



# HEALTH SYSTEMS TRANSPARENCY

Approve HB 1272 to improve accountability and access

Spending on health care is increasing steadily while the healthcare system is changing rapidly. Continuing consolidation and expansions of technology change where and how patients access healthcare.

In light of these trends, last year the non-partisan National Academy for State Health Policy (NASHP) recommended that states update their health system financial transparency laws to ensure policymakers and the public have the tools they need to make sound decisions.<sup>1</sup> They also recommended that states act to ensure transparency for COVID financials and care to ensure they have all necessary information to respond to this and future public health crises.<sup>2</sup>

HB 1272 responds to this call, modernizing Washington laws to reflect how health care is administered. We know too many patients still do not have the accessible and affordable care they need, and both public and private purchasers want more information to support the significant investments they make. Without the information reported under HB 1272, patients and purchasers are not able to make sound decisions.

HB 1272 builds upon last year's 2036 and addresses our state's most imminent healthcare needs.

(SEE Q&A AND MORE RESOURCES ON BACK)

1. <https://www.nashp.org/model-legislation-and-reporting-template-for-hospital-financial-transparency/>  
<https://www.nashp.org/qa-how-to-use-nashps-model-law-and-template-to-increase-hospital-and-health-care-system-financial-transparency/>
2. <https://www.nashp.org/why-states-need-to-follow-the-federal-money-to-hospitals/>

For more information, contact WSLC Legislative Director **Sybill Hyppolite** at [shyppolite@wslc.org](mailto:shyppolite@wslc.org) or 206-475-5783.



Washington State Labor Council, AFL-CIO

In addition to Health Systems Transparency, the Washington State Labor Council, AFL-CIO is supporting a range of issues that address economic opportunity and justice. Learn more at [www.wslc.org](http://www.wslc.org) or [www.TheStand.org](http://www.TheStand.org).

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## QUESTION

## HB 1272

**How does HB 1272 respond to the COVID-19 pandemic?**

- An equitable COVID-19 response cannot be obtained without transparent reporting of the related grants and loans our health systems have received.<sup>3</sup> Small and/or independent Washington hospitals may not have the same access to COVID-19 relief as larger hospitals within multi-state health systems.
- Health inequities are the result of several intertwined causes, but one challenge is that some communities are given less healthcare resources, including staff. Healthcare staffing levels and turnover rates affect patient outcomes. The New York Times reported throughout 2020 that hospitals serving lower-income communities had less staffing and higher mortality rates. Communities must know how their health systems are investing in critical frontline care staff.<sup>4</sup>

**How does HB 1272 further racial equity?**

- Racism is a public health crisis. Infrequent, incomplete data allows for racial inequities, including mortality rates, to go unchallenged while more complete data can inform successful action.
- Additional reporting on hospital community health improvement services will help communities and patients assess how well nonprofit hospitals are fulfilling their obligations and whether resources are being distributed equitably.
- HB 1272 expands existing COVID-19 data reporting by requiring hospitals to report patients' demographic information, which will help the state identify and support impacted communities more precisely than with current reporting.

**How does HB 1272 advance the economic recovery?**

- Health care is nearly one fifth of the U.S. GDP, and represents a significant and growing percentage of Washington's economy. We can't be certain of our economic welfare without more information on how money moves within this system and how it leaves our state.
- Safety net, rural, and small hospitals and their patient communities face threats to their programs and financial viability. Lawmakers often seek to expand support to these providers and communities, but it is challenging to do so in a vacuum. More information can bolster understanding and thereby decision making to increase support or rebalance funding between actors more equitably.
- HB 1272 requires public-facing financial disclosures on "related organizations" connected to their health system. For example:
  - Providence St. Joseph Health has been investing in tech through venture capital arms. Some of this crosses over to patient care such as Circle App, a virtual care tool for people having a child. The financial impact and patient reach of mobile apps are largely unknown.
  - CHI-Franciscan (now Virginia Mason Franciscan Health) has partnered with GE Healthcare to launch "Mission Control," an Artificial Intelligence center. This organization impacts volumes, patient care, and potentially finances of CHI-Franciscan facilities.

3. <https://www.nashp.org/why-states-need-to-follow-the-federal-money-to-hospitals>

4. <https://www.nytimes.com/2020/07/01/nyregion/Coronavirus-hospitals.html>

## READ MORE

**Hospitals got bailouts and furloughed thousands while paying CEOs millions** (Seattle Times)

**Wealthiest Hospitals Got Billions in Coronavirus Bailout** (Seattle Times)

**Why are nonprofit hospitals so profitable?** (New York Times)

**Why States Need to Follow the Federal Money to Hospitals**

**Communities of color continue to die from the coronavirus** (Washington Post analysis)

**As Pandemic Deaths Add Up, Racial Disparities Persist and – in Some Cases – Worsen** (NPR)

**Rx for Merger Madness Wash. couple in murder-suicide over medical bills** (Slate)

**Hospital Mergers Improve Health? Evidence Shows the Opposite** (New York Times, 2019)

**Free or discounted care is available at some hospitals but they don't make it easy** (Washington Post)

**InDepth: Flaws in hospital community benefit reporting create knowledge vacuum** (Modern Health Care)

**States boosting regulation of hospital community benefits spending** (Modern Health Care)

**Americans' Experience with the Health Care System in 2018** (Ipsos)

**Dr. Ben Danielson's Resignation Begg the Community to Question: What Is True Accountability?** (South Seattle Emerald)