

SENATE BILL REPORT

SB 5957

As of January 19, 2018

Title: An act relating to establishing the healthy Washington program to provide comprehensive universal single-payer health care coverage for all residents of the state.

Brief Description: Establishing the healthy Washington program to provide comprehensive universal single-payer health care coverage for all residents of the state.

Sponsors: Senators Chase, Hasegawa and Saldaña.

Brief History:

Committee Activity: Health & Long Term Care: 1/18/18.

Brief Summary of Bill

- Establishes the Healthy Washington program to provide universal single-payer health care coverage and a health care cost control system.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Staff: Evan Klein (786-7483)

Background: Federal Health Care Reform. Under the federal Patient Protection and Affordable Care Act (ACA), all U.S. citizens and legal residents are required to have health insurance coverage or pay a tax penalty. The ACA gave the states the option to expand their Medicaid programs to cover individuals up to 133 percent of the federal poverty level, which Washington State has done. The law also establishes state-based insurance exchanges in which individuals and small businesses may compare and purchase health insurance. As a result, Washington State established the Health Benefit Exchange (Exchange) as a public-private partnership to provide a platform for accessing the individual insurance market and the state Apple Health program. Premium assistance and cost-sharing subsidies are also available in the Exchange on a sliding scale for persons between 134 and 400 percent of the federal poverty level.

Sections 1115 and 1332 of the ACA allow states to apply for waivers of Medicaid and insurance rules enacted by the ACA, for purpose of developing innovative ways to deliver coverage.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Joint Select Committee on Health Care Oversight. In 2013 the Joint Select Committee on Health Care Oversight (JSCHCO) was established to provide oversight between the Health Care Authority (HCA), the Exchange, the Office of the Insurance Commissioner, the Department of Health, and the Department of Social and Health Services. The JSCHCO has ten legislative members appointed by the House of Representatives and the Senate, including the chairs of the House of Representatives Health Care and Wellness Committee and the Senate Health and Long Term Care Committee.

Summary of Bill: The Healthy Washington Program (Program) is established.

Governance. The Healthy Washington Board (Board) is established as an independent public entity to govern the Program. The Board must consist of nine members, four appointed by the Governor, two by the Senate and two by the House of Representatives. The director of the HCA will serve as voting ex-officio member. To serve on the Board, individuals must meet various standards and requirements as addressed in the bill. The Board must hire an executive director.

The Board is subject to open public meetings. The Board may adopt rules necessary to implement the Program.

The executive director must establish a public advisory committee (Committee) to advise the Board. The Committee must include various health professionals and industry representatives as designated in the bill. Committee members are appointed for four-year terms and may be reappointed.

The Board may hire staff, authorize expenditures, enter into necessary contracts, sue and be sued, receive money, and share information with relevant departments and agencies. The Board is directed to avoid jeopardizing federal financial participation in programs that are incorporated into the Program.

The Board must seek all federal waivers necessary to operate the Program.

Healthy Washington Program. The Program must provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all Washington residents. The Board must organize, administer and market the Program under the name Healthy Washington.

A health carrier may not offer benefits to cover any services for which coverage is offered under the Program, unless the health carrier offers benefits to individuals who are employed in the state but are not residents of the state. The Board must develop proposals to provide long-term care coverage, to accommodate employer retiree benefits into the Program, and to incorporate a workers' compensation system into the Program.

The Board may contract with not-for-profit organizations to contract for care coordination services and to provide assistance to health care providers seeking or considering to provide health care services under the Program.

Any health care provider licensed in Washington may participate in the Program, as long as care is performed in the state. The Board may also design procedures for allowing out of state providers to participate.

The Board must develop payment methodologies for covered health care and care coordination services. The Board must also develop a single standard for safe, therapeutic care for all residents. The standard should promote simplification, transparency, uniformity and fairness in health care provider credentialing and participation, in person primary and preventive care, elimination of health disparities, nondiscrimination, accessibility, and provision of care coordination.

Health care providers may collectively negotiate with the Program on any matter related to the Program, including rates of payment for services and prescription drugs, and payment methodologies.

Eligibility and Enrollment. Enrollment in the Program will be determined by the Board. Every resident of the state is eligible to enroll as a member of the Program. Washington colleges and universities may purchase coverage for their students who are not Washington residents.

Members of the Program are not required to pay any fee, payment, or other charge for enrolling in the Program, including premiums, copayments, coinsurance, deductibles, or any other form of cost-sharing.

The Board may apply for coverage or enroll any member in a federally matched public health program or Medicare if it does not cause the member to lose any health care service provided by the Program. However, a member who is eligible for Medicare must enroll in Medicare.

Covered Health Benefits. All medical care determined to be medically necessary and appropriate by a member's health care provider must be covered, including various services listed in section 16 of the bill.

Care coordination services must also be provided to all members of the Program.

Data and Reporting. The Board collect various data to compare patient outcomes and review utilization of health services, including:

- discharge data;
- emergency department and ambulatory surgery data; and
- hospital financial data.

All data collected must be made publicly available.

The Program may not disclose any personally identifiable information obtained.

Healthy Washington Trust Fund. The Healthy Washington Trust fund (Trust Fund) is created to receive deposits of all monies received by the Program. The Trust Fund must be continuously appropriated and maintain a reserve.

Job Transition. The Board must provide funds from the Trust Fund for a program for retraining an individual whose job is displaced by the Program.

Preemption. The Program does not preempt any city or county that provides more protections and benefits to Washington residents.

Appropriation: None.

Fiscal Note: Requested on January 9, 2018.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Staff Summary of Public Testimony: PRO: This bill is a duplicate of what was presented in California, and is brought to the committee for consideration as the committee develops the next iteration of health care in the state. There is a disconnect between the ever increasing cost of health care and the longevity of individuals receiving that care. Premiums should not continue to increase while health insurance companies see ever increasing surpluses and reserves. This is an informed, thoughtful proposal to keep our people healthy. Millions of people cannot afford to pay copays and premiums. Prices charged by hospitals and insurers are driving families into bankruptcy. This bill would control health care spending and stimulate our state's economy, and could save \$9 billion a year for the state.

Persons Testifying: PRO: Senator Maralyn Chase, Prime Sponsor; Sally Soriano, United for Single Payer.

Persons Signed In To Testify But Not Testifying: No one.