

SENATE BILL REPORT

SB 5822

As Reported by Senate Committee On:
Health & Long Term Care, February 19, 2019
Ways & Means, February 28, 2019

Title: An act relating to providing a pathway to establish a universal health care system for the residents of Washington state.

Brief Description: Providing a pathway to establish a universal health care system for the residents of Washington state.

Sponsors: Senators Randall, Frockt, Cleveland, Wilson, C., Salomon, Nguyen, Hasegawa, Keiser, Saldaña, Van De Wege, Liias, Das, Darneille, Dhingra and Kuderer.

Brief History:

Committee Activity: Health & Long Term Care: 2/18/19, 2/19/19 [DPS-WM, w/oRec, DNP].

Ways & Means: 2/27/19, 2/28/19 [DP2S, DNP, w/oRec].

Brief Summary of Second Substitute Bill

- Directs the Health Care Authority (HCA) to convene a work group to study the establishment of a universal health care system in Washington, and for the work group to report its findings by November 15, 2020.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Majority Report: That Substitute Senate Bill No. 5822 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

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

Minority Report: That it be referred without recommendation.

Signed by Senator O'Ban, Ranking Member.

Minority Report: Do not pass.

Signed by Senators Bailey and Becker.

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.

Staff: LeighBeth Merrick (786-7445)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5822 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Billig, Carlyle, Conway, Darneille, Hasegawa, Hunt, Keiser, Liias, Palumbo, Pedersen and Van De Wege.

Minority Report: Do not pass.

Signed by Senators Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Bailey, Becker, Schoesler, Wagoner, Warnick and Wilson, L..

Minority Report: That it be referred without recommendation.

Signed by Senator Rivers.

Staff: Sandy Stith (786-7710)

Background: 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 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.

The ACA allows states to apply for Medicaid waivers and for insurance rules enacted by the ACA, to develop innovative ways to deliver coverage.

Summary of Bill (Second Substitute): The Health Care Authority must convene a work group on establishing a universal health care system in Washington. The work group must consist of stakeholders, including:

- consumers, patients, and the general public;
- patient advocates and community health advocates;
- large and small businesses with experience with large and small group insurance and self-insured models;
- labor, including experience with Taft-Hartley coverage;
- health care providers that are self employed and that are otherwise employed;
- health care facilities such as hospitals and clinics;
- health carriers;
- the Washington Health Benefit Exchange and state agencies, including the Office of Financial Management, the Office of the Insurance Commissioner, the Department of Revenue, and the state treasurer; and

- legislators.

The work group must study and make recommendations to the Legislature on a universal health care system, that is publicly funded and privately delivered, including:

- how to implement, maintain, and fund a universal health care system, that may be publicly administered and publicly delivered;
- options for increasing coverage and access for uninsured and underinsured;
- transparency measures;
- innovations promoting quality;
- options for ensuring a just transition for all stakeholders;
- options to expand health care purchasing in collaboration with neighboring states; and
- options for revenue and financing mechanisms to fund the system, including requiring the work group to contract with one or more consultants to perform actuarial and financial analysis to develop these revenue and financing mechanisms.

The work group must report its recommendations to the Legislature by November 15, 2020. Preliminary reports and findings shall be made public and open for public comment by November 15, 2019, and May 15, 2020.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Second Substitute):

- Adds patients, the general public, patient advocates, and community health advocates as members of the work group.
- Specifies health care providers that are members of the work group may be either self-employed or otherwise employed.
- Specifies the work group's recommendations to the legislature on a universal health care system must be on how to create, implement, maintain, and fund a universal health care system.
- Adds that the work group may include recommendations for a universal health care system publicly administered and publicly delivered.
- Adds entities representing both management and labor to the stakeholders that must be included in the work group's recommendations for options in ensuring a just transition to a universal health care system for all stakeholders.
- Requires the funds appropriated for the work group to perform an actuarial analyses be used to contract with one or more consultants to perform actuarial and financial analyses.
- Requires HCA to make the work group's preliminary reports with findings and preliminary recommendations available for public comment by November 15, 2019, and May 15, 2020.

EFFECT OF CHANGES MADE BY HEALTH & LONG TERM CARE COMMITTEE (First Substitute):

- Adds the Washington Health Benefit Exchange as a member of the work group.

Appropriation: None.

Fiscal Note: Requested on February 3, 2019.

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: The government can play an important role in ensuring people are protected against whatever health care issues arise. People are currently struggling to pay for their health care, and many are drowning in medical debt or becoming sicker because they are unable to access health care. The current system is not meeting the needs of all Washingtonians as a half a million do not have health insurance, and many people are interested in a different approach. A public option is something that has been discussed at the federal level for many years. It would expand medical coverage for everyone and provide protection against out of control health care costs. There is the possibility that the federal government will work with states to implement universal health care in the near future, and it is important Washington is ready to implement once this option becomes available. This bill would help Washington create an actionable plan for pursuing universal health care. A universal health care system would address existing gaps in coverage and equity issues in health care. There are a number of health disparities related to people of color and low-income people because they are unable to afford health care in the current system. The bill should be amended to broaden the membership of the work group, and change the work group's goal so it is publicly funded and administered, and a privately delivered system. The work group is not necessary since plans have already been developed and models from other countries can be used.

OTHER: The work group's deadline should change since it comes after the 2020 elections and health carriers should not be included in the work group. The Legislature should consider SB 5222 instead of this bill.

Persons Testifying (Health & Long Term Care): PRO: Senator Emily Randall, Prime Sponsor; Chris Covert-Bowlds, Health Care for All Washington; Gary Renville, Project Access Northwest; Reena Koshy, Washington Coalition to Protect our Patients; David Loud, Health Care Is a Human Right Campaign; Marcia Stedman, Health Care for All Washington; Cindi Laws, Health Care for All Washington; Jonathan Seib, Molina Healthcare of Washington; Nathan Rodke, Washington CAN; Kathryn Lewandowsky, Whole Washington; Bailey Boyd, citizen; Sadiqa Sakin, President, NAACP Seattle/King County; Nikki Gomez, citizen; Nicole Macri, Washington State Representative.

OTHER: Tobias Graves, citizen.

Persons Signed In To Testify But Not Testifying (Health & Long Term Care): CON: Jeffery Denton, Whole Washington.

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: Our country has taken giant steps toward universal healthcare. Our state has gone above and beyond federal policy. Yet you have heard about the uninsured and the insured who cannot afford the healthcare they need. The escalating cost of healthcare is unsustainable. There will be no way to bring the cost of care under control until we provide everyone care and devise a less fragmented system of care and its financing. Creating a stakeholder work group is a wise step. Two years from now the federal government may be willing to work with us and we need to be ready. If we are going to set up a work group, it needs credibility and its results need to be paid attention to. The work group needs to be more inclusive. We need to have time for public comment while the work group is doing its work. This should not become another report that gathers dust or is repudiated. We are addressing affordability and sustainability. This offers us something we can work with. This offers relief for people who have been priced out of healthcare. We need broad representation on the work group. We need to consider a program that is publicly funded and administered. A major barrier to recovery is non-covered comorbidities. If an employee is off work for more than 90 days, many employers suspend benefits, placing them and their family on COBRA or in the individual market, which they do not purchase because it is unaffordable. The longer an employee is off work, the higher claims cost become. Communities of color, minority communities, and rural communities are increasingly underserved which makes affordable healthcare unattainable in our current system. The cost of healthcare is still the leading cause of personal bankruptcy in the United States. The investment now will collectively save billions of dollars later. I support simplifying our current payment system for providers and patients. It is complicated and costly to comply with a fragmented system.

Persons Testifying (Ways & Means): PRO: Sherry Weinberg, Physicians for a National Health Care Plan; David Loud, Health Care as a Human Right; Marcia Stedman, Health Care for All Washington; Nicole Gomez, Alliance for a Healthy Washington; Bevin McLeod, NAACP Seattle King County, Alliance for a Healthy Washington; Melissa Weakland, M.D., citizen.

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