

SENATE BILL REPORT

SB 5822

As Reported by Senate Committee On:
Health & Long Term Care, February 19, 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].

Brief Summary of First 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.

Staff: LeighBeth Merrick (786-7445)

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.

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 (First 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;
- large and small businesses with experience with large and small group insurance and self-insured models;
- labor;
- health care providers and facilities;
- health carriers;
- the Washington Health Benefit Exchange and state agencies; 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:

- 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.

The work group must report its recommendations to the Legislature by November 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: *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: 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: CON: Jeffery Denton, Whole Washington.