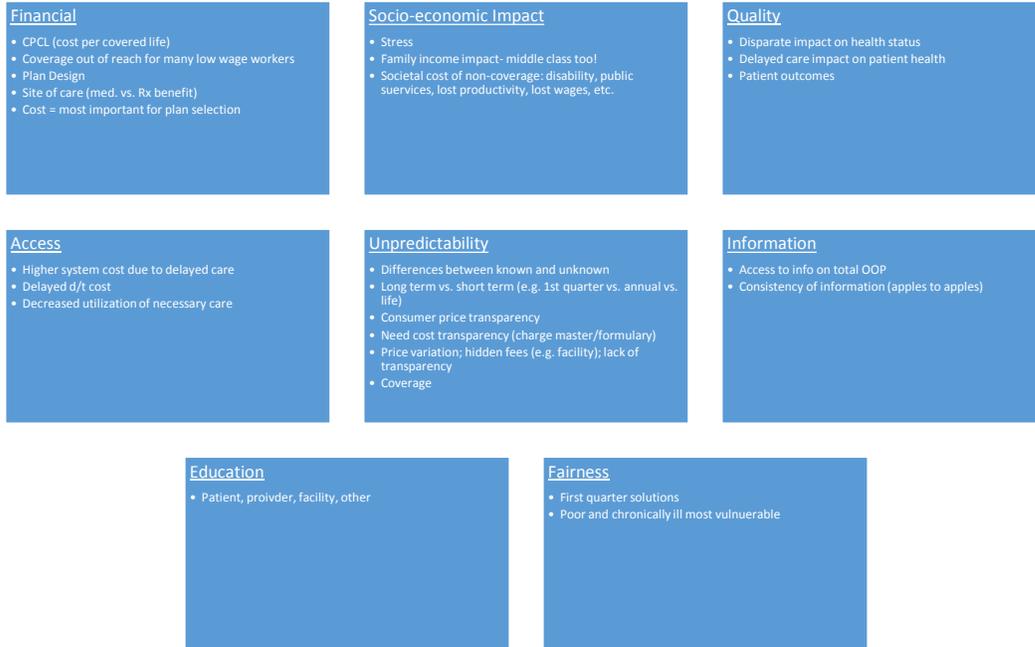
#### Price Transparency

- Consumer price transparency
- Need cost transparency
- Impact of price

#### Patient Impacts

## Impacts of Patient Out of Pocket Costs:

\*Boxes are an exact duplications of the board crafted during the meeting – see Appendix I for original board pictures




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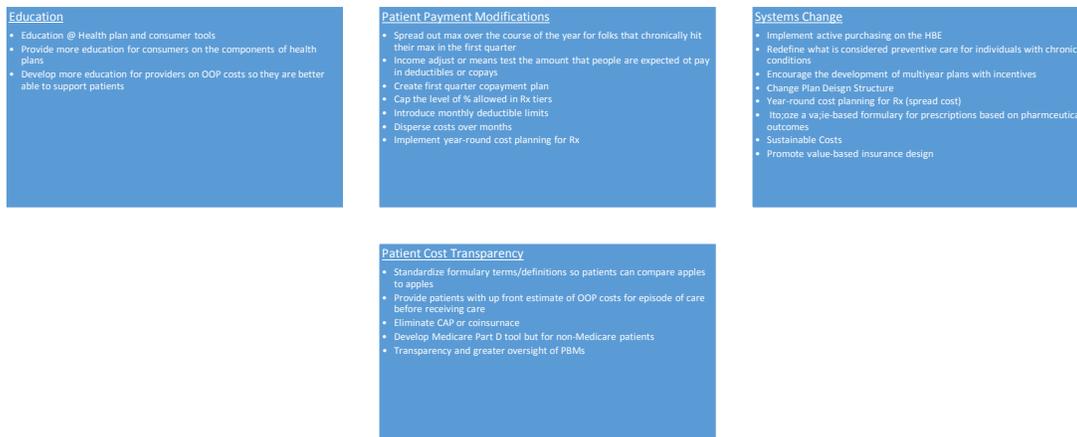
## Meeting Section 2: Brainstorming Solutions

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During the second section of the meeting the taskforce broke into small groups to discuss possible ideas to address high patient out of pocket costs. The goal at this point of the meeting was simply to brainstorm and to begin the process of identifying areas of future conversation.

### Several broad areas of ideas were identified during this brainstorming exercise:

\*Groupings of policy ideas slightly modified – see Appendix I for original board



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### *Meeting Section 3: Planning for Second In-Person Meeting*

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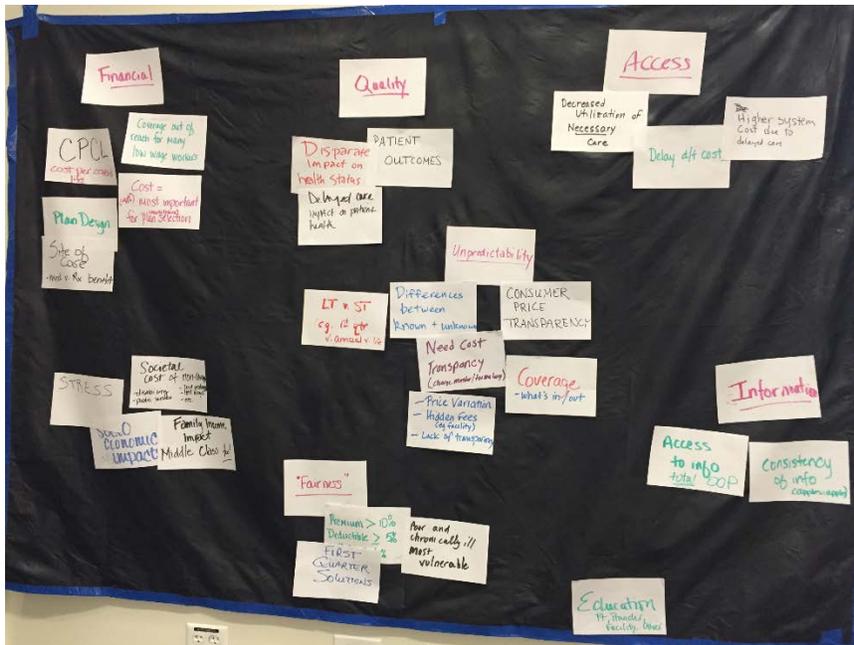
To complete the meeting the taskforce began discussing next steps. DOH requested volunteers from among the taskforce members create a subcommittee that will help prepare for the upcoming meeting on September 9<sup>th</sup>, 2016. The taskforce discussed what types of materials would be most helpful for continuing the conversation that began during the last meeting, and in particular, members of the subcommittee gathered around helping to provide background and information on what types of options other states have pursued at this point and what have been the positive and negative impacts of those choices.

# Appendix I

## Factors Board:



## Impact Board



# Solutions Board

