

HOUSE BILL REPORT

2SSB 5822

As Reported by House Committee On:
Health Care & Wellness
Appropriations

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: Senate Committee on Ways & Means (originally sponsored by Senators Randall, Frockt, Cleveland, Wilson, C., Salomon, Nguyen, Hasegawa, Keiser, Saldaña, Van De Wege, Lias, Das, Darneille, Dhingra and Kuderer).

Brief History:

Committee Activity:

Health Care & Wellness: 3/26/19, 4/2/19 [DP];

Appropriations: 4/6/19, 4/8/19 [DPA].

**Brief Summary of Second Substitute Bill
(As Amended by Committee)**

- Creates a work group on establishing a universal health care system in Washington.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 10 members: Representatives Cody, Chair; Macri, Vice Chair; Davis, Harris, Jinkins, Riccelli, Robinson, Stonier, Thai and Tharinger.

Minority Report: Do not pass. Signed by 3 members: Representatives Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; Chambers.

Staff: Jim Morishima (786-7191).

Background:

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.

Under the federal Patient Protection and Affordable Care Act (ACA), all United States citizens and legal residents are required to have health insurance coverage or pay a tax penalty, currently set at zero. The ACA gives the states the option to expand their Medicaid programs to cover individuals up to 133 percent of the federal poverty level. The law also establishes state-based insurance exchanges through which individuals may purchase health insurance and access premium subsidies and cost-sharing reductions.

The ACA authorizes states to apply to the Secretary of Health and Human Services and the Secretary of the Treasury for a waiver from certain provisions of the ACA. A waiver may be granted if the state plan will provide coverage that is at least as comprehensive and affordable as coverage under the ACA to at least a comparable number of people, without increasing the federal deficit. The application must include a description of the state legislation, a program to implement a plan meeting the requirements for a waiver, and a 10-year budget plan that is budget neutral for the federal government.

Summary of Bill:

The Health Care Authority (HCA) must convene a work group on establishing a universal health care system in Washington. The work group must consist of a broad range of stakeholders with expertise in health care financing and delivery, 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 health care providers that are otherwise employed;
- health care facilities such as hospitals and clinics;
- health insurance carriers;
- the Washington Health Benefit Exchange (Exchange) and state agencies, including the Office of Financial Management, the Office of the Insurance Commissioner, the Department of Revenue, and the Office of the State Treasurer; and
- legislators from each caucus of the House of Representatives and the Senate.

The work group must study and make recommendations on how to create, implement, maintain, and fund a universal health care system that may include publicly funded, publicly administered, and publicly and privately delivered health care that is sustainable and affordable to all Washington residents. The study and recommendations must include:

- options for increasing coverage and access for uninsured and underinsured populations;
- transparency measures across major health system actors, including carriers, hospitals and other health care facilities, pharmaceutical companies, and provider groups, that promote understanding and analyses to best manage and lower costs;
- innovations that will promote quality and evidence-based practices leading to sustainability and affordability in a universal health care system, including recommendations on issues related to covered benefits and quality assurance and a

- consideration of expanding and supplementing the work of the Robert Bree Collaborative and the Health Technology Assessment Program;
- options for ensuring a just transition to a universal health care system for all stakeholders, including consumers, businesses, health care providers and facilities, hospitals, health carriers, state agencies, and entities representing both management and labor for these stakeholders;
 - options to expand or establish health care purchasing in collaboration with neighboring states; and
 - options for revenue and financing mechanisms to fund the universal health care system—the work group must contract with one or more consultants to perform any actuarial and financial analyses necessary to develop these options, if funds are appropriated specifically for this purpose.

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

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Washington has been a leader in expanding access to health care, but there are still over 400,000 Washingtonians without insurance. Washington residents face barriers to access, including difficulty obtaining affordable health care coverage. Because of high premiums and deductibles, people go without coverage, defer care, and incur medical bankruptcies. A universal health care system can help remove inequities and improve health outcomes for Washington residents. Changes are underway on the federal level to clear the way for states to establish universal health care systems. Once these changes take place, Washington must be ready to act. Moving too quickly without laying the necessary groundwork would be a mistake and might result in unintended consequences. This bill provides a forum for all health care stakeholders to have difficult conversations on how the transition to universal health care will take place. The work group created by this bill is similar to the Robert Bree Collaborative, which puts people with expertise and different points of view together to achieve a common goal. The cost of this work group is modest, since it can leverage existing resources and work. The move toward an equitable health care system is stymied by those who think it cannot be done and those who want immediate change. People should not be allowed to hold back progress that can be achieved right away. The time for this bill is now.

(Opposed) None.

Persons Testifying: Senator Randall, prime sponsor; Representative Macri; Jean Chang and Lisa Plymate, Washington Coalition to Protect Our Patients; Marcia Stedman, Healthcare for All Washington; David Loud, Puget Sound Advocates for Retirement Action and Health Care is a Human Right Washington; Bevin McLeod, Alliance for a Healthy Washington; and Jonathan Seib, Molina Healthcare of Washington.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 20 members: Representatives Ormsby, Chair; Bergquist, 2nd Vice Chair; Robinson, 1st Vice Chair; Cody, Dolan, Fitzgibbon, Hansen, Hudgins, Jinkins, Macri, Pettigrew, Pollet, Ryu, Senn, Springer, Stanford, Steele, Sullivan, Tarleton and Tharinger.

Minority Report: Do not pass. Signed by 12 members: Representatives Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Dye, Hoff, Kraft, Mosbrucker, Schmick, Sutherland and Ybarra.

Staff: Catrina Lucero (786-7192).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care & Wellness:

A null and void clause was added, making the bill null and void unless funded in the omnibus appropriations act.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) When people who do not have health insurance go to the emergency room, the health care system is strained and cost increases. Researchers in North Carolina found that 59 percent of all emergency department visits could have been treated in lower cost settings. Medical debt is the leading cause of personal bankruptcy. Access to affordable health care is a top priority for voters. Over 400,000 Washingtonians remain uninsured. There are 200,000 residents with health insurance who do not access it due to cost. The cost of health care is unsustainable and cannot be controlled until everyone is brought into coverage. The best way to make use of a previously commissioned Washington State Institute of Public Policy study would be to leverage this workgroup.

(Opposed) None.

Persons Testifying: Tim Kelly; David Loud, Puget Sound Advocates for Retirement Action, and Health Care Is a Human Right Washington; and Marcia Stedman, Health Care For All - Washington.

Persons Signed In To Testify But Not Testifying: None.