

# SENATE BILL REPORT

## E2SSB 5399

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As Amended by House, 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, Liias, Lovelett, Nguyen, Nobles, Robinson, Saldaña, Stanford, Van De Wege, Wellman and Wilson, C.).

**Brief History:**

**Committee Activity:** Health & Long Term Care: 2/08/21, 2/10/21 [DPS-WM, DNP].  
Ways & Means: 2/19/21, 2/22/21 [DP2S, DNP].

**Floor Activity:** Passed Senate: 3/2/21, 28-20.  
Passed House: 4/7/21, 57-40.

**Brief Summary of Engrossed Second Substitute Bill**

- Establishes the universal health care commission.

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### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Majority Report:** That Substitute Senate Bill No. 5399 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Cleveland, Chair; Frockt, Vice Chair; Conway, Keiser, Randall, Robinson and Van De Wege.

**Minority Report:** Do not pass.

Signed by Senators Muzzall, Ranking Member; Holy, Padden and Rivers.

**Staff:** Greg Attanasio (786-7410)

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*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.*

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## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Second Substitute Senate Bill No. 5399 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Carlyle, Conway, Darneille, Dhingra, Hasegawa, Hunt, Keiser, Liias, Pedersen, Van De Wege and Wellman.

**Minority Report:** Do not pass.

Signed by Senators Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Schoesler, Assistant Ranking Member, Capital; Braun, Gildon, Mullet, Muzzall, Rivers, Wagoner and Warnick.

**Staff:** Sandy Stith (786-7710)

**Background:** In 2019, the Legislature established a universal health care work group. The work group issued its final report on January 15, 2021. It defined universal health care to mean that all Washington residents can access essential, effective, appropriate, and affordable health care services when and where they need it, and developed three coverage models. Models A and B are designed to provide coverage for all state residents, including those currently covered by federal programs, and undocumented immigrants. The models would provide coverage for essential health benefits and include no cost sharing. Model A would achieve this through a state-governed and administered program while Model B would be a state-governed, but health plan administered program. Model C would offer coverage to a segment of Washingtonians—those who do not have access to affordable coverage through a public program, an employer, or in the individual market. It is primarily designed to increase coverage for uninsured undocumented immigrants.

**Summary of Engrossed Second Substitute Bill:** The universal health care commission is established to develop a plan to be implemented by 2026, that provides comprehensive, equitable, and affordable health care coverage under a publicly financed and privately and publicly delivered health care system to all state residents.

The commission shall include the following voting members:

- two members from each of the two largest caucuses of the house of representatives and two members from each of the two largest caucuses of the senate;
- the secretary of the Department of Health, or the secretary's designee;
- the director of the Health Care 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 secretary of the Department of Social and Health Services, or the secretary's designee;
- the director of the Office of Equity, or the director's designee;

- an individual representing local health jurisdictions; and
- eight members appointed by the Governor with knowledge and experience regarding health care coverage, access, and financing, or other relevant expertise, including at least one invitation to an individual from tribal governments with knowledge of the Indian health care delivery in the state.

The director of the Department of Retirement Systems, or the director's designee shall serve as a nonvoting member of the commission.

The commission may establish advisory committees that include members of the public with knowledge and experience in health care, in order to support stakeholder engagement and an analytical process by which key design options are developed. A member of an advisory committee need not be a member of the commission.

By November 1, 2024, the commission must submit a report including:

- a synthesis of existing analyses of Washington's health care finance and delivery system, including cost, quality, workforce, and provider consolidation trends and how they impact the state's ability to provide all Washingtonians with timely access to high-quality, affordable health care;
- recommendations for key elements of a universal health care system, including:
  1. a financing system;
  2. eligibility and enrollment processes;
  3. covered benefits;
  4. provider participation;
  5. efficient provider payments;
  6. cost containment, savings, and quality improvement strategies;
  7. initiatives for improving culturally appropriate health services within public and private health-related agencies;
  8. home and community based services;
  9. strategies to reduce health disparities;
  10. information technology systems and financial management systems;
  11. data sharing and transparency; and
  12. governance and administrative structure;
- recommendations for steps Washington should take to prepare for the just transition to a unified financing system; 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.

The commission must hold its first meeting within 90 days of the effective date of the act and must submit an interim report to the Governor and the Legislature 12 months after its first meeting and every 6 months thereafter.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** Yes.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill (Health & Long Term Care):** *The committee recommended a different version of the bill than what was heard.* PRO: There are over 500,000 people uninsured in Washington. The state has the responsibility to continue to develop a path to provide universal coverage. There is still more planning to do to determine what the best path is to achieve the goal. The lower costs of universal system will increase options for the uninsured and allow access to needed treatment. This bill is not just another study, it will give the Legislature what it needs to implement universal coverage. Discussions are underway to facilitate pathways for federal waivers to assist in financing. Incrementalism is not ideal, but this bill imposes a deadline for the state. Universal coverage is good for the economy and this is a fiscally responsible approach. Lives should be treated with dignity regardless of income level. Delaying care leads to more costs later.

CON: A single payer system is the best option for coverage. A bill already exists to provide coverage through this process, but is being ignored. This bill just pushes the issue down the road. There should be a hearing on SB 5204. The universal health care work group already did this work and now is the time to implement. This bill is designed to kill single payer coverage.

OTHER: The commission should be focused on more short term issues, including affordability, gaps in coverage, an individual mandate, pharmaceutical pricing, and value based purchasing. Those affected by change in coverage from federal programs to a state system need have a voice in the process.

**Persons Testifying (Health & Long Term Care):** PRO: Senator Emily Randall, Prime Sponsor; Bunny Hatcher; Jennifer Cumbie; Jessa Lewis, Alliance for a Healthy Washington; Cris Currie, Health Care for All - Spokane; Sarah Weinberg, Health Care for All - Washington; Hisam Goueli, Doctors in Politics; Marcia Stedman, Health Care for All-Washington; Lynnette Vehrs, Washington State Nurses Association; Pete Lamb, Teamsters; Jill Levine; Autumn Savage; Elena Savage; Bevin McLeod, Alliance for a Healthy Washington.

CON: Michael Benefiel, Whole Washington; Kathryn Lewandowsky, BSN, RN, Whole Washington; Jason Call; Carl Baker, Tri-city Democrats & Whole Washington; Laura Fielding, Pierce County Democrats, 27th LD Democrats; Bruce Davidson MD MPH.

OTHER: Kelsey Breseman; Kathy Duprey; Mark Proulx; Marianna Everson; R LaFave, Roar Media; Marlene Allbright; Andre Stackhouse; Deirdre M Gee; Chris Bandoli, Association of Washington Healthcare Plans; Linda Seltzer.

**Persons Signed In To Testify But Not Testifying (Health & Long Term Care):** No one.

**Staff Summary of Public Testimony on First Substitute (Ways & Means):** *The committee recommended a different version of the bill than what was heard.* PRO: People are struggling with increased costs on the Exchange. Months are spent navigating the system. A healthy Washington is a prosperous Washington. To achieve an equitable system, we need to address barriers for marginalized communities. We would spend less on health care if we invested in preventative care rather than sending people to the emergency room. Small business is also feeling the impact of the high cost of health care. They can not compete for employees with big businesses because it is an uneven playing field. Catastrophic plans leave people without the ability to get health care they need and without money to buy essentials. This will help reduce business costs, which will also help employees, both in productivity and well being. A cost savings not contemplated by this bill is in workers compensation. This does not cover comorbidities. Universal coverage would help in saving these costs. The dates in the bill should be moved forward by one year. Like the commission that developed the Basic Health Plan, the first year of savings could be \$1.2 billion.

CON: I started out pro, but now I am con. I ended up losing my insurance during a pandemic and had serious health needs.. We need universal health care now, 2026 is too late. All the major countries in the world have universal coverage. SB 5024 does this. We do not need another bill that find ways to divert dollars to middlemen. A single payer system is the best option for coverage. A bill already exists to provide coverage through this process, but is being ignored. This bill just pushes the issue down the road. There should be a hearing on SB 5204. The universal health care work group already did this work and now is the time to implement. We do not have the time and money to waste on this. The challenge is finding the money for single payer.

OTHER: The commission should be focused on more short term issues, including affordability, gaps in coverage, an individual mandate, pharmaceutical pricing, and value based purchasing. Those affected by change in coverage from federal programs to a state system need to have a voice in the process.

**Persons Testifying (Ways & Means):** PRO: Sarah Moe; Jessa Lewis, Small Business Owner; Mohamed Shidane, Deputy Director, Somali Health Board; Dr. Nancy Connolly, MD, MPH, Doctors for America; Dave Rinn; Nicole Gomez, MPA, Alliance for a Healthy Washington; Marcia Stedman, Health Care for All-Washington; Elaine Cox, Health Care for All-Washington; Pete Lamb, Teamsters; Aaron Katz, Principal Lecturer Emeritus.

CON: Bruce Davidson MD MPH.

OTHER: Chris Bandoli, Association of Washington Healthcare Plans.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.

## **EFFECT OF HOUSE AMENDMENT(S):**

- Reduces the membership of the Commission by removing four of the eight legislators, the representative of local health jurisdictions, the representative of the Department of Social and Health Services, two of the eight members with experience in health care administration, and the representative of the Department of Retirement Systems.
- Requires the Governor to appoint the six members with health care experience using an equity lens and that at least one of the six members be a consumer.
- Authorizes the Governor to appoint the chair for terms up to three years.
- Removes the expiration date for the Commission and makes it permanent.
- Removes the Commission's responsibility to develop a plan to create a health care system with a universal financing system, and instead assigns the Commission with creating immediate changes in the health care access and delivery system in Washington and preparing the state for the creation of a health care system with a universal financing system once the necessary federal authority has been obtained.
- Directs HCA to begin any necessary federal application process within 60 days of its availability.
- Replaces reporting requirements with a baseline report to be submitted by November 1, 2022, and subsequent annual reports every November 1st. Requires the baseline report to include the same topics as the report in the underlying bill and: (1) adds a strategy for developing 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; (2) changes the recommendations of key design elements of a universal health care system to an inventory of such design elements; (3) adds an assessment of the state's current level of preparedness to meet the design elements; (4) removes a reference to coverage expansions for Medicaid for persons regardless of immigration status; and (5) adds 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.
- Removes a reference to home and community-based services as one of the key design elements of a universal health care system.
- Requires subsequent annual reports to detail the Commission's work, opportunities to advance the Commission's goals, identify which opportunities are being implemented by a state agency, identify which opportunities should be pursued with legislative authority, and identify which opportunities are beneficial, but lacking federal authority.
- Provides that the Commission's meetings are subject to the Open Public Meetings Act.
- Requires the Authority to publish meeting dates, agendas, and meeting materials on its website.
- Removes intent language that all Washington residents have health coverage under a publicly financed and privately and publicly delivered health care system by 2026 and adds legislative finding regarding the implementation of a unified health care financing system being dependent on the changes from the federal government.
- Adds legislative intent to implement immediate changes in the state's health care system and to establish the preliminary infrastructure to create a universal health system once

federal authorities have been realized.