



# HEALTH SYSTEMS FINANCIAL TRANSPARENCY

Approve House Bill 2036 to  
promote accountability

Washington state is prioritizing health care investments and oversight that work for Washington residents. However, without adequate data it is impossible for purchasers and policymakers to determine where gaps exist in our health system and whether health facilities are acting in the best interest of the public. ***Without this data, unanswered questions remain such as:***

## **Where are the dollars going?**

Swedish Health Services (Providence St. Joseph Health) reported \$710.9 million in “other direct expenses” in FY 2017. In all but one Swedish-licensed facility “other” was the largest category of expenses. This money is unaccounted for.

## **Are patients receiving the financial assistance they deserve?**

In a 2019 lawsuit by Attorney General Bob Ferguson, St. Joseph Medical Center, Franciscan Medical Group and CHI Franciscan refunded up to \$24 million to patients who had been encouraged to pay upfront for procedures before being screened for financial assistance eligibility.

## **Is Community Benefit money being spent to benefit the community?**

CHI-Franciscan’s “NW Healthy” is described as a community campaign addressing the health care needs of Puget Sound patients, but NW Health partners include the Seattle Mariners, Seattle Sounders FC and the Tacoma Stars. The effort was touted as a “community benefit,” but won an award from a marketing industry group.

## **What financial relationships do hospitals have with non-health related businesses?**

Many hospitals and health systems own or have financial relationships with other organizations. These relationships impact the hospital’s finances and yet these relationships are often cloaked in secrecy. For example, Astria Health has several for-profit subsidiaries including Wedded Bliss, LLC; Bridal Dreams, LLC; and, Kitchen Appliance, LLC. Most of these for-profit entities are not located in Washington state but in Kentucky and Virginia.

HB 2036 would complement new and emerging trends in the health care industry such as new payment models, the rise of hospital mergers and acquisition, and the move of patient care to ambulatory and virtual care settings. ***HB 2036 would enhance health system transparency with:***

### **Financial oversight**

- Require detailed line items for transactions over \$50,000.
- Require non-profit facilities to disclose their subsidiaries’ and branded organizations’ financial information and transactions.
- Close loopholes in reporting facility fees at ambulatory care sites.

### **Oversight for delivery and continuity of care**

- Require health systems to report FTEs in all affiliated facilities.
- Start closing the gap between hospital reporting and ambulatory reporting (e.g., facility locations, finances, utilization and Community Benefit data).

### **Accountability to patients and the community**

- Clarify what activities reported as “community benefit” are a cost to the system, donated services, or practices for material gain.
- Require greater clarity on debt collection practices and revenue cycle.