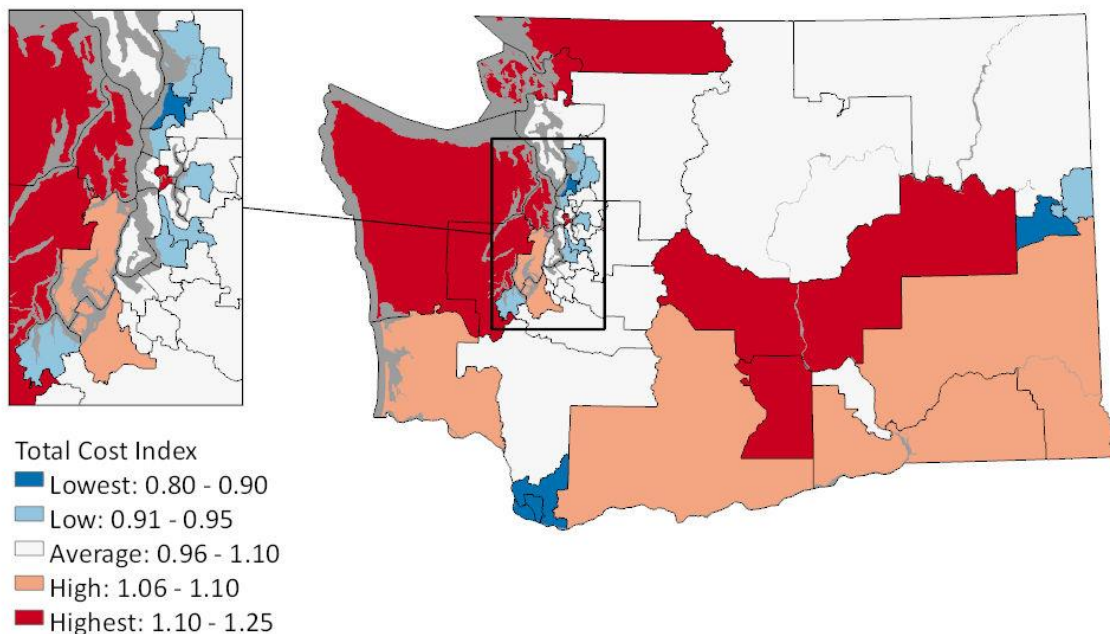


2017 Total Cost of Care in Washington State:

Health Care Cost Varies by Legislative District Due to Price and Utilization

Total Cost of Care (TCOC) measures full-population health care affordability in terms of utilization and price, accounting for 100 percent of care (professional, inpatient, outpatient, pharmacy, and ancillary) provided to patients. The Total Cost Index is a relative measure of total cost in the population of interest compared to the state average. In Washington, the Total Cost Index varies by legislative district from 20 percent below the state average ("Lowest" and "Low") to 25 percent above ("High" and "Highest") in 2017.

Total Cost Index



Total cost is lower in the urban centers of Spokane, Vancouver, and most of the Seattle area

- Exception: Capitol Hill, Fremont, and the University District are high cost, driven by a combination of price and utilization

Total cost is high in southeastern and northwestern Washington.

- High cost in southeastern Washington is driven by high utilization.
- High cost in Whatcom and San Juan Counties is driven by high price.
- High cost on the Olympic peninsula is driven by a combination of utilization and price.

Source

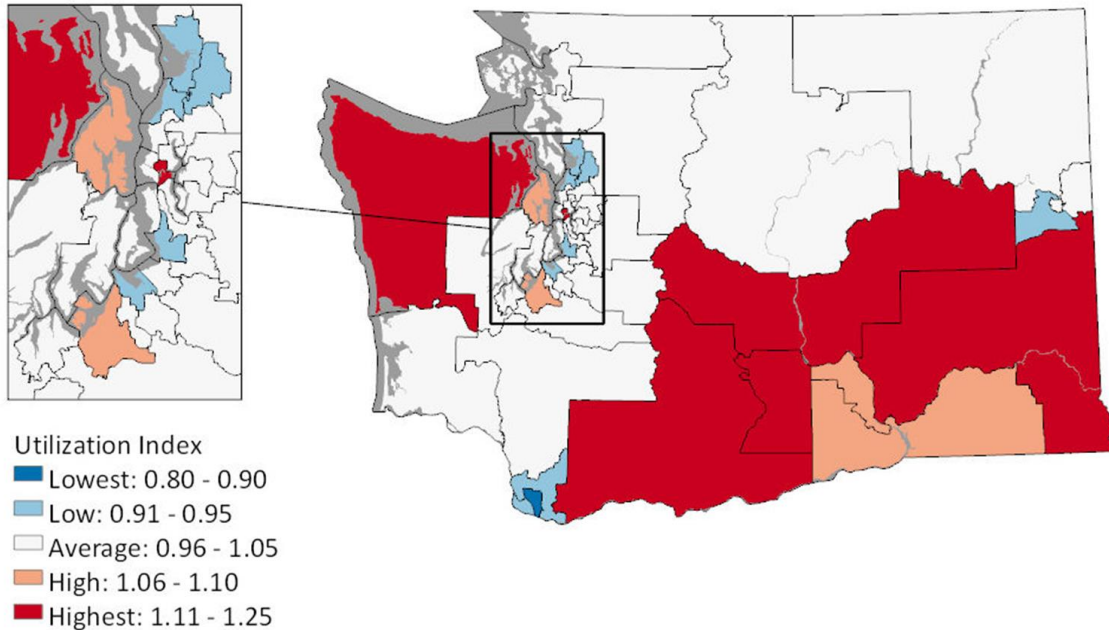
The Total Cost of Care analyses were calculated using the Washington All-Payer Health Care Claims Database (WA-APCD), the state's most complete source of health and dental claims data. It contains claims from more than 30 commercial health care payers; the Medicaid program, including its five managed care plans; Medicare; and the workers' compensation program. The WA-APCD has historical claims data beginning with 2013, and the database is systematically updated each calendar quarter with the most current claims data.

The Total Cost Index is composed of two parts: the utilization index and the price index. Utilization includes all related services delivered during 2017 and is a relative measure of total resource utilization. Price is defined from the payer's perspective, and includes both paid amount and out-of-pocket cost. It is a relative measure of per-unit cost.

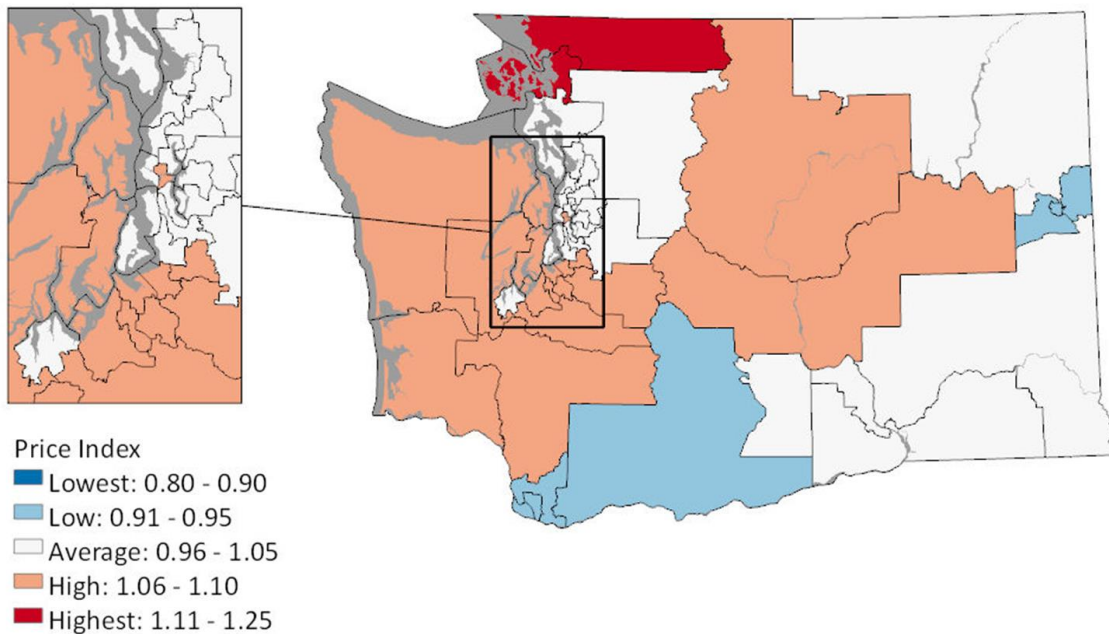
$$\text{Cost} = \text{Utilization} \times \text{Price}$$

The two maps below illustrate the utilization index and price index by legislative district.

Utilization Index



Price Index



Total Care Relative Resource Values (TCRRV™), developed by HealthPartners, quantify resource use for all procedures and costs in a health care system (www.healthpartners.com/tcoc). The TCOC-TCRRV measures used in this analysis are risk-adjusted based on age, sex, and health to allow fair comparisons across systems or among sub-groups within a system, status using Health and Humans Services Hierarchical Condition Categories (HSS-HCC).