
HOUSE BILL 1523

State of Washington

69th Legislature

2025 Regular Session

By Representatives Macri, Low, Lekanoff, Fosse, Thai, Farivar, Berry, Doglio, Davis, Peterson, Reed, Simmons, Ormsby, Parshley, Pollet, Hill, Salahuddin, and Scott

Read first time 01/22/25. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to establishing the essential worker health care
2 program; adding new sections to chapter 43.20A RCW; adding new
3 sections to chapter 48.02 RCW; creating a new section; and declaring
4 an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature finds:

7 (a) That there is a workforce crisis in Washington's nursing
8 homes where the majority of workers are older women and
9 disproportionately women of color and immigrants. Overwhelmingly
10 nursing home workers live at or near poverty levels;

11 (b) Workers in nursing homes are essential health care workers
12 who provide hands-on personal care, supervision, nursing care
13 services, and emotional support to thousands of elderly and younger
14 people with chronic illnesses and disabilities, yet continue to
15 struggle for recognition and compensation even as the demand for
16 long-term care services increases;

17 (c) Investments in worker benefits and wages have improved
18 stability in the Washington in-home workforce by providing access to
19 affordable and high quality employee health care benefits that help
20 stem turnover;

1 (d) Access to high quality and affordable health care would help
2 address staff turnover, stabilize the workforce, and improve the
3 quality of nursing home care.

4 (2) Therefore, the legislature intends to address this crisis by:

5 (a) Offering increased funding to nursing home operators who
6 commit to offering high quality and affordable health care to their
7 employees;

8 (b) Encouraging nursing home operators to offer health care in
9 the most cost-effective way possible, through large-scale,
10 multiemployer plans; and

11 (c) Requiring that funds appropriated for this purpose are spent
12 as intended and that these funds supplement rather than supplant
13 existing health care funding for employee health care coverage.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.20A
15 RCW to read as follows:

16 (1) By July 1, 2026, the essential worker health care program
17 shall be established within the department to help provide nursing
18 home workers with high quality, affordable health coverage through
19 participating nursing home employers. The department shall distribute
20 funding through a supplemental payment to participating nursing home
21 employers and seek any necessary approvals from the centers for
22 medicare and medicaid services to provide this supplemental payment
23 as provided in section 6 of this act. The supplemental payment must
24 be distributed annually in proportion to each participating nursing
25 home employer's medicaid bed days in the previous calendar year.

26 (2) To participate in the essential worker health care program,
27 employers must operate at least one nursing home licensed under
28 chapter 18.51 RCW in Washington that participates in medicaid and
29 enter into a memorandum of understanding with the department
30 committing to:

31 (a) Participate in a qualified health fund certified by the
32 office of the insurance commissioner;

33 (b) Allocate substantially all of the funds distributed through
34 this program to the qualified health fund;

35 (c) Provide documentation to the department of its spending on
36 employee health care benefits in Washington in the two years prior to
37 its entry into the program;

38 (d) Maintain spending on employee health care benefits in the
39 first year of its participation in the program at least equal to the

1 average of its spending in the two years prior to its entry into the
2 program and maintain spending in subsequent years at least equal to
3 this level plus the consumer price index for health insurance
4 maintained by the United States bureau of labor statistics. Spending
5 to meet this requirement must flow through the certified qualified
6 health fund. For qualified health funds offered through a Taft-
7 Hartley fund in which union representatives occupy at least 50
8 percent of board seats, a certification from each participating union
9 is sufficient to comply with this requirement;

10 (e) Provide the department with information concerning its
11 employee health care benefits, covered employee uptake of the
12 employer's health plan, cost to the employer and covered employees,
13 and employer retention of employees in the two years prior to its
14 entry into the program, and provide updates to this information at
15 the end of each year of participation in the program;

16 (f) Demonstrate at least annually or more frequently at the
17 request of the department that it has used all of the supplemental
18 payments received through the program to significantly improve the
19 quality of employee health care benefits offered to covered
20 employees; and

21 (g) Meet any other conditions or requirements specified by the
22 department in rule to achieve the goals of this program.

23 (3) Only covered employees may participate in the program. A
24 "covered employee" is any permanent employee of a company that
25 operates a participating facility who works primarily in the state of
26 Washington including, but not limited to, employees providing direct
27 care to nursing home residents; employees indirectly involved in
28 resident care; employees providing dietary, housekeeping, laundry, or
29 environmental services on location; administrative employees and
30 management; and corporate office employees, or any subcontractor of
31 such a company who works on a full-time, permanent basis in a nursing
32 home.

33 (4) The department may take any enforcement action authorized
34 under this chapter or terminate any participating employer that fails
35 to comply with the requirements established in the memorandum of
36 understanding, sections 2 and 3 of this act, and any related rules
37 adopted by the department.

38 (5) The department may adopt rules to administer and implement
39 this act.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 48.02

2 RCW to read as follows:

3 (1) The office of the insurance commissioner shall annually
4 certify a proposed health care benefit arrangement as a qualified
5 health fund if it meets the requirements of this section.
6 Supplemental payments to participating employers may be disbursed by
7 the department of social and health services only to employers that
8 offer employee health care benefits solely through a qualified health
9 fund that:

10 (a) Includes at least two distinct and unrelated employers in
11 each year of the program. For the initial plan year of operation, the
12 entity seeking certification must provide sufficient information to
13 the commissioner to confirm that at least two distinct and unrelated
14 employers will be offering employee health care benefits through the
15 fund. For subsequent years, the entity seeking certification must
16 provide information showing that at least two distinct and unrelated
17 employers participated in the fund during the previous plan year;

18 (b) (i) Operates or provides health coverage through a fully
19 insured multiemployer welfare arrangement or an association health
20 plan; or

21 (ii) Operates as a self-insured Taft-Hartley fund with equal
22 union and employer participation;

23 (c) For a qualified health fund operated under (b) (i) of this
24 subsection, during the previous plan year, offered benefits to at
25 least 5,000 employees in the long-term care industry in Washington
26 state. For the initial plan year of operation, the entity seeking
27 certification shall provide sufficient information to the
28 commissioner to confirm anticipated enrollment of at least 5,000
29 long-term care employees;

30 (d) Offers a benefit package that is either equivalent to an
31 affordable care act platinum plan in actuarial value, covered
32 benefits and cost sharing, or, if the plan is offered by a Taft-
33 Hartley trust, a plan approved by the board of the trust;

34 (e) Certifies each year that participating employers are
35 complying with the terms of the program, including the maintenance of
36 spending requirement provided in section 2(2) (d) of this act;

37 (f) Except for Taft-Hartley plans, demonstrates for the initial
38 year of operation and annually that it has provided the opportunity
39 for substantive input on plan design, including covered services and
40 how they will be delivered from substantially all covered employees;

1 (g) Except for Taft-Hartley plans, demonstrates for the initial
2 year of operation and annually that it has a robust enrollment
3 process in place to ensure that covered employees fully understand
4 their benefits; and

5 (h) Complies with any other requirements determined by the
6 commissioner in rule to further the goals of the program.

7 (2) The commissioner may adopt rules to administer and implement
8 this act.

9 NEW SECTION. **Sec. 4.** A new section is added to chapter 48.02
10 RCW to read as follows:

11 (1) The commissioner may take any enforcement action authorized
12 under RCW 48.02.080 or revoke certification for a qualified health
13 fund that fails to meet the requirements of sections 2 and 3 of this
14 act or any related rules adopted by the office of the insurance
15 commissioner.

16 (2) If the office of the insurance commissioner takes any
17 enforcement action, revokes a certification, or terminates or is
18 considering terminating a qualified health fund, the office of the
19 insurance commissioner shall notify the department of social and
20 health services.

21 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.20A
22 RCW to read as follows:

23 (1) For employers participating in a qualified health fund that
24 loses certified qualified health fund status for noncompliance, the
25 department shall recoup any supplemental payments received under this
26 program during the period in which the qualified health fund was out
27 of compliance with the requirements established in section 3 of this
28 act and any related rules adopted by the department or the office of
29 the insurance commissioner.

30 (2) For participating employers that are terminated by the
31 department for noncompliance, the department shall recoup any
32 supplemental payments from the participating employer that was out of
33 compliance with requirements established in section 2 of this act and
34 any related rules adopted by the department for the fiscal years in
35 which the employer was out of compliance.

36 (3) The department shall establish and administer a process for
37 the recoupment of supplemental payments disbursed under the essential
38 worker health care program established under section 2 of this act.

1 (4) The recoupment process must include:

2 (a) A review and audit of expenditures by participating employers
3 and qualified health funds at least once every two years;

4 (b) Written notice to employers or funds found noncompliant,
5 detailing the reasons for recoupment and providing an opportunity for
6 appeal within 30 days;

7 (c) Recovery of funds by offsetting future payments, direct
8 reimbursement to the department, or other means as determined by the
9 department in rule; and

10 (d) Reporting all recoupment activities to the legislature
11 annually, including details of amounts recovered and the basis for
12 recoupment.

13 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.20A
14 RCW to read as follows:

15 (1) The implementation of the essential worker health care
16 program established in section 2 of this act is contingent upon the
17 approval of a state plan amendment or waiver by the centers for
18 medicare and medicaid services providing federal financial
19 participation for supplemental payments under this program.

20 (2) The department shall submit the necessary state plan
21 amendment or waiver application to the centers for medicare and
22 medicaid services by July 1, 2025, and provide a report to the
23 legislature on the status of approval by no later than December 1,
24 2025.

25 (3) If the centers for medicare and medicaid services does not
26 provide approval by July 1, 2026, the department and the office of
27 the insurance commissioner shall:

28 (a) Delay implementation of the program until approval is
29 received;

30 (b) Provide an updated implementation timeline to the
31 legislature; and

32 (c) Identify and recommend potential state funding alternatives
33 to ensure compliance with the intent of this act.

34 (4) Any supplemental payments made under the program prior to
35 approval from the centers for medicare and medicaid services are
36 contingent on retroactive approval of federal matching funds or
37 subject to the recoupment process outlined in section 5 of this act.

1 NEW SECTION. **Sec. 7.** Section 6 of this act is necessary for the
2 immediate preservation of the public peace, health, or safety, or
3 support of the state government and its existing public institutions,
4 and takes effect immediately.

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