

VETO MESSAGE ON ESB 6458

April 2, 2014

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Engrossed Senate Bill No. 6458 entitled:

"AN ACT Relating to the office of the insurance commissioner and matters related to health care insurance."

This bill requires the Insurance Commissioner to provide notice of proposed rulemaking on matters related to health care insurance to the health care committees of the Legislature and other interested parties. The bill also requires that in the event a "dispute" arises between the entities implementing the Affordable Care Act (ACA), the Governor convenes a meeting and report the results of the meeting to the legislature.

This bill, although helpful in getting the various parties in charge of implementing the Affordable Care Act (ACA) in Washington to better communicate with the legislature and each other, and to think of and come to solution oriented processes, it is ultimately unnecessary and unclear.

It is unnecessary because: (i) The Office of the Insurance Commissioner (OIC) already provides similar notice under the Administrative Procedure Act; and (ii) if disputes arise among the agencies implementing the ACA, my staff already use standing leadership team meetings that all the parties regularly attend to resolve issues. It is unclear because both provisions are included under the same subsection of the bill and the term "dispute" is undefined, making it ambiguous about whether it applies to only rulemaking or to any "dispute" related to implementation of the ACA.

However, in lieu of the bill, I am pleased the Insurance Commissioner has confirmed that it will communicate any rulemaking any interested party and it will work with the legislative chairs on an appropriate process.

I also find that a dispute resolution process would be helpful, so that is why I have asked the parties to agree to an Memorandum of Understanding (MOU) that details a clearer and more robust dispute resolution process than this bill requires, and a process that is more flexible and amendable for the future as might be necessary. The MOU details that disputes should first be resolved by the respective agency. If unresolved, the governor's office will develop a dispute

resolution pathway that fits the particular issue or use the standing executive leadership team meeting to resolve the issue. If the issues remains unresolved, my staff will raise the issue with the me and inform the legislative Joint Select Committee on Health Care Oversight. I am pleased that the various agencies have all agreed to the terms of the MOU.

I am also pleased to say that once again, Washington has demonstrated leadership in implementing the Affordable Care Act in a bi-partisan manner.

For these reasons I have vetoed Engrossed Senate Bill No. 6458 in its entirety.

Respectfully submitted,
Jay Inslee
Governor