

HOUSE BILL REPORT

E2SSB 5399

As Passed House - Amended:

April 7, 2021

Title: An act relating to the creation of a universal health care commission.

Brief Description: Concerning the creation of a universal health care commission.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Randall, Cleveland, Das, Dhingra, Frockt, Hunt, Kuderer, Lias, Lovelett, Nguyen, Nobles, Robinson, Saldaña, Stanford, Van De Wege, Wellman and Wilson, C.).

Brief History:

Committee Activity:

Health Care & Wellness: 3/18/21, 3/24/21 [DPA];

Appropriations: 3/31/21, 4/1/21 [DPA(APP w/o HCW)].

Floor Activity:

Passed House: 4/7/21, 57-40.

Brief Summary of Engrossed Second Substitute Bill (As Amended By House)

- Establishes the Universal Health Care Commission to create immediate changes in Washington's health care access and delivery system and to establish the preliminary infrastructure to create a universal health care system that provides coverage and access through a universal financing system.
- Requires the Universal Health Care Commission to submit a baseline report to the Governor and the Legislature by November 1, 2022, with subsequent annual reports.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

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

Majority Report: Do pass as amended. Signed by 10 members: Representatives Cody, Chair; Bateman, Vice Chair; Bronoske, Davis, Harris, Macri, Riccelli, Simmons, Stonier and Tharinger.

Minority Report: Do not pass. Signed by 2 members: Representatives Schmick, Ranking Minority Member; Rude.

Minority Report: Without recommendation. Signed by 3 members: Representatives Caldier, Assistant Ranking Minority Member; Maycumber and Ybarra.

Staff: Christopher Blake (786-7392).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended by Committee on Appropriations and without amendment by Committee on Health Care & Wellness. Signed by 19 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Chopp, Cody, Dolan, Fitzgibbon, Frame, Hansen, Johnson, J., Lekanoff, Pollet, Ryu, Senn, Springer, Stonier, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 14 members: Representatives Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Chandler, Dye, Harris, Hoff, Jacobsen, Rude, Schmick and Steele.

Staff: Meghan Morris (786-7119).

Background:

The Universal Health Care Work Group (Work Group) was established in 2019 to make recommendations to the Legislature related to the creation, implementation, maintenance, and funding of a universal health care system. The Work Group consisted of 37 members and was staffed by the Health Care Authority and private consulting groups. The definition of "universal health care," as adopted by the Work Group, means that "all Washington residents have access to essential, effective, appropriate, and affordable health care services when and where they need it." The Work Group considered three models for realizing universal health care: (1) a state-governed and administered program; (2) a state-governed, and health plan administered program; and (3) a program for undocumented residents to access coverage. The final report was issued on January 15, 2021, and provided analysis of each with respect to expected costs, access, equity, governance, quality, administration, affordability, and feasibility.

Summary of Amended Bill:

The Universal Health Care Commission (Commission) is established for the purpose of creating immediate and impactful changes in Washington's health care access and delivery system and to prepare the state for the creation of a health care system to provide coverage and access through a universal financing system, including a unified financing system, once federal authority has been acquired.

The Commission consists of the following voting members:

- one legislator from each caucus of each chamber of the Legislature;
- the Secretary of the Department of Health, or the Secretary's designee;
- the Director of the Health Care Authority (Authority), or the Director's designee;
- the Chief Executive Officer of the Washington Health Benefit Exchange, or the Chief Executive Officer's designee;
- the Insurance Commissioner, or the Commissioner's designee;
- the Director of the Office of Equity, or the Director's designee; and
- six members appointed by the Governor, using an equity lens, who have knowledge and experience regarding health care coverage, access, and financing, including at least one member who is a consumer representative and at least one invitation to a representative of tribal governments with knowledge of Indian health care delivery.

The Governor must appoint one of the Commission members to be the chair for no more than three years. The Commission may establish advisory committees that include members of the public who are not on the Commission. The Authority is responsible for staffing the Commission and publishing meeting dates, agendas, and meeting materials on its website.

The Commission must submit a baseline report to the Governor and the Legislature by November 1, 2022. The baseline report must include:

- a complete synthesis of analyses of Washington's existing health care finance and delivery system, including cost, quality, workforce, and provider consolidation trends, and the way different factors impact the ability to provide timely access to high-quality, affordable health care to all Washingtonians;
- a strategy for developing implementable changes to increase health care access, reduce health care costs, reduce health disparities, improve quality, and prepare for the transition to a unified health care financing system. The Commission must examine data and reports from sources that are monitoring the health care system, such as the Health Care Cost Transparency Board, the Public Health Advisory Board, the Governor's Interagency Coordinating Council on Health Disparities, the All-Payer Claims Database, prescription drug price data, and performance measure data;
- an inventory of key design elements of a universal health care system, including a unified financing system, eligibility and enrollment processes and requirements, covered benefits and services, provider participation, effective and efficient provider payments, cost containment and savings strategies, quality improvement strategies, participant cost sharing, quality monitoring and disparities reduction, initiatives to improve culturally appropriate health services, strategies to reduce health disparities,

- information technology and financial management systems, data sharing and transparency, and governance and administration structure;
- an assessment of the state's current level of preparedness related to the key design elements and steps the state should take to prepare for a just transition to a unified health care financing system, including recommendations regarding administrative changes, reorganization of state programs, retraining programs for displaced workers, federal waivers, and statutory and constitutional changes;
 - recommendations for coverage expansions to be implemented prior to and consistent with a universal health care system;
 - recommendations for implementing reimbursement rates for health care providers serving medical assistance requirements at a rate that is no less than 80 percent of the rate paid by Medicare; and
 - recommendations for the creation of a finance committee to develop a financially feasible model to implement universal health care coverage using state and federal funds.

Following the release of the baseline report, the Commission must work to identify opportunities to implement reforms to the current health care system and structural changes to prepare the state for a unified health care financing system. The Commission must submit annual reports detailing its work, opportunities to advance changes to the health care system, which of those opportunities a state agency is implementing, which require legislative authority, and which require federal authority.

The Commission is not authorized to implement a universal health care system through a unified financing system until further action is taken by the Legislature and the Governor. The Authority, however, must begin any federal application process within 60 days of its availability.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on April 5, 2021.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony (Health Care & Wellness):

(In support) At the end of last year there were 541,000 Washingtonians without health coverage. The cost and inaccessibility of health care is the reason for many businesses failing, families going bankrupt, and children and parents dying unnecessarily. Washington needs health care that is comprehensive, accessible, and affordable to protect the health of every resident. Universal health care in Washington would provide access to health care for American Indians and Alaska Natives who are left out of the Indian health care delivery system. The current system of health care is part of a system of structural racism and

discrimination that needs to be thoughtfully dismantled and rebuilt. The pandemic has further exposed the inequities in the health care system and there needs to be work to address equity, access, and disproportionality in health care. Health care is currently being relegated to those who have resources, instead of those who need it. There needs to be a better, less expensive, and more inclusive system to cover Washington citizens' basic health needs. Other countries have shown that this is possible with better outcomes and lower costs. This bill will eliminate restrictive narrow networks, increase provider choice, and reduce administrative costs. This bill will control health care spending and increase affordability and access for the benefit of everyone. Health care providers and hospitals would benefit under this bill because every patient would be a paying patient. This bill will help keep critical access hospitals open and help small business owners who have been struggling to afford the growing cost of health plans. People struggle to find providers who will take their insurance, especially specialists. Universal health care would reduce business costs, increase workplace productivity, increase business viability, and provide for healthy businesses and employees in Washington. This bill will create an even playing field.

This bill would start implementation of what the majority of the Universal Health Care Work Group (Work Group) favored which is a unified, publicly-funded plan for universal health coverage through a state agency. This bill is building on steps that have already been taken by bringing agency representatives together to come up with the next steps for implementation. There needs to be a Universal Health Care Commission (Commission) that can create a sustainable plan that will work for all providers and patients. There should be a designated chairperson, such as an outside expert on health care systems. There should be a November 1, 2023, deadline. Recommendations for short-term fixes should not have to wait until the final report because there are people who are hurting now who need help.

(Opposed) This bill does nothing but form a commission and gives it four years to solve problems that have already been solved. This bill pushes badly needed health care coverage further down the road and, most likely, kills it forever. The consequences of this bill will be more suffering and needless deaths. This bill crushes the hopes of residents who are suffering from a horrible health care system that allows insurers to make decisions over what procedures people get.

(Other) Multiple studies have shown that the state can save the most money and improve outcomes by moving to a single-payer health system. The Work Group conducted a comprehensive study of the problem and determined that a single-payer system would cover nearly everyone in the state and save billions of dollars. The studies have all been completed and the time for action is now. This bill is not bold enough. There should be an amendment to the bill to empower the Commission to enact Senate Bill 5204. Small businesses need access to affordable insurance now. There needs to be a universal, single payer health care system for Washington residents, regardless of immigration status, until a single payer system is enacted nationally. The Legislature has the power to move quickly and bring life-saving health care to Washington citizens before 2026. The scope of the bill

should be broadened to consider some of the underlying issues in the health care system that could potentially be solved in the shorter term such as affordability, access to care, disparities, and outcomes.

Staff Summary of Public Testimony (Appropriations):

(In support) This bill will help rural communities and critical access hospitals which are especially vulnerable. Many people struggle with increasing health care costs. The COVID-19 pandemic highlights faults of the state's economic system, housing, public health, and health care system. Many people lack access to basic services and services are expensive. People do not seek the health care attention they need, which endangers everyone, especially during a pandemic. The state needs to bolster the expensive and inadequate system that is full of holes for people to fall through. The Universal Health Care Commission (Commission) keeps complex intergovernmental and stakeholder work on track to fill the holes and make sure the state's health care system benefits everyone.

Small businesses confronting high and rising health care costs for their employees are forced to compete with larger businesses and cities with more available resources. Small businesses lose out when quality employees choose employment based on benefits. Direct and indirect business costs for health care can be the difference between survival and bankruptcy. Many plans force employees to choose between medical care, rent, or groceries, resulting in poor employee performance if they are injured or ill. Delays to employee recovery affect everyone. Many workers making under \$25 per hour have unaffordable deductibles, which essentially equals being uninsured. Universal health coverage provides a platform for healthy businesses and employees as it reduces direct business costs, increases workplace productivity, and increases business viability and profits. Investing in this now saves billions in state funding to address other priorities.

Changes to reduce the Commission membership and make the Commission permanent are positive steps. There are concerns about the lack of specific guidelines and benchmarks, especially for the uniform financing system and timeline for the plan which could delay the work. The details are important.

(Opposed) None.

(Other) A universal health care system is a matter of life or death. The current care delivery system would remain intact. Universal health care would only change how dollars are collected and paid to providers. This has been worked on for decades and people have lost their patience with the legislative process. The American dream has dried up for 99 percent of Americans and the goals of this Commission are not bold enough. Universal health care can and should be enacted sooner so the savings can prepare the state for the future. Only 500,000 people need to be covered to provide a universal, comprehensive, affordable health care system as a matter of our shared human rights. The longer the state puts off affordable health care, the longer people suffer. This bill does nothing but establish the Commission.

There is no legislation required or expected. There is no path to a single-payer system as the state's Universal Health Care Workgroup clearly recommends. The state should not ignore the single-payer system that would immediately provide much needed health care to those in need. No lobbyist should dictate what health care is available for Washingtonians. Profits should not come before the well-being of our neighbors, friends, families, and children.

Persons Testifying (Health Care & Wellness): (In support) Senator Randall, prime sponsor; Marcia Stedman, Sherry Weinberg, and Elaine Cox, Health Care for All-Washington; Julie Salvi, Washington Education Association; Jessa Lewis and Bevin McLeod, Alliance for a Healthy Washington; Vicki Lowe, American Indian Health Commission; Mary Anne Ruddis; Nancy Connolly; Carolyn Brotherton, American Federation of Teachers–Washington; and Darci Henderson.

(Opposed) Michael Benefiel, Democratic Party.

(Other) Kathryn Lewandowsky, Whole Washington; Chris Bandoli, Association of Washington Healthcare Plans; Kathy Duprey; No'eau Paika'i; Kim Harmon; and Brian Griffith.

Persons Testifying (Appropriations): (In support) Jessa Lewis and Nicole Gomez, Alliance for a Healthy Washington; Aaron Katz, School of Public Health, University of Washington; Dave Rinn; and Marcia Stedman, Health Care for All, Washington.

(Other) Michael Benefiel; Kathryn Lewandowsky, Whole Washington; Lana Bostic; and Rhonda Walker.

Persons Signed In To Testify But Not Testifying (Health Care & Wellness): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.