

CERTIFICATION OF ENROLLMENT

SENATE BILL 5700

Chapter 51, Laws of 2023

68th Legislature
2023 Regular Session

HEALTH CARE AUTHORITY—VARIOUS PROVISIONS

EFFECTIVE DATE: July 23, 2023

Passed by the Senate March 6, 2023
Yeas 48 Nays 0

DENNY HECK

President of the Senate

Passed by the House March 24, 2023
Yeas 96 Nays 0

LAURIE JINKINS

**Speaker of the House of
Representatives**

Approved April 6, 2023 10:10 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5700** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

April 6, 2023

**Secretary of State
State of Washington**

SENATE BILL 5700

Passed Legislature - 2023 Regular Session

State of Washington

68th Legislature

2023 Regular Session

By Senators Van De Wege, Cleveland, and Dhingra; by request of Health Care Authority

Read first time 02/03/23. Referred to Committee on Health & Long Term Care.

1 AN ACT Relating to modernization of state health care authority-
2 related laws; amending RCW 41.05.006, 41.05.009, 41.05.011,
3 41.05.013, 41.05.015, 41.05.031, 41.05.035, 41.05.039, 41.05.046,
4 41.05.066, 41.05.068, 41.05.130, 41.05.160, 41.05.220, 41.05.310,
5 41.05.320, 41.05.400, 41.05.413, 41.05.520, 41.05.540, 41.05.550,
6 41.05.601, 41.05.650, 41.05.660, 41.05A.120, 41.05A.160, 41.05A.170,
7 70.320.050, 70.390.020, 71.24.380, 74.09.010, 74.09.171, 74.09.215,
8 74.09.220, 74.09.325, 74.09.328, 74.09.470, 74.09.4701, 74.09.480,
9 74.09.522, 74.09.630, 74.09.634, 74.09.645, 74.09.650, 74.09.653,
10 74.09.655, 74.09.657, and 74.09.860; reenacting and amending RCW
11 41.05.021, 71.24.035, 74.09.053, and 74.09.659; decodifying RCW
12 41.05.033, 41.05.110, 41.05.280, 41.05.680, and 74.09.756; and
13 repealing RCW 41.05.090, 41.05.205, 41.05.240, and 74.09.720.

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

15 **Sec. 1.** RCW 41.05.006 and 2018 c 260 s 2 are each amended to
16 read as follows:

17 (1) The legislature recognizes that (a) the state is a major
18 purchaser of health care services, (b) the increasing costs of such
19 health care services are posing and will continue to pose a great
20 financial burden on the state, (c) it is the state's policy,
21 consistent with the best interests of the state, to provide

1 comprehensive health care as an employer, to (~~employees and school~~)
2 public employees, officials, their dependents, and to those who are
3 dependent on the state for necessary medical care, and (d) it is
4 imperative that the state begin to develop effective and efficient
5 health care delivery systems and strategies for procuring health care
6 services in order for the state to continue to purchase the most
7 comprehensive health care possible.

8 (2) It is therefore the purpose of this chapter to establish the
9 Washington state health care authority whose purpose shall be to (a)
10 develop health care benefit programs that provide access to at least
11 one comprehensive benefit plan funded to the fullest extent possible
12 by the employer, and a health savings account/high deductible health
13 plan option as defined in section 1201 of the medicare prescription
14 drug improvement and modernization act of 2003, as amended, for
15 eligible (~~employees and school~~) public employees, officials, and
16 their dependents, and (b) study all state purchased health care,
17 alternative health care delivery systems, and strategies for the
18 procurement of health care services and make recommendations aimed at
19 minimizing the financial burden which health care poses on the state,
20 (~~employees and school~~) public employees, and its charges, while at
21 the same time allowing the state to provide the most comprehensive
22 health care options possible.

23 **Sec. 2.** RCW 41.05.009 and 2018 c 260 s 3 are each amended to
24 read as follows:

25 (1) The authority, or an employing agency at the authority's
26 direction, shall initially determine and periodically review whether
27 (~~an employee or a school~~) a public employee is eligible for
28 benefits pursuant to the criteria established under this chapter.

29 (2) An employing agency shall inform (~~an employee or a school~~)
30 a public employee in writing whether or not he or she is eligible for
31 benefits when initially determined and upon any subsequent change,
32 including notice of the (~~employee's or school~~) public employee's
33 right to an appeal.

34 **Sec. 3.** RCW 41.05.011 and 2019 c 411 s 4 are each amended to
35 read as follows:

36 The definitions in this section apply throughout this chapter
37 unless the context clearly requires otherwise.

38 (1) "Authority" means the Washington state health care authority.

1 (2) "Board" means the public employees' benefits board
2 established under RCW 41.05.055 and the school employees' benefits
3 board established under RCW 41.05.740.

4 (3) "Dependent care assistance program" means a benefit plan
5 whereby employees and school employees may pay for certain employment
6 related dependent care with pretax dollars as provided in the salary
7 reduction plan under this chapter pursuant to 26 U.S.C. Sec. 129 or
8 other sections of the internal revenue code.

9 (4) "Director" means the director of the authority.

10 (5) "Emergency service personnel killed in the line of duty"
11 means law enforcement officers and firefighters as defined in RCW
12 41.26.030, members of the Washington state patrol retirement fund as
13 defined in RCW 43.43.120, and reserve officers and firefighters as
14 defined in RCW 41.24.010 who die as a result of injuries sustained in
15 the course of employment as determined consistent with Title 51 RCW
16 by the department of labor and industries.

17 (6) (a) "Employee" for the public employees' benefits board
18 program includes all employees of the state, whether or not covered
19 by civil service; elected and appointed officials of the executive
20 branch of government, including full-time members of boards,
21 commissions, or committees; justices of the supreme court and judges
22 of the court of appeals and the superior courts; and members of the
23 state legislature. Pursuant to contractual agreement with the
24 authority, "employee" may also include: (i) Employees of a county,
25 municipality, or other political subdivision of the state and members
26 of the legislative authority of any county, city, or town who are
27 elected to office after February 20, 1970, if the legislative
28 authority of the county, municipality, or other political subdivision
29 of the state submits application materials to the authority to
30 provide any of its insurance programs by contract with the authority,
31 as provided in RCW 41.04.205 and 41.05.021(1)(g); (ii) employees of
32 employee organizations representing state civil service employees, at
33 the option of each such employee organization; (iii) through December
34 31, 2019, employees of a school district if the authority agrees to
35 provide any of the school districts' insurance programs by contract
36 with the authority as provided in RCW 28A.400.350; (iv) employees of
37 a tribal government, if the governing body of the tribal government
38 seeks and receives the approval of the authority to provide any of
39 its insurance programs by contract with the authority, as provided in
40 RCW 41.05.021(1) (f) and (g); (v) employees of the Washington health

1 benefit exchange if the governing board of the exchange established
2 in RCW 43.71.020 seeks and receives approval of the authority to
3 provide any of its insurance programs by contract with the authority,
4 as provided in RCW 41.05.021(1) (g) and (n); and (vi) through
5 December 31, 2019, employees of a charter school established under
6 chapter 28A.710 RCW. "Employee" does not include: Adult family home
7 providers; unpaid volunteers; patients of state hospitals; inmates;
8 (~~employees of the Washington state convention and trade center as~~
9 ~~provided in RCW 41.05.110;~~) students of institutions of higher
10 education as determined by their institution; and any others not
11 expressly defined as employees under this chapter or by the authority
12 under this chapter.

13 (b) Effective January 1, 2020, "school employee" for the school
14 employees' benefits board program includes:

15 (i) All employees of school districts and charter schools
16 established under chapter 28A.710 RCW;

17 (ii) Represented employees of educational service districts; and

18 (iii) Effective January 1, 2024, all employees of educational
19 service districts.

20 (7) "Employee group" means employees of a similar employment
21 type, such as administrative, represented classified, nonrepresented
22 classified excluding such employees in educational service districts
23 until December 31, 2023, confidential, represented certificated, or
24 nonrepresented certificated excluding such employees in educational
25 service districts until December 31, 2023, within a school employees'
26 benefits board organization.

27 (8)(a) "Employer" for the public employees' benefits board
28 program means the state of Washington.

29 (b) "Employer" for the school employees' benefits board program
30 means school districts and educational service districts and charter
31 schools established under chapter 28A.710 RCW.

32 (9) "Employer group" means those counties, municipalities,
33 political subdivisions, the Washington health benefit exchange,
34 tribal governments, and employee organizations representing state
35 civil service employees(~~(, and through December 31, 2019, school~~
36 ~~districts, charter schools, and through December 31, 2023,~~
37 ~~educational service districts)) obtaining employee benefits through a
38 contractual agreement with the authority to participate in benefit
39 plans developed by the public employees' benefits board.~~

1 (10) (a) "Employing agency" for the public employees' benefits
2 board program means a division, department, or separate agency of
3 state government, including an institution of higher education; a
4 county, municipality, or other political subdivision; and a tribal
5 government covered by this chapter.

6 (b) "Employing agency" for the school employees' benefits board
7 program means school districts, educational service districts, and
8 charter schools.

9 (11) "Faculty" means an academic employee of an institution of
10 higher education whose workload is not defined by work hours but
11 whose appointment, workload, and duties directly serve the
12 institution's academic mission, as determined under the authority of
13 its enabling statutes, its governing body, and any applicable
14 collective bargaining agreement.

15 (12) "Flexible benefit plan" means a benefit plan that allows
16 (~~employees and school~~) public employees to choose the level of
17 health care coverage provided and the amount of employee or school
18 employee contributions from among a range of choices offered by the
19 authority.

20 (13) "Insuring entity" means an insurer as defined in chapter
21 48.01 RCW, a health care service contractor as defined in chapter
22 48.44 RCW, or a health maintenance organization as defined in chapter
23 48.46 RCW.

24 (14) "~~(Medical flexible)~~ Flexible spending arrangement" means a
25 benefit plan whereby (~~state and school~~) public employees may reduce
26 their salary before taxes to pay for medical expenses not reimbursed
27 by insurance as provided in the salary reduction plan under this
28 chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the
29 internal revenue code.

30 (15) "Participant" means an individual who fulfills the
31 eligibility and enrollment requirements under the salary reduction
32 plan.

33 (16) "Plan year" means the time period established by the
34 authority.

35 (17) "Premium payment plan" means a benefit plan whereby public
36 employees may pay their share of group health plan premiums with
37 pretax dollars as provided in the salary reduction plan under this
38 chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the
39 internal revenue code.

1 (18) "Public employee" has the same meaning as employee and
2 school employee.

3 (19) "Retired or disabled school employee" means:

4 (a) Persons who separated from employment with a school district
5 or educational service district and are receiving a retirement
6 allowance under chapter 41.32 or 41.40 RCW as of September 30, 1993;

7 (b) Persons who separate from employment with a school district,
8 educational service district, or charter school on or after October
9 1, 1993, and immediately upon separation receive a retirement
10 allowance under chapter 41.32, 41.35, or 41.40 RCW;

11 (c) Persons who separate from employment with a school district,
12 educational service district, or charter school due to a total and
13 permanent disability, and are eligible to receive a deferred
14 retirement allowance under chapter 41.32, 41.35, or 41.40 RCW.

15 (20) "Salary" means a (~~state or school~~) public employee's
16 monthly salary or wages.

17 (21) "Salary reduction plan" means a benefit plan whereby public
18 employees may agree to a reduction of salary on a pretax basis to
19 participate in the dependent care assistance program, (~~medical~~)
20 flexible spending arrangement, or premium payment plan offered
21 pursuant to 26 U.S.C. Sec. 125 or other sections of the internal
22 revenue code.

23 (22) "School employees' benefits board organization" means a
24 public school district or educational service district or charter
25 school established under chapter 28A.710 RCW that is required to
26 participate in benefit plans provided by the school employees'
27 benefits board.

28 (23) "School year" means school year as defined in RCW
29 28A.150.203(11).

30 (24) "Seasonal employee" means a state employee hired to work
31 during a recurring, annual season with a duration of three months or
32 more, and anticipated to return each season to perform similar work.

33 (25) "Separated employees" means persons who separate from
34 employment with an employer as defined in:

35 (a) RCW 41.32.010(17) on or after July 1, 1996; or

36 (b) RCW 41.35.010 on or after September 1, 2000; or

37 (c) RCW 41.40.010 on or after March 1, 2002;

38 and who are at least age fifty-five and have at least ten years of
39 service under the teachers' retirement system plan 3 as defined in
40 RCW 41.32.010(33), the Washington school employees' retirement system

1 plan 3 as defined in RCW 41.35.010, or the public employees'
2 retirement system plan 3 as defined in RCW 41.40.010.

3 (26) "State purchased health care" or "health care" means medical
4 and behavioral health care, pharmaceuticals, and medical equipment
5 purchased with state and federal funds by the department of social
6 and health services, the department of health, the basic health plan,
7 the state health care authority, the department of labor and
8 industries, the department of corrections, the department of veterans
9 affairs, and local school districts.

10 (27) "Tribal government" means an Indian tribal government as
11 defined in section 3(32) of the employee retirement income security
12 act of 1974, as amended, or an agency or instrumentality of the
13 tribal government, that has government offices principally located in
14 this state.

15 **Sec. 4.** RCW 41.05.013 and 2006 c 307 s 8 are each amended to
16 read as follows:

17 (1) The authority shall coordinate state agency efforts to
18 develop and implement uniform policies across state purchased health
19 care programs that will ensure prudent, cost-effective health
20 services purchasing, maximize efficiencies in administration of state
21 purchased health care programs, improve the quality of care provided
22 through state purchased health care programs, and reduce
23 administrative burdens on health care providers participating in
24 state purchased health care programs. The policies adopted should be
25 based, to the extent possible, upon the best available scientific and
26 medical evidence and shall endeavor to address:

27 (a) Methods of formal assessment, such as a health technology
28 assessment under RCW 70.14.080 through 70.14.130. Consideration of
29 the best available scientific evidence does not preclude
30 consideration of experimental or investigational treatment or
31 services under a clinical investigation approved by an institutional
32 review board;

33 (b) Monitoring of health outcomes, adverse events, quality, and
34 cost-effectiveness of health services;

35 (c) Development of a common definition of medical necessity; and

36 (d) Exploration of common strategies for disease management and
37 demand management programs, including asthma, diabetes, heart
38 disease, and similar common chronic diseases. Strategies to be
39 explored include individual asthma management plans. (~~On January 1,~~

1 ~~2007, and January 1, 2009, the authority shall issue a status report~~
2 ~~to the legislature summarizing any results it attains in exploring~~
3 ~~and coordinating strategies for asthma, diabetes, heart disease, and~~
4 ~~other chronic diseases.)~~)

5 (2) The ((~~administrator~~)) director may invite health care
6 provider organizations, carriers, other health care purchasers, and
7 consumers to participate in efforts undertaken under this section.

8 (3) For the purposes of this section "best available scientific
9 and medical evidence" means the best available clinical evidence
10 derived from systematic research.

11 **Sec. 5.** RCW 41.05.015 and 2018 c 201 s 7001 are each amended to
12 read as follows:

13 The director shall designate a medical director who is licensed
14 under chapter 18.57 or 18.71 RCW. The director shall also appoint
15 such professional personnel and other assistants and employees,
16 including professional medical screeners, as may be reasonably
17 necessary to carry out the provisions of this chapter and chapters
18 74.09, 71.05, 71.24, and 71.34 RCW and other applicable law. The
19 medical screeners must be supervised by one or more physicians whom
20 the director or the director's designee shall appoint.

21 **Sec. 6.** RCW 41.05.021 and 2018 c 260 s 6 and 2018 c 201 s 7002
22 are each reenacted and amended to read as follows:

23 (1) The Washington state health care authority is created within
24 the executive branch. The authority shall have a director appointed
25 by the governor, with the consent of the senate. The director shall
26 serve at the pleasure of the governor. The director may employ a
27 deputy director, and such assistant directors and special assistants
28 as may be needed to administer the authority, who shall be exempt
29 from chapter 41.06 RCW, and any additional staff members as are
30 necessary to administer this chapter. The director may delegate any
31 power or duty vested in him or her by law, including authority to
32 make final decisions and enter final orders in hearings conducted
33 under chapter 34.05 RCW. The primary duties of the authority shall be
34 to: Administer insurance benefits for employees, retired or disabled
35 state and school employees, and school employees; administer the
36 basic health plan pursuant to chapter 70.47 RCW; administer the
37 children's health program pursuant to chapter 74.09 RCW; study state
38 purchased health care programs in order to maximize cost containment

1 in these programs while ensuring access to quality health care;
2 implement state initiatives, joint purchasing strategies, and
3 techniques for efficient administration that have potential
4 application to all state-purchased health services; and administer
5 grants that further the mission and goals of the authority. The
6 authority's duties include, but are not limited to, the following:

7 (a) To administer health care benefit programs for employees,
8 retired or disabled state and school employees, and school employees
9 as specifically authorized in RCW 41.05.065 and 41.05.740 and in
10 accordance with the methods described in RCW 41.05.075, 41.05.140,
11 and other provisions of this chapter;

12 (b) To analyze state purchased health care programs and to
13 explore options for cost containment and delivery alternatives for
14 those programs that are consistent with the purposes of those
15 programs, including, but not limited to:

16 (i) Creation of economic incentives for the persons for whom the
17 state purchases health care to appropriately utilize and purchase
18 health care services, including the development of flexible benefit
19 plans to offset increases in individual financial responsibility;

20 (ii) Utilization of provider arrangements that encourage cost
21 containment, including but not limited to prepaid delivery systems,
22 utilization review, and prospective payment methods, and that ensure
23 access to quality care, including assuring reasonable access to local
24 providers, especially for employees and school employees residing in
25 rural areas;

26 (iii) Coordination of state agency efforts to purchase drugs
27 effectively as provided in RCW 70.14.050;

28 (iv) Development of recommendations and methods for purchasing
29 medical equipment and supporting services on a volume discount basis;

30 (v) Development of data systems to obtain utilization data from
31 state purchased health care programs in order to identify cost
32 centers, utilization patterns, provider and hospital practice
33 patterns, and procedure costs, utilizing the information obtained
34 pursuant to RCW 41.05.031; and

35 (vi) In collaboration with other state agencies that administer
36 state purchased health care programs, private health care purchasers,
37 health care facilities, providers, and carriers:

38 (A) Use evidence-based medicine principles to develop common
39 performance measures and implement financial incentives in contracts
40 with insuring entities, health care facilities, and providers that:

1 (I) Reward improvements in health outcomes for individuals with
2 chronic diseases, increased utilization of appropriate preventive
3 health services, and reductions in medical errors; and

4 (II) Increase, through appropriate incentives to insuring
5 entities, health care facilities, and providers, the adoption and use
6 of information technology that contributes to improved health
7 outcomes, better coordination of care, and decreased medical errors;

8 (B) Through state health purchasing, reimbursement, or pilot
9 strategies, promote and increase the adoption of health information
10 technology systems, including electronic medical records, by
11 hospitals as defined in RCW 70.41.020, integrated delivery systems,
12 and providers that:

13 (I) Facilitate diagnosis or treatment;

14 (II) Reduce unnecessary duplication of medical tests;

15 (III) Promote efficient electronic physician order entry;

16 (IV) Increase access to health information for consumers and
17 their providers; and

18 (V) Improve health outcomes;

19 (C) Coordinate a strategy for the adoption of health information
20 technology systems (~~(using the final health information technology~~
21 ~~report and recommendations developed under chapter 261, Laws of~~
22 ~~2005));~~

23 (c) To analyze areas of public and private health care
24 interaction;

25 (d) To provide information and technical and administrative
26 assistance to the board;

27 (e) To review and approve or deny applications from counties,
28 municipalities, and other political subdivisions of the state to
29 provide state-sponsored insurance or self-insurance programs to their
30 employees in accordance with the provisions of RCW 41.04.205 and (g)
31 of this subsection, setting the premium contribution for approved
32 groups as outlined in RCW 41.05.050;

33 (f) To review and approve or deny the application when the
34 governing body of a tribal government applies to transfer their
35 employees to an insurance or self-insurance program administered by
36 the public employees' benefits board. In the event of an employee
37 transfer pursuant to this subsection (1)(f), members of the governing
38 body are eligible to be included in such a transfer if the members
39 are authorized by the tribal government to participate in the
40 insurance program being transferred from and subject to payment by

1 the members of all costs of insurance for the members. The authority
2 shall: (i) Establish the conditions for participation; (ii) have the
3 sole right to reject the application; and (iii) set the premium
4 contribution for approved groups as outlined in RCW 41.05.050.
5 Approval of the application by the authority transfers the employees
6 and dependents involved to the insurance, self-insurance, or health
7 care program administered by the public employees' benefits board;

8 (g) To ensure the continued status of the employee insurance or
9 self-insurance programs administered under this chapter as a
10 governmental plan under section 3(32) of the employee retirement
11 income security act of 1974, as amended, the authority shall limit
12 the participation of employees of a county, municipal, school
13 district, educational service district, or other political
14 subdivision, the Washington health benefit exchange, or a tribal
15 government, including providing for the participation of those
16 employees whose services are substantially all in the performance of
17 essential governmental functions, but not in the performance of
18 commercial activities. Charter schools established under chapter
19 28A.710 RCW are employers and are school employees' benefits board
20 organizations unless:

21 (i) The authority receives guidance from the internal revenue
22 service or the United States department of labor that participation
23 jeopardizes the status of plans offered under this chapter as
24 governmental plans under the federal employees' retirement income
25 security act or the internal revenue code; or

26 (ii) The charter schools are not in compliance with regulations
27 issued by the internal revenue service and the United States treasury
28 department pertaining to section 414(d) of the federal internal
29 revenue code;

30 (h) To establish billing procedures and collect funds from school
31 employees' benefits board organizations in a way that minimizes the
32 administrative burden on districts;

33 (i) Through December 31, 2019, to publish and distribute to
34 nonparticipating school districts and educational service districts
35 by October 1st of each year a description of health care benefit
36 plans available through the authority and the estimated cost if
37 school districts and educational service district employees were
38 enrolled;

39 (j) To apply for, receive, and accept grants, gifts, and other
40 payments, including property and service, from any governmental or

1 other public or private entity or person, and make arrangements as to
2 the use of these receipts to implement initiatives and strategies
3 developed under this section;

4 (k) To issue, distribute, and administer grants that further the
5 mission and goals of the authority;

6 (l) To adopt rules consistent with this chapter as described in
7 RCW 41.05.160 including, but not limited to:

8 (i) Setting forth the criteria established by the public
9 employees' benefits board under RCW 41.05.065, and by the school
10 employees' benefits board under RCW 41.05.740, for determining
11 whether (~~(an employee or school)~~) a public employee is eligible for
12 benefits;

13 (ii) Establishing an appeal process in accordance with chapter
14 34.05 RCW by which (~~(an employee or school)~~) a public employee may
15 appeal an eligibility determination;

16 (iii) Establishing a process to assure that the eligibility
17 determinations of an employing agency comply with the criteria under
18 this chapter, including the imposition of penalties as may be
19 authorized by the board;

20 (m)(i) To administer the medical services programs established
21 under chapter 74.09 RCW as the designated single state agency for
22 purposes of Title XIX of the federal social security act;

23 (ii) To administer the state children's health insurance program
24 under chapter 74.09 RCW for purposes of Title XXI of the federal
25 social security act;

26 (iii) To enter into agreements with the department of social and
27 health services for administration of medical care services programs
28 under Titles XIX and XXI of the social security act and programs
29 under chapters 71.05, 71.24, and 71.34 RCW. The agreements shall
30 establish the division of responsibilities between the authority and
31 the department with respect to mental health, (~~(chemical dependency)~~)
32 substance use disorders, and long-term care services, including
33 services for persons with developmental disabilities. The agreements
34 shall be revised as necessary, to comply with the final
35 implementation plan adopted under section 116, chapter 15, Laws of
36 2011 1st sp. sess.;

37 (iv) To adopt rules to carry out the purposes of chapter 74.09
38 RCW;

39 (v) To appoint such advisory committees or councils as may be
40 required by any federal statute or regulation as a condition to the

1 receipt of federal funds by the authority. The director may appoint
2 statewide committees or councils in the following subject areas: (A)
3 Health facilities; (B) children and youth services; (C) blind
4 services; (D) medical and health care; (E) drug abuse and alcoholism;
5 (F) rehabilitative services; and (G) such other subject matters as
6 are or come within the authority's responsibilities. The statewide
7 councils shall have representation from both major political parties
8 and shall have substantial consumer representation. Such committees
9 or councils shall be constituted as required by federal law or as the
10 director in his or her discretion may determine. The members of the
11 committees or councils shall hold office for three years except in
12 the case of a vacancy, in which event appointment shall be only for
13 the remainder of the unexpired term for which the vacancy occurs. No
14 member shall serve more than two consecutive terms. Members of such
15 state advisory committees or councils may be paid their travel
16 expenses in accordance with RCW 43.03.050 and 43.03.060 as now
17 existing or hereafter amended;

18 (n) To review and approve or deny the application from the
19 governing board of the Washington health benefit exchange to provide
20 public employees' benefits board state-sponsored insurance or self-
21 insurance programs to employees of the exchange. The authority shall
22 (i) establish the conditions for participation; (ii) have the sole
23 right to reject an application; and (iii) set the premium
24 contribution for approved groups as outlined in RCW 41.05.050.

25 (2) The public employees' benefits board and the school
26 employees' benefits board may implement strategies to promote managed
27 competition among employee and school employee health benefit plans.
28 Strategies may include but are not limited to:

29 (a) Standardizing the benefit package;
30 (b) Soliciting competitive bids for the benefit package;
31 (c) Limiting the state's contribution to a percent of the lowest
32 priced qualified plan within a geographical area;

33 (d) Monitoring the impact of the approach under this subsection
34 with regards to: Efficiencies in health service delivery, cost shifts
35 to subscribers, access to and choice of managed care plans statewide,
36 and quality of health services. The health care authority shall also
37 advise on the value of administering a benchmark employer-managed
38 plan to promote competition among managed care plans.

1 **Sec. 7.** RCW 41.05.031 and 1990 c 222 s 4 are each amended to
2 read as follows:

3 The Washington state health information technology office is
4 located within the authority. The following state agencies are
5 directed to cooperate with the authority to establish appropriate
6 health care information systems in their programs: The department of
7 social and health services, the department of health, the department
8 of labor and industries, the basic health plan, the department of
9 veterans affairs, the department of corrections, the department of
10 children, youth, and families, and the superintendent of public
11 instruction.

12 The authority, in conjunction with these agencies and in
13 collaboration with the consolidated technology services agency, shall
14 determine:

- 15 (1) Definitions of health care services;
- 16 (2) Health care data elements common to all agencies;
- 17 (3) Health care data elements unique to each agency; and
- 18 (4) A mechanism for program and budget review of health care
19 data.

20 **Sec. 8.** RCW 41.05.035 and 2007 c 259 s 10 are each amended to
21 read as follows:

22 (1) The ~~((administrator))~~ director shall design ~~((and pilot)),~~
23 implement, and maintain a consumer-centric health information
24 infrastructure and the ~~((first health record banks))~~ state electronic
25 health record repositories that will facilitate the secure exchange
26 of health information when and where needed and shall:

27 (a) Complete the plan of initial implementation, including but
28 not limited to determining the technical infrastructure for ~~((health~~
29 ~~record banks))~~ the state electronic health record repositories and
30 the account locator service, setting criteria and standards for
31 health record ~~((banks))~~ repositories, and determining oversight of
32 the state health ((record banks)) records service;

33 (b) Implement the first state health record ~~((banks in pilot~~
34 ~~sites))~~ repositories as funding allows;

35 (c) Involve health care consumers in meaningful ways in the
36 design, implementation, oversight, and dissemination of information
37 on the state health record ~~((bank))~~ repositories system; and

38 (d) Promote adoption of electronic medical records and health
39 information exchange through continuation of the Washington health

1 information collaborative, and by working with private payors and
2 other organizations in restructuring reimbursement to provide
3 incentives for providers to adopt electronic medical records in their
4 practices.

5 (2) The (~~administrator~~) director may establish an advisory
6 board, a stakeholder committee, and subcommittees to assist in
7 carrying out the duties under this section. The (~~administrator~~)
8 director may reappoint health information infrastructure advisory
9 board members to assure continuity and shall appoint any additional
10 representatives that may be required for their expertise and
11 experience.

12 (a) The (~~administrator~~) director shall appoint the chair of the
13 advisory board, chairs, and cochairs of the stakeholder committee, if
14 formed;

15 (b) Meetings of the board, stakeholder committee, and any
16 advisory group are subject to chapter 42.30 RCW, the open public
17 meetings act, including RCW 42.30.110(1)(1), which authorizes an
18 executive session during a regular or special meeting to consider
19 proprietary or confidential nonpublished information; and

20 (c) The members of the board, stakeholder committee, and any
21 advisory group:

22 (i) Shall agree to the terms and conditions imposed by the
23 (~~administrator~~) director regarding conflicts of interest as a
24 condition of appointment;

25 (ii) Are immune from civil liability for any official acts
26 performed in good faith as members of the board, stakeholder
27 committee, or any advisory group.

28 (3) Members of the board may be compensated for participation in
29 accordance with a personal services contract to be executed after
30 appointment and before commencement of activities related to the work
31 of the board. Members of the stakeholder committee shall not receive
32 compensation but shall be reimbursed under RCW 43.03.050 and
33 43.03.060.

34 (4) The (~~administrator~~) director may work with public and
35 private entities to develop and encourage the use of personal health
36 records which are portable, interoperable, secure, and respectful of
37 patients' privacy.

38 (5) The (~~administrator~~) director may enter into contracts to
39 issue, distribute, and administer grants that are necessary or proper
40 to carry out this section.

1 **Sec. 9.** RCW 41.05.039 and 2009 c 300 s 3 are each amended to
2 read as follows:

3 (1) By August 1, 2009, the (~~administrator~~) director shall
4 designate one or more lead organizations to coordinate development of
5 processes, guidelines, and standards to:

6 (a) Improve patient access to and control of their own health
7 care information and thereby enable their active participation in
8 their own care; and

9 (b) Implement methods for the secure exchange of clinical data as
10 a means to promote:

11 (i) Continuity of care;

12 (ii) Quality of care;

13 (iii) Patient safety; and

14 (iv) Efficiency in medical practices.

15 (2) The lead organization designated by the (~~administrator~~)
16 director under this section shall:

17 (a) Be representative of health care privacy advocates,
18 providers, and payors across the state;

19 (b) Have expertise and knowledge in the major disciplines related
20 to the secure exchange of health data;

21 (c) Be able to support the costs of its work without recourse to
22 state funding. The (~~administrator~~) director and the lead
23 organization are authorized and encouraged to seek federal funds,
24 including funds from the federal American recovery and reinvestment
25 act, as well as solicit, receive, contract for, collect, and hold
26 grants, donations, and gifts to support the implementation of this
27 section and RCW 41.05.042;

28 (d) In collaboration with the (~~administrator~~) director,
29 identify and convene work groups, as needed, to accomplish the goals
30 of this section and RCW 41.05.042;

31 (e) Conduct outreach and communication efforts to maximize the
32 adoption of the guidelines, standards, and processes developed by the
33 lead organization;

34 (f) Submit regular updates to the (~~administrator~~) director on
35 the progress implementing the requirements of this section and RCW
36 41.05.042; and

37 (g) With the (~~administrator~~) director, report to the
38 legislature December 1, 2009, and on December 1st of each year
39 through December 1, 2012, on progress made, the time necessary for

1 completing tasks, and identification of future tasks that should be
2 prioritized for the next improvement cycle.

3 (3) Within available funds as specified in subsection (2)(c) of
4 this section, the (~~administrator~~) director shall:

5 (a) Participate in and review the work and progress of the lead
6 organization, including the establishment and operation of work
7 groups for this section and RCW 41.05.042; and

8 (b) Consult with the office of the attorney general to determine
9 whether:

10 (i) An antitrust safe harbor is necessary to enable licensed
11 carriers and providers to develop common rules and standards; and, if
12 necessary, take steps, such as implementing rules or requesting
13 legislation, to establish a safe harbor; and

14 (ii) Legislation is needed to limit provider liability if their
15 health records are missing health information despite their
16 participation in the exchange of health information.

17 (4) The lead organization or organizations shall take steps to
18 minimize the costs that implementation of the processes, guidelines,
19 and standards may have on participating entities, including
20 providers.

21 **Sec. 10.** RCW 41.05.046 and 2009 c 300 s 5 are each amended to
22 read as follows:

23 If any provision in RCW 41.05.036, 41.05.039, and 41.05.042
24 conflicts with existing or new federal requirements, the
25 (~~administrator~~) director shall recommend modifications, as needed,
26 to assure compliance with the aims of RCW 41.05.036, 41.05.039, and
27 41.05.042 and federal requirements.

28 **Sec. 11.** RCW 41.05.066 and 2018 c 260 s 13 are each amended to
29 read as follows:

30 A certificate of domestic partnership qualified under the
31 provisions of RCW 26.60.030 shall be recognized as evidence of a
32 (~~qualified~~) state registered domestic partnership fulfilling all
33 necessary eligibility criteria for the partner of the (~~employee or~~
34 ~~school~~) public employee to receive benefits. Nothing in this section
35 affects the requirements of domestic partners to complete
36 documentation related to federal tax status that may currently be
37 required by the board for (~~employees or school~~) public employees
38 choosing to make premium payments on a pretax basis.

1 **Sec. 12.** RCW 41.05.068 and 2009 c 479 s 25 are each amended to
2 read as follows:

3 The authority may participate as an employer-sponsored program
4 established in section 1860D-22 of the medicare prescription drug,
5 improvement, and modernization act of 2003, P.L. 108-173 et seq., to
6 receive federal employer subsidy funds for continuing to provide
7 retired employee health coverage, including a pharmacy benefit. The
8 (~~administrator~~) director, in consultation with the office of
9 financial management, shall evaluate participation in the employer
10 incentive program, including but not limited to any necessary program
11 changes to meet the eligibility requirements that employer-sponsored
12 retiree health coverage provide prescription drug coverage at least
13 equal to the actuarial value of standard prescription drug coverage
14 under medicare part D. Any employer subsidy moneys received from
15 participation in the federal employer incentive program shall be
16 deposited in the state general fund.

17 **Sec. 13.** RCW 41.05.130 and 2017 3rd sp.s. c 13 s 810 are each
18 amended to read as follows:

19 (1) The state health care authority administrative account is
20 hereby created in the state treasury. Moneys in the account,
21 including unanticipated revenues under RCW 43.79.270, may be spent
22 only after appropriation by statute, and may be used only for
23 operating expenses of the authority(~~(, and during the 2013-2015~~
24 ~~fiscal biennium, for health care related analysis provided to the~~
25 ~~legislature by the office of the state actuary. During the 2017-2019~~
26 ~~and 2019-2021 fiscal biennia, moneys in the account may be used for~~
27 ~~the initial operating expenses of the authority associated with~~
28 ~~chapter 13, Laws of 2017 3rd sp. sess. All funds so used shall be~~
29 ~~reimbursed from the school employees' insurance administrative~~
30 ~~account following the start of benefit provision by the school~~
31 ~~employees' benefits board on January 1, 2020)).~~

32 (2) The school employees' insurance administrative account is
33 hereby created in the state treasury. Moneys in the account may be
34 used for operating, contracting, and other administrative expenses of
35 the authority in administration of the school employees insurance
36 program, including reimbursement of the state health care authority
37 administrative account for initial operating expenses of the
38 authority associated with chapter 13, Laws of 2017 3rd sp. sess.

1 **Sec. 14.** RCW 41.05.160 and 1988 c 107 s 15 are each amended to
2 read as follows:

3 The (~~administrator~~) director may promulgate and adopt rules
4 consistent with this chapter to carry out the purposes of this
5 chapter. All rules shall be adopted in accordance with chapter 34.05
6 RCW.

7 **Sec. 15.** RCW 41.05.220 and 1998 c 245 s 38 are each amended to
8 read as follows:

9 (1) State general funds appropriated to the department of health
10 for the purposes of funding community health centers to provide
11 primary health and dental care services, migrant health services, and
12 maternity health care services shall be transferred to the state
13 health care authority. Any related administrative funds expended by
14 the department of health for this purpose shall also be transferred
15 to the health care authority. The health care authority shall
16 exclusively expend these funds through contracts with community
17 health centers to provide primary health and dental care services,
18 migrant health services, and maternity health care services. The
19 (~~administrator~~) director of the health care authority shall
20 establish requirements necessary to assure community health centers
21 provide quality health care services that are appropriate and
22 effective and are delivered in a cost-efficient manner. The
23 (~~administrator~~) director shall further assure that community health
24 centers have appropriate referral arrangements for acute care and
25 medical specialty services not provided by the community health
26 centers.

27 (2) The authority, in consultation with the department of health,
28 shall work with community and migrant health clinics and other
29 providers of care to underserved populations, to ensure that the
30 number of people of color and underserved people receiving access to
31 managed care is expanded in proportion to need, based upon
32 demographic data.

33 **Sec. 16.** RCW 41.05.310 and 2008 c 229 s 4 are each amended to
34 read as follows:

35 The authority shall have responsibility for the formulation and
36 adoption of a plan, policies, and procedures designed to guide,
37 direct, and administer the salary reduction plan. For the plan year
38 beginning January 1, 1996, the (~~administrator~~) director may

1 establish a premium only plan. Expansion of the salary reduction plan
2 or cafeteria plan during subsequent plan years shall be subject to
3 approval by the director of the office of financial management.

4 (1) A plan document describing the benefits offered under the
5 salary reduction plan shall be adopted and administered by the
6 authority. The authority shall represent the state in all matters
7 concerning the administration of the plan. The state, through the
8 authority, may engage the services of a professional consultant or
9 administrator on a contractual basis to serve as an agent to assist
10 the authority or perform the administrative functions necessary in
11 carrying out the purposes of RCW 41.05.123, 41.05.300 through
12 41.05.350, and 41.05.295.

13 (2) The authority shall formulate and establish policies and
14 procedures for the administration of the salary reduction plan that
15 are consistent with existing state law, the internal revenue code,
16 and the regulations adopted by the internal revenue service as they
17 may apply to the benefits offered to participants under the plan.

18 (3) Every action taken by the authority in administering RCW
19 41.05.123, 41.05.300 through 41.05.350, and 41.05.295 shall be
20 presumed to be a fair and reasonable exercise of the authority vested
21 in or the duties imposed upon it. The authority shall be presumed to
22 have exercised reasonable care, diligence, and prudence and to have
23 acted impartially as to all persons interested unless the contrary be
24 proved by clear and convincing affirmative evidence.

25 **Sec. 17.** RCW 41.05.320 and 2018 c 260 s 20 are each amended to
26 read as follows:

27 (1) Elected officials and permanent employees and school
28 employees are eligible to participate in the salary reduction plan
29 and reduce their salary by agreement with the authority. The
30 authority may adopt rules to: (a) Limit the participation of
31 employing agencies and their employees in the plan; and (b) permit
32 participation in the plan by temporary employees and school
33 employees.

34 (2) Persons eligible under subsection (1) of this section may
35 enter into salary reduction agreements with the state.

36 (3) (a) An eligible person may become a participant of the salary
37 reduction plan for a full plan year with annual benefit plan
38 selection for each new plan year made before the beginning of the
39 plan year, as determined by the authority, or upon becoming eligible.

1 (b) Once an eligible person elects to participate in the salary
2 reduction plan and determines the amount his or her gross salary
3 shall be reduced and the benefit plan for which the funds are to be
4 used during the plan year, the agreement shall be irrevocable and may
5 not be amended during the plan year except as provided in (c) of this
6 subsection. Prior to making an election to participate in the salary
7 reduction plan, the eligible person shall be informed in writing of
8 all the benefits and reductions that will occur as a result of such
9 election.

10 (c) The authority shall provide in the salary reduction plan that
11 a participant may enroll, terminate, or change his or her election
12 after the plan year has begun if there is a significant change in a
13 participant's status, as provided by 26 U.S.C. Sec. 125 and the
14 regulations adopted under that section and defined by the authority.

15 (4) The authority shall establish as part of the salary reduction
16 plan the procedures for and effect of withdrawal from the plan by
17 reason of retirement, death, leave of absence, or termination of
18 employment. To the extent possible under federal law, the authority
19 shall protect participants from forfeiture of rights under the plan.

20 (5) Any reduction of salary under the salary reduction plan shall
21 not reduce the reportable compensation for the purpose of computing
22 the state retirement and pension benefits earned by the (~~employee or~~
23 ~~school~~) public employee pursuant to chapters 41.26, 41.32, 41.35,
24 41.37, 41.40, and 43.43 RCW.

25 **Sec. 18.** RCW 41.05.400 and 2000 c 80 s 7 are each amended to
26 read as follows:

27 (1) The (~~administrator~~) director shall design and offer a plan
28 of health care coverage as described in subsection (2) of this
29 section, for any person eligible under subsection (3) of this
30 section. The health care coverage shall be designed and offered only
31 to the extent that state funds are specifically appropriated for this
32 purpose.

33 (2) The plan of health care coverage shall have the following
34 components:

35 (a) Services covered more limited in scope than those contained
36 in RCW 48.41.110(3);

37 (b) Enrollee cost-sharing that may include but not be limited to
38 point-of-service cost-sharing for covered services;

1 (c) Deductibles of three thousand dollars on a per person per
2 calendar year basis, and four thousand dollars on a per family per
3 calendar year basis. The deductible shall be applied to the first
4 three thousand dollars, or four thousand dollars, of eligible
5 expenses incurred by the covered person or family, respectively,
6 except that the deductible shall not be applied to clinical
7 preventive services as recommended by the United States public health
8 service. Enrollee out-of-pocket expenses required to be paid under
9 the plan for cost-sharing and deductibles shall not exceed five
10 thousand dollars per person, or six thousand dollars per family;

11 (d) Payment methodologies for network providers may include but
12 are not limited to resource-based relative value fee schedules,
13 capitation payments, diagnostic related group fee schedules, and
14 other similar strategies including risk-sharing arrangements; and

15 (e) Other appropriate care management and cost-containment
16 measures determined appropriate by the (~~administrator~~) director,
17 including but not limited to care coordination, provider network
18 limitations, preadmission certification, and utilization review.

19 (3) Any person is eligible for coverage in the plan who resides
20 in a county of the state where no carrier, as defined in RCW
21 48.43.005, or insurer regulated under chapter 48.15 RCW offers to the
22 public an individual health benefit plan as defined in RCW 48.43.005
23 other than a catastrophic health plan as defined in RCW 48.43.005 at
24 the time of application to the (~~administrator~~) director. Such
25 eligibility may terminate pursuant to subsection (8) of this section.

26 (4) The (~~administrator~~) director may not reject an individual
27 for coverage based upon preexisting conditions of the individual or
28 deny, exclude, or otherwise limit coverage for an individual's
29 preexisting health conditions; except that it shall impose a nine-
30 month benefit waiting period for preexisting conditions for which
31 medical advice was given, or for which a health care provider
32 recommended or provided treatment, or for which a prudent layperson
33 would have sought advice or treatment, within six months before the
34 effective date of coverage. The preexisting condition waiting period
35 shall not apply to prenatal care services. Credit against the waiting
36 period shall be provided pursuant to subsections (5) and (6) of this
37 section.

38 (5) Except for persons to whom subsection (6) of this section
39 applies, the (~~administrator~~) director shall credit any preexisting
40 condition waiting period in the plan for a person who was enrolled at

1 any time during the sixty-three day period immediately preceding the
2 date of application for the plan in a group health benefit plan or an
3 individual health benefit plan other than a catastrophic health plan.
4 The ((~~administrator~~)) director must credit the period of coverage the
5 person was continuously covered under the immediately preceding
6 health plan toward the waiting period of the new health plan. For the
7 purposes of this subsection, a preceding health plan includes an
8 employer-provided self-funded health plan.

9 (6) The ((~~administrator~~)) director shall waive any preexisting
10 condition waiting period in the plan for a person who is an eligible
11 individual as defined in section 2741(b) of the federal health
12 insurance portability and accountability act of 1996 (42 U.S.C.
13 300gg-41(b)).

14 (7) The ((~~administrator~~)) director shall set the rates to be
15 charged plan enrollees.

16 (8) When a carrier, as defined in RCW 48.43.005, or an insurer
17 regulated under chapter 48.15 RCW, begins to offer an individual
18 health benefit plan as defined in RCW 48.43.005 in a county where no
19 carrier or insurer had been offering an individual health benefit
20 plan:

21 (a) If the health benefit plan offered is other than a
22 catastrophic health plan as defined in RCW 48.43.005, any person
23 enrolled in the plan under subsection (3) of this section in that
24 county shall no longer be eligible;

25 (b) The ((~~administrator~~)) director shall provide written notice
26 to any person who is no longer eligible for coverage under the plan
27 within thirty days of the ((~~administrator's~~)) director's
28 determination that the person is no longer eligible. The notice
29 shall: (i) Indicate that coverage under the plan will cease ninety
30 days from the date that the notice is dated; (ii) describe any other
31 coverage options available to the person; and (iii) describe the
32 enrollment process for the available options.

33 **Sec. 19.** RCW 41.05.413 and 2019 c 364 s 4 are each amended to
34 read as follows:

35 The director may, in his or her sole discretion, waive the
36 requirements of RCW 41.05.410(2)(g) ((~~if~~)) if he or she finds that:

37 (1) A health carrier offering a qualified health plan under RCW
38 41.05.410 is unable to form a provider network that meets the network

1 access standards adopted by the insurance commissioner due to the
2 requirements of RCW 41.05.410(2)(g) (~~(i)~~); and

3 (2) The health carrier is able to achieve actuarially sound
4 premiums that are ten percent lower than the previous plan year
5 through other means.

6 **Sec. 20.** RCW 41.05.520 and 2003 1st sp.s. c 29 s 7 are each
7 amended to read as follows:

8 (1) The (~~administrator~~) director shall establish and advertise
9 a pharmacy connection program through which health care providers and
10 members of the public can obtain information about manufacturer-
11 sponsored prescription drug assistance programs. The
12 (~~administrator~~) director shall ensure that the program has staff
13 available who can assist persons in procuring free or discounted
14 medications from manufacturer-sponsored prescription drug assistance
15 programs by:

16 (a) Determining whether an assistance program is offered for the
17 needed drug or drugs;

18 (b) Evaluating the likelihood of a person obtaining drugs from an
19 assistance program under the guidelines formulated;

20 (c) Assisting persons with the application and enrollment in an
21 assistance program;

22 (d) Coordinating and assisting physicians and others authorized
23 to prescribe medications with communications, including applications,
24 made on behalf of a person to a participating manufacturer to obtain
25 approval of the person in an assistance program; and

26 (e) Working with participating manufacturers to simplify the
27 system whereby eligible persons access drug assistance programs,
28 including development of a single application form and uniform
29 enrollment process.

30 (2) Notice regarding the pharmacy connection program shall
31 initially target senior citizens, but the program shall be available
32 to anyone, and shall include a toll-free telephone number, available
33 during regular business hours, that may be used to obtain
34 information.

35 (3) The (~~administrator~~) director may apply for and accept
36 grants or gifts and may enter into interagency agreements or
37 contracts with other state agencies or private organizations to
38 assist with the implementation of this program including, but not

1 limited to, contracts, gifts, or grants from pharmaceutical
2 manufacturers to assist with the direct costs of the program.

3 (4) The (~~administrator~~) director shall notify pharmaceutical
4 companies doing business in Washington of the pharmacy connection
5 program. Any pharmaceutical company that does business in this state
6 and that offers a pharmaceutical assistance program shall notify the
7 (~~administrator~~) director of the existence of the program, the drugs
8 covered by the program, and all information necessary to apply for
9 assistance under the program.

10 (5) For purposes of this section, "manufacturer-sponsored
11 prescription drug assistance program" means a program offered by a
12 pharmaceutical company through which the company provides a drug or
13 drugs to eligible persons at no charge or at a reduced cost. The term
14 does not include the provision of a drug as part of a clinical trial.

15 **Sec. 21.** RCW 41.05.540 and 2007 c 259 s 40 are each amended to
16 read as follows:

17 (1) The health care authority, in coordination with the
18 department of health, health plans participating in public employees'
19 benefits board programs, and the University of Washington's center
20 for health promotion, shall establish and maintain a state employee
21 health program focused on reducing the health risks and improving the
22 health status of state employees, dependents, and retirees enrolled
23 in the public employees' benefits board. The program shall use public
24 and private sector best practices to achieve goals of measurable
25 health outcomes, measurable productivity improvements, positive
26 impact on the cost of medical care, and positive return on
27 investment. The program shall establish standards for health
28 promotion and disease prevention activities, and develop a mechanism
29 to update standards as evidence-based research brings new information
30 and best practices forward.

31 (2) The state employee health program shall:

32 (a) Provide technical assistance and other services as needed to
33 wellness staff in all state agencies and institutions of higher
34 education;

35 (b) Develop effective communication tools and ongoing training
36 for wellness staff;

37 (c) Contract with outside vendors for evaluation of program
38 goals;

1 (d) Strongly encourage the widespread completion of online health
2 assessment tools for all state employees, dependents, and retirees.
3 The health assessment tool must be voluntary and confidential. Health
4 assessment data and claims data shall be used to:

5 (i) Engage state agencies and institutions of higher education in
6 providing evidence-based programs targeted at reducing identified
7 health risks;

8 (ii) Guide contracting with third-party vendors to implement
9 behavior change tools for targeted high-risk populations; and

10 (iii) Guide the benefit structure for state employees,
11 dependents, and retirees to include covered services and medications
12 known to manage and reduce health risks.

13 ~~((3) The health care authority shall report to the legislature
14 in December 2008 and December 2010 on outcome goals for the employee
15 health program.))~~

16 **Sec. 22.** RCW 41.05.550 and 2015 c 161 s 1 are each amended to
17 read as follows:

18 (1) The definitions in this subsection apply throughout this
19 section unless the context clearly requires otherwise.

20 (a) "Federal poverty level" means the official poverty level
21 based on family size established and adjusted under section 673(2) of
22 the omnibus budget reconciliation act of 1981 (P.L. 97-35; 42 U.S.C.
23 Sec. 9902(2), as amended).

24 (b) "Foundation" means the prescription drug assistance
25 foundation established in this section, a nonprofit corporation
26 organized under the laws of this state to provide assistance in
27 accessing prescription drugs to qualified uninsured individuals.

28 (c) "Health insurance coverage including prescription drugs"
29 means prescription drug coverage under a private insurance plan,
30 including a plan offered through the health benefit exchange under
31 chapter 43.71 RCW, the medicaid program, the state children's health
32 insurance program ("SCHIP"), the medicare program, the basic health
33 plan, or any employer-sponsored health plan that includes a
34 prescription drug benefit.

35 (d) "Qualified uninsured individual" means an uninsured person or
36 an underinsured person who is a resident of this state and whose
37 income meets financial criteria established by the foundation.

1 (e) "Underinsured" means an individual who has health insurance
2 coverage including prescription drugs, but for whom the prescription
3 drug coverage is inadequate for their needs.

4 (f) "Uninsured" means an individual who lacks health insurance
5 coverage including prescription drugs.

6 (2) (a) The (~~administrator~~) director shall establish the
7 foundation as a nonprofit corporation, organized under the laws of
8 this state. The foundation shall assist qualified uninsured
9 individuals in obtaining prescription drugs at little or no cost.

10 (b) The foundation shall be administered in a manner that:

11 (i) Begins providing assistance to qualified uninsured
12 individuals by January 1, 2006;

13 (ii) Defines the population that may receive assistance in
14 accordance with this section; and

15 (iii) Complies with the eligibility requirements necessary to
16 obtain and maintain tax-exempt status under federal law.

17 (c) The board of directors of the foundation consists of up to
18 eleven with a minimum of five members appointed by the governor to
19 staggered terms of three years. The governor shall select as members
20 of the board individuals who (i) will represent the interests of
21 persons who lack prescription drug coverage; and (ii) have
22 demonstrated expertise in business management and in the
23 administration of a not-for-profit organization.

24 (d) The foundation shall apply for and comply with all federal
25 requirements necessary to obtain and maintain tax-exempt status with
26 respect to the federal tax obligations of the foundation's donors.

27 (e) The foundation is authorized, subject to the direction and
28 ratification of the board, to receive, solicit, contract for,
29 collect, and hold in trust for the purposes of this section,
30 donations, gifts, grants, and bequests in the form of money paid or
31 promised, services, materials, equipment, or other things tangible or
32 intangible that may be useful for helping the foundation to achieve
33 its purpose. The foundation may use all sources of public and private
34 financing to support foundation activities. No general fund-state
35 funds shall be used for the ongoing operation of the foundation.

36 (f) No liability on the part of, and no cause of action of any
37 nature, shall arise against any member of the board of directors of
38 the foundation or against an employee or agent of the foundation for
39 any lawful action taken by them in the performance of their
40 administrative powers and duties under this section.

1 **Sec. 23.** RCW 41.05.601 and 2005 c 6 s 12 are each amended to
2 read as follows:

3 The (~~administrator~~) director may adopt rules to implement RCW
4 41.05.600.

5 **Sec. 24.** RCW 41.05.650 and 2009 c 299 s 1 are each amended to
6 read as follows:

7 (1) The community health care collaborative grant program is
8 established to further the efforts of community-based coalitions to
9 increase access to appropriate, affordable health care for Washington
10 residents, particularly employed low-income persons and children in
11 school who are uninsured and underinsured, through local programs
12 addressing one or more of the following: (a) Access to medical
13 treatment; (b) the efficient use of health care resources; and (c)
14 quality of care.

15 (2) Consistent with funds appropriated for community health care
16 collaborative grants specifically for this purpose, two-year grants
17 may be awarded pursuant to RCW 41.05.660 by the (~~administrator~~)
18 director of the health care authority.

19 (3) The health care authority shall provide administrative
20 support for the program. Administrative support activities may
21 include health care authority facilitation of statewide discussions
22 regarding best practices and standardized performance measures among
23 grantees, or subcontracting for such discussions.

24 (4) Eligibility for community health care collaborative grants
25 shall be limited to nonprofit organizations established to serve a
26 defined geographic region or organizations with public agency status
27 under the jurisdiction of a local, county, or tribal government. To
28 be eligible, such entities must have a formal collaborative
29 governance structure and decision-making process that includes
30 representation by the following health care providers: Hospitals,
31 public health, behavioral health, community health centers, rural
32 health clinics, and private practitioners that serve low-income
33 persons in the region, unless there are no such providers within the
34 region, or providers decline or refuse to participate or place
35 unreasonable conditions on their participation. The nature and format
36 of the application, and the application procedure, shall be
37 determined by the (~~administrator~~) director of the health care
38 authority. At a minimum, each application shall: (a) Identify the
39 geographic region served by the organization; (b) show how the

1 structure and operation of the organization reflects the interests
2 of, and is accountable to, this region and members providing care
3 within this region; (c) indicate the size of the grant being
4 requested, and how the money will be spent; and (d) include
5 sufficient information for an evaluation of the application based on
6 the criteria established in RCW 41.05.660.

7 **Sec. 25.** RCW 41.05.660 and 2009 c 299 s 2 are each amended to
8 read as follows:

9 (1) The community health care collaborative grants shall be
10 awarded on a competitive basis based on a determination of which
11 applicant organization will best serve the purposes of the grant
12 program established in RCW 41.05.650. In making this determination,
13 priority for funding shall be given to the applicants that
14 demonstrate:

15 (a) The initiatives to be supported by the community health care
16 collaborative grant are likely to address, in a measurable fashion,
17 documented health care access and quality improvement goals aligned
18 with state health policy priorities and needs within the region to be
19 served;

20 (b) The applicant organization must document formal, active
21 collaboration among key community partners that includes local
22 governments, school districts, large and small businesses, nonprofit
23 organizations, tribal governments, carriers, private health care
24 providers, public health agencies, and community public health and
25 safety networks(~~(, as defined in RCW 70.190.010))~~);

26 (c) The applicant organization will match the community health
27 care collaborative grant with funds from other sources. The health
28 care authority may award grants solely to organizations providing at
29 least two dollars in matching funds for each community health care
30 collaborative grant dollar awarded;

31 (d) The community health care collaborative grant will enhance
32 the long-term capacity of the applicant organization and its members
33 to serve the region's documented health care access needs, including
34 the sustainability of the programs to be supported by the community
35 health care collaborative grant;

36 (e) The initiatives to be supported by the community health care
37 collaborative grant reflect creative, innovative approaches which
38 complement and enhance existing efforts to address the needs of the

1 uninsured and underinsured and, if successful, could be replicated in
2 other areas of the state; and

3 (f) The programs to be supported by the community health care
4 collaborative grant make efficient and cost-effective use of
5 available funds through administrative simplification and
6 improvements in the structure and operation of the health care
7 delivery system.

8 (2) The (~~administrator~~) director of the health care authority
9 shall endeavor to disburse community health care collaborative grant
10 funds throughout the state, supporting collaborative initiatives of
11 differing sizes and scales, serving at-risk populations.

12 (3) Grants shall be disbursed over a two-year cycle, provided the
13 grant recipient consistently provides timely reports that demonstrate
14 the program is satisfactorily meeting the purposes of the grant and
15 the objectives identified in the organization's application. The
16 requirements for the performance reports shall be determined by the
17 health care authority (~~administrator~~) director. The performance
18 measures shall be aligned with the community health care
19 collaborative grant program goals and, where possible, shall be
20 consistent with statewide policy trends and outcome measures required
21 by other public and private grant funders.

22 **Sec. 26.** RCW 41.05A.120 and 2011 1st sp.s. c 15 s 99 are each
23 amended to read as follows:

24 (1) After service of a notice of debt for an overpayment as
25 provided for in RCW 41.05A.110 or 41.05A.170, stating the debt
26 accrued, the director may issue to any person, firm, corporation,
27 association, political subdivision, or department of the state an
28 order to withhold and deliver property of any kind including, but not
29 restricted to, earnings which are due, owing, or belonging to the
30 debtor, when the director has reason to believe that there is in the
31 possession of such person, firm, corporation, association, political
32 subdivision, or department of the state property which is due, owing,
33 or belonging to the debtor. The order to withhold and deliver must
34 state the amount of the debt, and must state in summary the terms of
35 this section, RCW 6.27.150 and 6.27.160, chapters 6.13 and 6.15 RCW,
36 15 U.S.C. Sec. 1673, and other state or federal exemption laws
37 applicable generally to debtors. The order to withhold and deliver
38 must be served in the manner prescribed for the service of a summons
39 in a civil action or by certified mail, with return receipt

1 ((~~requested~~)) service. Any person, firm, corporation, association,
2 political subdivision, or department of the state upon whom service
3 has been made shall answer the order to withhold and deliver within
4 twenty days, exclusive of the day of service, under oath and in
5 writing, and shall make true answers to the matters inquired of
6 therein. The director may require further and additional answers to
7 be completed by the person, firm, corporation, association, political
8 subdivision, or department of the state. If any such person, firm,
9 corporation, association, political subdivision, or department of the
10 state possesses any property which may be subject to the claim of the
11 authority, such property must be withheld immediately upon receipt of
12 the order to withhold and deliver and must, after the twenty-day
13 period, upon demand, be delivered forthwith to the director. The
14 director shall hold the property in trust for application on the
15 indebtedness involved or for return, without interest, in accordance
16 with final determination of liability or nonliability. In the
17 alternative, there may be furnished to the director a good and
18 sufficient bond, satisfactory to the director, conditioned upon final
19 determination of liability. Where money is due and owing under any
20 contract of employment, express or implied, or is held by any person,
21 firm, corporation, association, political subdivision, or department
22 of the state subject to withdrawal by the debtor, such money must be
23 delivered by remittance payable to the order of the director.
24 Delivery to the director, subject to the exemptions under RCW
25 6.27.150 and 6.27.160, chapters 6.13 and 6.15 RCW, 15 U.S.C. Sec.
26 1673, and other state or federal law applicable generally to debtors,
27 of the money or other property held or claimed satisfies the
28 requirement of the order to withhold and deliver. Delivery to the
29 director serves as full acquittance, and the state warrants and
30 represents that it shall defend and hold harmless for such actions
31 persons delivering money or property to the director pursuant to this
32 chapter. The state also warrants and represents that it shall defend
33 and hold harmless for such actions persons withholding money or
34 property pursuant to this chapter.

35 (2) The director shall also, on or before the date of service of
36 the order to withhold and deliver, mail or cause to be mailed by
37 certified mail a copy of the order to withhold and deliver to the
38 debtor at the debtor's last known post office address or, in the
39 alternative, a copy of the order to withhold and deliver must be
40 served on the debtor in the same manner as a summons in a civil

1 action on or before the date of service of the order or within two
2 days thereafter. The copy of the order must be mailed or served
3 together with a concise explanation of the right to petition for a
4 hearing on any issue related to the collection. This requirement is
5 not jurisdictional, but, if the copy is not mailed or served as
6 provided in this section, or if any irregularity appears with respect
7 to the mailing or service, the superior court, on its discretion on
8 motion of the debtor promptly made and supported by affidavit showing
9 that the debtor has suffered substantial injury due to the failure to
10 mail the copy, may set aside the order to withhold and deliver and
11 award to the debtor an amount equal to the damages resulting from the
12 director's failure to serve on or mail to the debtor the copy.

13 **Sec. 27.** RCW 41.05A.160 and 2011 1st sp.s. c 15 s 103 are each
14 amended to read as follows:

15 When the authority provides assistance to persons who possess
16 excess real property under RCW 74.04.005(~~((11))~~) (13)(g), the
17 authority may file a lien against or otherwise perfect its interest
18 in such real property as a condition of granting such assistance, and
19 the authority has the status of a secured creditor.

20 **Sec. 28.** RCW 41.05A.170 and 2011 1st sp.s. c 15 s 104 are each
21 amended to read as follows:

22 (1) When the authority determines that a vendor was overpaid by
23 the authority for either goods or services, or both, provided to
24 authority clients, except nursing homes under chapter 74.46 RCW, the
25 authority shall give written notice to the vendor. The notice must
26 include the amount of the overpayment, the basis for the claim, and
27 the rights of the vendor under this section.

28 (2) The notice may be served upon the vendor in the manner
29 prescribed for the service of a summons in civil action or be mailed
30 to the vendor at the last known address by certified mail, return
31 receipt requested, demanding payment within twenty days of the date
32 of receipt.

33 (3) The vendor has the right to an adjudicative proceeding
34 governed by the administrative procedure act, chapter 34.05 RCW, and
35 the rules of the authority. The vendor's application for an
36 adjudicative proceeding must be in writing, state the basis for
37 contesting the overpayment notice, and include a copy of the
38 authority's notice. The application must be served on and received by

1 the authority within twenty-eight days of the vendor's receipt of the
2 notice of overpayment. The vendor must serve the authority in a
3 manner providing proof of receipt.

4 (4) Where an adjudicative proceeding has been requested, the
5 presiding or reviewing (~~(office—[officer])~~) officer shall determine
6 the amount, if any, of the overpayment received by the vendor.

7 (5) If the vendor fails to attend or participate in the
8 adjudicative proceeding, upon a showing of valid service, the
9 presiding or reviewing officer may enter an administrative order
10 declaring the amount claimed in the notice to be assessed against the
11 vendor and subject to collection action by the authority.

12 (6) Failure to make an application for an adjudicative proceeding
13 within twenty-eight days of the date of notice results in the
14 establishment of a final debt against the vendor in the amount
15 asserted by the authority and that amount is subject to collection
16 action. The authority may also charge the vendor with any costs
17 associated with the collection of any final overpayment or debt
18 established against the vendor.

19 (7) The authority may enforce a final overpayment or debt through
20 lien and foreclosure, distraint, seizure and sale, order to withhold
21 and deliver, or other collection action available to the authority to
22 satisfy the debt due.

23 (8) Debts determined under this chapter are subject to collection
24 action without further necessity of action by a presiding or
25 reviewing officer. The authority may collect the debt in accordance
26 with RCW 41.05A.120, 41.05A.130, and 41.05A.180. In addition, a
27 vendor lien may be subject to distraint and seizure and sale in the
28 same manner as prescribed for support liens in RCW 74.20A.130.

29 (9) Chapter 66, Laws of 1998 applies to overpayments for goods or
30 services provided on or after July 1, 1998.

31 (10) The authority may adopt rules consistent with this section.

32 **Sec. 29.** RCW 70.320.050 and 2015 c 209 s 3 are each amended to
33 read as follows:

34 (1) By December 1, 2014, the department and the authority shall
35 report jointly to the legislature on the expected outcomes and the
36 performance measures. The report must identify the performance
37 measures and the expected outcomes established for each program, the
38 relationship between the performance measures and expected
39 improvements in client outcomes, mechanisms for reporting outcomes

1 and measuring performance, and options for applying the performance
2 measures and expected outcomes development process to other health
3 and social service programs.

4 (2) By December 1, 2016, and annually thereafter, the department
5 and the authority shall report to the legislature on the
6 incorporation of the performance measures into contracts with service
7 coordination organizations and progress toward achieving the
8 identified outcomes. The report shall include:

9 (a) The number of medicaid clients enrolled over the previous
10 year;

11 (b) The number of enrollees who received a baseline health
12 assessment over the previous year;

13 (c) An analysis of trends in health improvement for medicaid
14 enrollees in accordance with the measure set established under RCW
15 (~~(41.05.065)~~) 41.05.690; and

16 (d) Recommendations for improving the health of medicaid
17 enrollees.

18 **Sec. 30.** RCW 70.390.020 and 2020 c 340 s 2 are each amended to
19 read as follows:

20 The authority shall establish a board to be known as the health
21 care cost transparency board. The board is responsible for the
22 analysis of total health care expenditures in Washington, identifying
23 trends in health care cost growth, and establishing a health care
24 cost growth benchmark. The board shall provide analysis of the
25 factors impacting these trends in health care cost growth and, after
26 review and consultation with identified entities, shall identify
27 those health care providers and payers that are exceeding the health
28 care cost growth benchmark. The authority may create rules needed to
29 implement this chapter.

30 **Sec. 31.** RCW 71.24.035 and 2021 c 263 s 16 and 2021 c 263 s 8
31 are each reenacted and amended to read as follows:

32 (1) The authority is designated as the state behavioral health
33 authority which includes recognition as the single state authority
34 for substance use disorders, state opioid treatment authority, and
35 state mental health authority.

36 (2) The director shall provide for public, client, tribal, and
37 licensed or certified behavioral health agency participation in
38 developing the state behavioral health program, developing related

1 contracts, and any waiver request to the federal government under
2 medicaid.

3 (3) The director shall provide for participation in developing
4 the state behavioral health program for children and other
5 underserved populations, by including representatives on any
6 committee established to provide oversight to the state behavioral
7 health program.

8 (4) The authority shall be designated as the behavioral health
9 administrative services organization for a regional service area if a
10 behavioral health administrative services organization fails to meet
11 the authority's contracting requirements or refuses to exercise the
12 responsibilities under its contract or state law, until such time as
13 a new behavioral health administrative services organization is
14 designated.

15 (5) The director shall:

16 (a) Assure that any behavioral health administrative services
17 organization, managed care organization, or community behavioral
18 health program provides medically necessary services to medicaid
19 recipients consistent with the state's medicaid state plan or federal
20 waiver authorities, and nonmedicaid services consistent with
21 priorities established by the authority;

22 (b) Develop contracts in a manner to ensure an adequate network
23 of inpatient services, evaluation and treatment services, and
24 facilities under chapter 71.05 RCW to ensure access to treatment,
25 resource management services, and community support services;

26 (c) Make contracts necessary or incidental to the performance of
27 its duties and the execution of its powers, including managed care
28 contracts for behavioral health services, contracts entered into
29 under RCW 74.09.522, and contracts with public and private agencies,
30 organizations, and individuals to pay them for behavioral health
31 services;

32 (d) Define administrative costs and ensure that the behavioral
33 health administrative services organization does not exceed an
34 administrative cost of ten percent of available funds;

35 (e) Establish, to the extent possible, a standardized auditing
36 procedure which is designed to assure compliance with contractual
37 agreements authorized by this chapter and minimizes paperwork
38 requirements. The audit procedure shall focus on the outcomes of
39 service as provided in RCW 71.24.435, 70.320.020, and 71.36.025;

1 (f) Develop and maintain an information system to be used by the
2 state and behavioral health administrative services organizations and
3 managed care organizations that includes a tracking method which
4 allows the authority to identify behavioral health clients'
5 participation in any behavioral health service or public program on
6 an immediate basis. The information system shall not include
7 individual patient's case history files. Confidentiality of client
8 information and records shall be maintained as provided in this
9 chapter and chapter 70.02 RCW;

10 (g) Monitor and audit behavioral health administrative services
11 organizations as needed to assure compliance with contractual
12 agreements authorized by this chapter;

13 (h) Monitor and audit access to behavioral health services for
14 individuals eligible for medicaid who are not enrolled in a managed
15 care organization;

16 (i) Adopt such rules as are necessary to implement the
17 authority's responsibilities under this chapter;

18 (j) Administer or supervise the administration of the provisions
19 relating to persons with substance use disorders and intoxicated
20 persons of any state plan submitted for federal funding pursuant to
21 federal health, welfare, or treatment legislation;

22 (k) Require the behavioral health administrative services
23 organizations and the managed care organizations to develop
24 agreements with tribal, city, and county jails and the department of
25 corrections to accept referrals for enrollment on behalf of a
26 confined person, prior to the person's release;

27 (l) Require behavioral health administrative services
28 organizations and managed care organizations, as applicable, to
29 provide services as identified in RCW 71.05.585 and 10.77.175 to
30 individuals committed for involuntary treatment under less
31 restrictive alternative court orders when:

32 (i) The individual is enrolled in the medicaid program; or

33 (ii) The individual is not enrolled in medicaid and does not have
34 other insurance which can pay for the services; and

35 (m) Coordinate with the centers for medicare and medicaid
36 services to provide that behavioral health aide services are eligible
37 for federal funding of up to one hundred percent.

38 (6) The director shall use available resources only for
39 behavioral health administrative services organizations and managed
40 care organizations, except:

1 (a) To the extent authorized, and in accordance with any
2 priorities or conditions specified, in the biennial appropriations
3 act; or

4 (b) To incentivize improved performance with respect to the
5 client outcomes established in RCW 71.24.435, 70.320.020, and
6 71.36.025, integration of behavioral health and medical services at
7 the clinical level, and improved care coordination for individuals
8 with complex care needs.

9 (7) Each behavioral health administrative services organization,
10 managed care organization, and licensed or certified behavioral
11 health agency shall file with the secretary of the department of
12 health or the director, on request, such data, statistics, schedules,
13 and information as the secretary of the department of health or the
14 director reasonably requires. A behavioral health administrative
15 services organization, managed care organization, or licensed or
16 certified behavioral health agency which, without good cause, fails
17 to furnish any data, statistics, schedules, or information as
18 requested, or files fraudulent reports thereof, may be subject to the
19 contractual remedies in RCW 74.09.871 or may have its service
20 provider certification or license revoked or suspended.

21 (8) The superior court may restrain any behavioral health
22 administrative services organization, managed care organization, or
23 service provider from operating without a contract, certification, or
24 a license or any other violation of this section. The court may also
25 review, pursuant to procedures contained in chapter 34.05 RCW, any
26 denial, suspension, limitation, restriction, or revocation of
27 certification or license, and grant other relief required to enforce
28 the provisions of this chapter.

29 (9) Upon petition by the secretary of the department of health or
30 the director, and after hearing held upon reasonable notice to the
31 facility, the superior court may issue a warrant to an officer or
32 employee of the secretary of the department of health or the director
33 authorizing him or her to enter at reasonable times, and examine the
34 records, books, and accounts of any behavioral health administrative
35 services organization, managed care organization, or service provider
36 refusing to consent to inspection or examination by the authority.

37 (10) Notwithstanding the existence or pursuit of any other
38 remedy, the secretary of the department of health or the director may
39 file an action for an injunction or other process against any person
40 or governmental unit to restrain or prevent the establishment,

1 conduct, or operation of a behavioral health administrative services
2 organization, managed care organization, or service provider without
3 a contract, certification, or a license under this chapter.

4 (11) The authority shall distribute appropriated state and
5 federal funds in accordance with any priorities, terms, or conditions
6 specified in the appropriations act.

7 (12) The authority, in cooperation with the state congressional
8 delegation, shall actively seek waivers of federal requirements and
9 such modifications of federal regulations as are necessary to allow
10 federal medicaid reimbursement for services provided by freestanding
11 evaluation and treatment facilities licensed under chapter 71.12 RCW
12 or certified under chapter 71.05 RCW. The authority shall
13 periodically share the results of its efforts with the appropriate
14 committees of the senate and the house of representatives.

15 (13) The authority may:

16 (a) Plan, establish, and maintain substance use disorder
17 prevention and substance use disorder treatment programs as necessary
18 or desirable;

19 (b) Coordinate its activities and cooperate with behavioral
20 programs in this and other states, and make contracts and other joint
21 or cooperative arrangements with state, tribal, local, or private
22 agencies in this and other states for behavioral health services and
23 for the common advancement of substance use disorder programs;

24 (c) Solicit and accept for use any gift of money or property made
25 by will or otherwise, and any grant of money, services, or property
26 from the federal government, the state, or any political subdivision
27 thereof or any private source, and do all things necessary to
28 cooperate with the federal government or any of its agencies in
29 making an application for any grant;

30 (d) Keep records and engage in research and the gathering of
31 relevant statistics; and

32 (e) Acquire, hold, or dispose of real property or any interest
33 therein, and construct, lease, or otherwise provide substance use
34 disorder treatment programs.

35 **Sec. 32.** RCW 71.24.380 and 2021 c 202 s 16 are each amended to
36 read as follows:

37 (1) The director shall purchase behavioral health services
38 primarily through managed care contracting, but may continue to

1 purchase behavioral health services directly from providers serving
2 medicaid clients who are not enrolled in a managed care organization.

3 (2) The director shall require that contracted managed care
4 organizations have a sufficient network of providers to provide
5 adequate access to behavioral health services for residents of the
6 regional service area that meet eligibility criteria for services,
7 and for maintenance of quality assurance processes. Contracts with
8 managed care organizations must comply with all federal medicaid and
9 state law requirements related to managed health care contracting,
10 including RCW 74.09.522.

11 (3) A managed care organization must contract with the
12 authority's selected behavioral health administrative services
13 organization for the assigned regional service area for the
14 administration of crisis services. The contract shall require the
15 managed care organization to reimburse the behavioral health
16 administrative services organization for behavioral health crisis
17 services delivered to individuals enrolled in the managed care
18 organization.

19 (4) (~~(A managed care organization)~~) The authority must contract
20 with the (~~(contracting advocacy organization selected by the state~~
21 ~~office of behavioral health consumer advocacy established in RCW~~
22 ~~71.40.030)~~) department of commerce for the provision of behavioral
23 health consumer advocacy services delivered to individuals enrolled
24 in (~~(the)~~) a managed care organization by the advocacy organization
25 selected by the state office of behavioral health consumer advocacy
26 established in RCW 71.40.030. The contract shall require the
27 (~~(managed care organization)~~) authority to reimburse the (~~(office of~~
28 ~~behavioral health consumer advocacy)~~) department of commerce for the
29 behavioral health consumer advocacy services delivered to individuals
30 enrolled in (~~(the)~~) a managed care organization.

31 (5) A managed care organization must collaborate with the
32 authority and its contracted behavioral health administrative
33 services organization to develop and implement strategies to
34 coordinate care with tribes and community behavioral health providers
35 for individuals with a history of frequent crisis system utilization.

36 (6) A managed care organization must work closely with designated
37 crisis responders, behavioral health administrative services
38 organizations, and behavioral health providers to maximize
39 appropriate placement of persons into community services, ensuring
40 the client receives the least restrictive level of care appropriate

1 for their condition. Additionally, the managed care organization
2 shall work with the authority to expedite the enrollment or
3 reenrollment of eligible persons leaving state or local correctional
4 facilities and institutions for mental diseases.

5 (7) As an incentive to county authorities to become early
6 adopters of fully integrated purchasing of medical and behavioral
7 health services, the standards adopted by the authority shall provide
8 for an incentive payment to counties which elect to move to full
9 integration by January 1, 2016. Subject to federal approval, the
10 incentive payment shall be targeted at ten percent of savings
11 realized by the state within the regional service area in which the
12 fully integrated purchasing takes place. Savings shall be calculated
13 in alignment with the outcome and performance measures established in
14 RCW 71.24.435, 70.320.020, and 71.36.025, and incentive payments for
15 early adopter counties shall be made available for up to a six-year
16 period, or until full integration of medical and behavioral health
17 services is accomplished statewide, whichever comes sooner, according
18 to rules to be developed by the authority.

19 **Sec. 33.** RCW 74.09.010 and 2020 c 80 s 55 are each amended to
20 read as follows:

21 The definitions in this section apply throughout this chapter
22 unless the context clearly requires otherwise.

23 (1) "Authority" means the Washington state health care authority.

24 (2) "Bidirectional integration" means integrating behavioral
25 health services into primary care settings and integrating primary
26 care services into behavioral health settings.

27 (3) "Children's health program" means the health care services
28 program provided to children under eighteen years of age and in
29 households with incomes at or below the federal poverty level as
30 annually defined by the federal department of health and human
31 services as adjusted for family size, and who are not otherwise
32 eligible for medical assistance or the limited casualty program for
33 the medically needy.

34 (4) "Chronic care management" means the health care management
35 within a health home of persons identified with, or at high risk for,
36 one or more chronic conditions. Effective chronic care management:

37 (a) Actively assists patients to acquire self-care skills to
38 improve functioning and health outcomes, and slow the progression of
39 disease or disability;

- 1 (b) Employs evidence-based clinical practices;
- 2 (c) Coordinates care across health care settings and providers,
3 including tracking referrals;
- 4 (d) Provides ready access to behavioral health services that are,
5 to the extent possible, integrated with primary care; and
- 6 (e) Uses appropriate community resources to support individual
7 patients and families in managing chronic conditions.
- 8 (5) "Chronic condition" means a prolonged condition and includes,
9 but is not limited to:
- 10 (a) A mental health condition;
- 11 (b) A substance use disorder;
- 12 (c) Asthma;
- 13 (d) Diabetes;
- 14 (e) Heart disease; and
- 15 (f) Being overweight, as evidenced by a body mass index over
16 twenty-five.
- 17 (6) "County" means the board of county commissioners, county
18 council, county executive, or tribal jurisdiction, or its designee.
- 19 (7) "Department" means the department of social and health
20 services.
- 21 (8) "Department of health" means the Washington state department
22 of health created pursuant to RCW 43.70.020.
- 23 (9) "Director" means the director of the Washington state health
24 care authority.
- 25 (10) "Full benefit dual eligible beneficiary" means an individual
26 who, for any month: Has coverage for the month under a medicare
27 prescription drug plan or medicare advantage plan with part D
28 coverage; and is determined eligible by the state for full medicaid
29 benefits for the month under any eligibility category in the state's
30 medicaid plan or a section 1115 demonstration waiver that provides
31 pharmacy benefits.
- 32 (11) "Health home" or "primary care health home" means
33 coordinated health care provided by a licensed primary care provider
34 coordinating all medical care services, and a multidisciplinary
35 health care team comprised of clinical and nonclinical staff. The
36 term "coordinating all medical care services" shall not be construed
37 to require prior authorization by a primary care provider in order
38 for a patient to receive treatment for covered services by an
39 optometrist licensed under chapter 18.53 RCW. Primary care health
40 home services shall include those services defined as health home

1 services in 42 U.S.C. Sec. 1396w-4 and, in addition, may include, but
2 are not limited to:

3 (a) Comprehensive care management including, but not limited to,
4 chronic care treatment and management;

5 (b) Extended hours of service;

6 (c) Multiple ways for patients to communicate with the team,
7 including electronically and by phone;

8 (d) Education of patients on self-care, prevention, and health
9 promotion, including the use of patient decision aids;

10 (e) Coordinating and assuring smooth transitions and follow-up
11 from inpatient to other settings;

12 (f) Individual and family support including authorized
13 representatives;

14 (g) The use of information technology to link services, track
15 tests, generate patient registries, and provide clinical data; and

16 (h) Ongoing performance reporting and quality improvement.

17 ~~(12) ("Internal management" means the administration of medical
18 assistance, medical care services, the children's health program, and
19 the limited casualty program.~~

20 ~~(13))~~ "Limited casualty program" means the medical care program
21 provided to medically needy persons as defined under Title XIX of the
22 federal social security act, and to medically indigent persons who
23 are without income or resources sufficient to secure necessary
24 medical services.

25 ~~((14))~~ (13) "Managed care organization" means any health care
26 organization, including health care providers, insurers, health care
27 service contractors, health maintenance organizations, health
28 insuring organizations, or any other entity or combination thereof,
29 that provides directly or by contract health care services covered
30 under this chapter and rendered by licensed providers, on a prepaid
31 capitated basis and that meets the requirements of section
32 1903(m)(1)(A) of Title XIX of the federal social security act or
33 federal demonstration waivers granted under section 1115(a) of Title
34 XI of the federal social security act.

35 (14) "Medical assistance" means the federal aid medical care
36 program provided to categorically needy persons as defined under
37 Title XIX of the federal social security act.

38 (15) "Medical care services" means the limited scope of care
39 financed by state funds and provided to persons who are not eligible
40 for medicaid under RCW 74.09.510 and who are eligible for the aged,

1 blind, or disabled assistance program authorized in RCW 74.62.030 or
2 the essential needs and housing support program pursuant to RCW
3 74.04.805.

4 (16) "Multidisciplinary health care team" means an
5 interdisciplinary team of health professionals which may include, but
6 is not limited to, medical specialists, nurses, pharmacists,
7 nutritionists, dieticians, social workers, behavioral and mental
8 health providers including substance use disorder prevention and
9 treatment providers, doctors of chiropractic, physical therapists,
10 licensed complementary and alternative medicine practitioners, home
11 care and other long-term care providers, and physicians' assistants.

12 (17) "Nursing home" means nursing home as defined in RCW
13 18.51.010.

14 (18) "Poverty" means the federal poverty level determined
15 annually by the United States department of health and human
16 services, or successor agency.

17 (19) "Primary care behavioral health" means a health care
18 integration model in which behavioral health care is colocated,
19 collaborative, and integrated within a primary care setting.

20 (20) "Primary care provider" means a general practice physician,
21 family practitioner, internist, pediatrician, osteopathic physician,
22 naturopath, physician assistant, and advanced registered nurse
23 practitioner licensed under Title 18 RCW.

24 (21) "Secretary" means the secretary of social and health
25 services.

26 (22) "Whole-person care in behavioral health" means a health care
27 integration model in which primary care services are integrated into
28 a behavioral health setting either through collocation or community-
29 based care management.

30 **Sec. 34.** RCW 74.09.053 and 2009 c 568 s 6 and 2009 c 479 s 62
31 are each reenacted and amended to read as follows:

32 (1) Beginning in November 2012, the department of social and
33 health services, in coordination with the health care authority,
34 shall by November 15th of each year report to the legislature:

35 (a) The number of medical assistance recipients who: (i) Upon
36 enrollment or recertification had reported being employed, and
37 beginning with the 2008 report, the month and year they reported
38 being hired; or (ii) upon enrollment or recertification had reported
39 being the dependent of someone who was employed, and beginning with

1 the 2008 report, the month and year they reported the employed person
2 was hired. For recipients identified under (a)(i) and (ii) of this
3 subsection, the department shall report the basis for their medical
4 assistance eligibility, including but not limited to family medical
5 coverage, transitional medical assistance, children's medical
6 coverage, aged coverage, or coverage for (~~persons~~) individuals with
7 disabilities; member months; and the total cost to the state for
8 these recipients, expressed as general fund-state and general
9 fund-federal dollars. The information shall be reported by employer
10 size for employers having more than fifty employees as recipients or
11 with dependents as recipients. This information shall be provided for
12 the preceding January and June of that year.

13 (b) The following aggregated information: (i) The number of
14 employees who are recipients or with dependents as recipients by
15 private and governmental employers; (ii) the number of employees who
16 are recipients or with dependents as recipients by employer size for
17 employers with fifty or fewer employees, fifty-one to one hundred
18 employees, one hundred one to one thousand employees, one thousand
19 one to five thousand employees and more than five thousand employees;
20 and (iii) the number of employees who are recipients or with
21 dependents as recipients by industry type.

22 (2) For each aggregated classification, the report will include
23 the number of hours worked, the number of department of social and
24 health services covered lives, and the total cost to the state for
25 these recipients. This information shall be for each quarter of the
26 preceding year.

27 **Sec. 35.** RCW 74.09.171 and 2014 c 39 s 1 are each amended to
28 read as follows:

29 (1) The legislature finds that the authority and the department
30 purchase or contract for the delivery of medicaid programs(~~(7~~
31 ~~including medical services with the~~) through contracts with
32 providers and managed care (~~plans~~) organizations under this
33 chapter, (~~(mental health services with regional support networks or~~
34 ~~other)~~) contractors providing behavioral health services under
35 chapters 71.24 and 71.34 RCW, (~~(chemical dependency services under~~
36 ~~chapters 74.50 and 70.96A RCW,~~) and contractors providing long-term
37 care services under chapter 74.39A RCW.

38 (2) The authority and department must collaborate and seek
39 opportunities to expand access to care for enrollees in the medicaid

1 programs identified in subsection (1) of this section living in
2 border communities that may require contractual agreements with
3 providers across the state border when care is appropriate,
4 available, and cost-effective.

5 (3) All authority and department contracts for medicaid services
6 issued or renewed after July 1, 2014, must include provisions that
7 allow for care to be accessed cross-border ensuring timely access to
8 necessary care, including inpatient and outpatient services. The
9 contracts must include reciprocal arrangements that allow Washington,
10 Oregon, and Idaho border residents to access care when care is
11 appropriate, available, and cost-effective.

12 ~~((4) The agencies must jointly report to the health care
13 committees and fiscal committees of the legislature by November 1,
14 2014, with an update on the contractual opportunities and the
15 anticipated impacts on patient access to timely care, the impact on
16 the availability of inpatient and outpatient services, and the fiscal
17 implications for the medicaid programs.))~~

18 **Sec. 36.** RCW 74.09.215 and 2019 c 334 s 14 are each amended to
19 read as follows:

20 The medicaid fraud penalty account is created in the state
21 treasury. All receipts from civil penalties collected under RCW
22 74.09.210, all receipts received under judgments or settlements that
23 originated under a filing under the federal false claims act, all
24 receipts from fines received pursuant to RCW 43.71C.090, and all
25 receipts received under judgments or settlements that originated
26 under the state medicaid fraud false claims act, chapter 74.66 RCW,
27 must be deposited into the account. Moneys in the account may be
28 spent only after appropriation and must be used only for medicaid
29 services, fraud detection and prevention activities, recovery of
30 improper payments, for other medicaid fraud enforcement activities,
31 and the prescription monitoring program established in chapter 70.225
32 RCW. ~~((For the 2013-2015 fiscal biennium, moneys in the account may
33 be spent on inpatient and outpatient rebasing and conversion to the
34 tenth version of the international classification of diseases. For
35 the 2011-2013 fiscal biennium, moneys in the account may be spent on
36 inpatient and outpatient rebasing.))~~

37 **Sec. 37.** RCW 74.09.220 and 2018 c 201 s 7010 are each amended to
38 read as follows:

1 Any person, firm, corporation, partnership, association, agency,
2 institution or other legal entity, but not including an individual
3 public assistance recipient of health care, that, without intent to
4 violate this chapter or other applicable law, obtains benefits or
5 payments under this code to which such person or entity is not
6 entitled, or in a greater amount than that to which entitled, shall
7 be liable for (1) any excess benefits or payments received, and (2)
8 interest calculated at the rate and in the manner provided in RCW
9 43.20B.695 or 41.05A.220. Whenever a penalty is due under RCW
10 74.09.210 or interest is due under RCW 43.20B.695 or 41.05A.220, such
11 penalty or interest shall not be reimbursable by the state as an
12 allowable cost under any of the provisions of this chapter or other
13 applicable law.

14 **Sec. 38.** RCW 74.09.325 and 2022 c 213 s 4 are each amended to
15 read as follows:

16 (1) (a) (~~Upon initiation or renewal of a contract with the~~
17 ~~Washington state health care authority to administer a medicaid~~
18 ~~managed care plan, a managed health care system~~) All managed care
19 organizations contracted with the authority for the medicaid program
20 shall reimburse a provider for a health care service provided to a
21 covered person through telemedicine or store and forward technology
22 if:

23 (i) The (~~medicaid~~) managed care (~~plan~~) organization in which
24 the covered person is enrolled provides coverage of the health care
25 service when provided in person by the provider;

26 (ii) The health care service is medically necessary;

27 (iii) The health care service is a service recognized as an
28 essential health benefit under section 1302(b) of the federal patient
29 protection and affordable care act in effect on January 1, 2015;

30 (iv) The health care service is determined to be safely and
31 effectively provided through telemedicine or store and forward
32 technology according to generally accepted health care practices and
33 standards, and the technology used to provide the health care service
34 meets the standards required by state and federal laws governing the
35 privacy and security of protected health information; and

36 (v) Beginning January 1, 2023, for audio-only telemedicine, the
37 covered person has an established relationship with the provider.

38 (b) (i) Except as provided in (b) (ii) of this subsection, (~~upon~~
39 ~~initiation or renewal of a contract with the Washington state health~~

1 ~~care authority to administer a medicaid managed care plan,~~) a
2 managed ((health)) care ((system)) organization shall reimburse a
3 provider for a health care service provided to a covered person
4 through telemedicine the same amount of compensation the managed
5 ((health)) care ((system)) organization would pay the provider if the
6 health care service was provided in person by the provider.

7 (ii) Hospitals, hospital systems, telemedicine companies, and
8 provider groups consisting of eleven or more providers may elect to
9 negotiate an amount of compensation for telemedicine services that
10 differs from the amount of compensation for in-person services.

11 (iii) For purposes of this subsection (1)(b), the number of
12 providers in a provider group refers to all providers within the
13 group, regardless of a provider's location.

14 (iv) A rural health clinic shall be reimbursed for audio-only
15 telemedicine at the rural health clinic encounter rate.

16 (2) For purposes of this section, reimbursement of store and
17 forward technology is available only for those services specified in
18 the negotiated agreement between the managed ((health)) care
19 ((system)) organization and health care provider.

20 (3) An originating site for a telemedicine health care service
21 subject to subsection (1) of this section includes a:

- 22 (a) Hospital;
- 23 (b) Rural health clinic;
- 24 (c) Federally qualified health center;
- 25 (d) Physician's or other health care provider's office;
- 26 (e) Licensed or certified behavioral health agency;
- 27 (f) Skilled nursing facility;
- 28 (g) Home or any location determined by the individual receiving
29 the service; or
- 30 (h) Renal dialysis center, except an independent renal dialysis
31 center.

32 (4) Except for subsection (3)(g) of this section, any originating
33 site under subsection (3) of this section may charge a facility fee
34 for infrastructure and preparation of the patient. Reimbursement for
35 a facility fee must be subject to a negotiated agreement between the
36 originating site and the managed ((health)) care ((system))
37 organization. A distant site, a hospital that is an originating site
38 for audio-only telemedicine, or any other site not identified in
39 subsection (3) of this section may not charge a facility fee.

1 (5) A managed ((health)) care ((system)) organization may not
2 distinguish between originating sites that are rural and urban in
3 providing the coverage required in subsection (1) of this section.

4 (6) A managed ((health)) care ((system)) organization may subject
5 coverage of a telemedicine or store and forward technology health
6 service under subsection (1) of this section to all terms and
7 conditions of the plan in which the covered person is enrolled
8 including, but not limited to, utilization review, prior
9 authorization, deductible, copayment, or coinsurance requirements
10 that are applicable to coverage of a comparable health care service
11 provided in person.

12 (7) This section does not require a managed ((health)) care
13 ((system)) organization to reimburse:

14 (a) An originating site for professional fees;

15 (b) A provider for a health care service that is not a covered
16 benefit under the plan; or

17 (c) An originating site or health care provider when the site or
18 provider is not a contracted provider under the plan.

19 (8)(a) If a provider intends to bill a patient or a managed
20 ((health)) care ((system)) organization for an audio-only
21 telemedicine service, the provider must obtain patient consent for
22 the billing in advance of the service being delivered and comply with
23 all rules created by the authority related to restrictions on billing
24 medicaid recipients. The authority may submit information on any
25 potential violations of this subsection to the appropriate
26 disciplining authority, as defined in RCW 18.130.020, or take
27 contractual actions against the provider's agreement for
28 participation in the medicaid program, or both.

29 (b) If the health care authority has cause to believe that a
30 provider has engaged in a pattern of unresolved violations of this
31 subsection (8), the health care authority may submit information to
32 the appropriate disciplining authority for action. Prior to
33 submitting information to the appropriate disciplining authority, the
34 health care authority may provide the provider with an opportunity to
35 cure the alleged violations or explain why the actions in question
36 did not violate this subsection (8).

37 (c) If the provider has engaged in a pattern of unresolved
38 violations of this subsection (8), the appropriate disciplining
39 authority may levy a fine or cost recovery upon the provider in an
40 amount not to exceed the applicable statutory amount per violation

1 and take other action as permitted under the authority of the
2 disciplining authority. Upon completion of its review of any
3 potential violation submitted by the health care authority or
4 initiated directly by an enrollee, the disciplining authority shall
5 notify the health care authority of the results of the review,
6 including whether the violation was substantiated and any enforcement
7 action taken as a result of a finding of a substantiated violation.

8 (9) For purposes of this section:

9 (a) (i) "Audio-only telemedicine" means the delivery of health
10 care services through the use of audio-only technology, permitting
11 real-time communication between the patient at the originating site
12 and the provider, for the purpose of diagnosis, consultation, or
13 treatment.

14 (ii) For purposes of this section only, "audio-only telemedicine"
15 does not include:

16 (A) The use of facsimile or email; or

17 (B) The delivery of health care services that are customarily
18 delivered by audio-only technology and customarily not billed as
19 separate services by the provider, such as the sharing of laboratory
20 results;

21 (b) "Disciplining authority" has the same meaning as in RCW
22 18.130.020;

23 (c) "Distant site" means the site at which a physician or other
24 licensed provider, delivering a professional service, is physically
25 located at the time the service is provided through telemedicine;

26 (d) "Established relationship" means the provider providing
27 audio-only telemedicine has access to sufficient health records to
28 ensure safe, effective, and appropriate care services and:

29 (i) For health care services included in the essential health
30 benefits category of mental health and substance use disorder
31 services, including behavioral health treatment:

32 (A) The covered person has had, within the past three years, at
33 least one in-person appointment, or at least one real-time
34 interactive appointment using both audio and video technology, with
35 the provider providing audio-only telemedicine or with a provider
36 employed at the same medical group, at the same clinic, or by the
37 same integrated delivery system operated by a carrier licensed under
38 chapter 48.44 or 48.46 RCW as the provider providing audio-only
39 telemedicine; or

1 (B) The covered person was referred to the provider providing
2 audio-only telemedicine by another provider who has had, within the
3 past three years, at least one in-person appointment, or at least one
4 real-time interactive appointment using both audio and video
5 technology, with the covered person and has provided relevant medical
6 information to the provider providing audio-only telemedicine;

7 (ii) For any other health care service:

8 (A) The covered person has had, within the past two years, at
9 least one in-person appointment, or, until January 1, 2024, at least
10 one real-time interactive appointment using both audio and video
11 technology, with the provider providing audio-only telemedicine or
12 with a provider employed at the same medical group, at the same
13 clinic, or by the same integrated delivery system operated by a
14 carrier licensed under chapter 48.44 or 48.46 RCW as the provider
15 providing audio-only telemedicine; or

16 (B) The covered person was referred to the provider providing
17 audio-only telemedicine by another provider who has had, within the
18 past two years, at least one in-person appointment, or, until January
19 1, 2024, at least one real-time interactive appointment using both
20 audio and video technology, with the covered person and has provided
21 relevant medical information to the provider providing audio-only
22 telemedicine;

23 (e) "Health care service" has the same meaning as in RCW
24 48.43.005;

25 (f) "Hospital" means a facility licensed under chapter 70.41,
26 71.12, or 72.23 RCW;

27 (~~(g) ("Managed health care system" means any health care~~
28 ~~organization, including health care providers, insurers, health care~~
29 ~~service contractors, health maintenance organizations, health~~
30 ~~insuring organizations, or any combination thereof, that provides~~
31 ~~directly or by contract health care services covered under this~~
32 ~~chapter and rendered by licensed providers, on a prepaid capitated~~
33 ~~basis and that meets the requirements of section 1903(m)(1)(A) of~~
34 ~~Title XIX of the federal social security act or federal demonstration~~
35 ~~waivers granted under section 1115(a) of Title XI of the federal~~
36 ~~social security act;~~

37 ~~(h))~~ "Originating site" means the physical location of a patient
38 receiving health care services through telemedicine;

39 ~~((i))~~ (h) "Provider" has the same meaning as in RCW 48.43.005;

1 (~~(j)~~) (i) "Store and forward technology" means use of an
2 asynchronous transmission of a covered person's medical information
3 from an originating site to the health care provider at a distant
4 site which results in medical diagnosis and management of the covered
5 person, and does not include the use of audio-only telephone,
6 facsimile, or email; and

7 (~~(k)~~) (j) "Telemedicine" means the delivery of health care
8 services through the use of interactive audio and video technology,
9 permitting real-time communication between the patient at the
10 originating site and the provider, for the purpose of diagnosis,
11 consultation, or treatment. For purposes of this section only,
12 "telemedicine" includes audio-only telemedicine, but does not include
13 facsimile or email.

14 **Sec. 39.** RCW 74.09.328 and 2020 c 4 s 3 are each amended to read
15 as follows:

16 (1) In order to protect patients and ensure that they benefit
17 from seamless quality care when contracted providers are absent from
18 their practices or when there is a temporary vacancy in a position
19 while a hospital, rural health clinic, or rural provider is
20 recruiting to meet patient demand, hospitals, rural health clinics,
21 and rural providers may use substitute providers to provide services.
22 Medicaid managed care organizations must allow for the use of
23 substitute providers and provide payment consistent with the
24 provisions in this section.

25 (2) Hospitals, rural health clinics, and rural providers that are
26 contracted with a medicaid managed care organization may use
27 substitute providers that are not contracted with a managed care
28 organization when:

29 (a) A contracted provider is absent for a limited period of time
30 due to vacation, illness, disability, continuing medical education,
31 or other short-term absence; or

32 (b) A contracted hospital, rural health clinic, or rural provider
33 is recruiting to fill an open position.

34 (3) For a substitute provider providing services under subsection
35 (2)(a) of this section, a contracted hospital, rural health clinic,
36 or rural provider may bill and receive payment for services at the
37 contracted rate under its contract with the managed care organization
38 for up to sixty days.

1 (4) To be eligible for reimbursement under this section for
2 services provided on behalf of a contracted provider for greater than
3 sixty days, a substitute provider must enroll in a medicaid managed
4 care organization. Enrollment of a substitute provider in a medicaid
5 managed care organization is effective on the later of:

6 (a) The date the substitute provider filed an enrollment
7 application that was subsequently approved; or

8 (b) The date the substitute provider first began providing
9 services at the hospital, rural health clinic, or rural provider.

10 (5) A substitute provider who enrolls with a medicaid managed
11 care organization may not bill under subsection (4) of this section
12 for any services billed to the medicaid managed care organization
13 pursuant to subsection (3) of this section.

14 (6) Nothing in this section obligates a managed care organization
15 to enroll any substitute provider who requests enrollment if they do
16 not meet the organizations enrollment criteria.

17 (7) For purposes of this section:

18 (a) "Circumstances precluded enrollment" means that the provider
19 has met all program requirements including state licensure during the
20 thirty-day period before an application was submitted and no final
21 adverse determination precluded enrollment. If a final adverse
22 determination precluded enrollment during this thirty-day period, the
23 contractor shall only establish an effective billing date the day
24 after the date that the final adverse action was resolved, as long as
25 it is not more than thirty days prior to the date on which the
26 application was submitted.

27 (b) "Contracted provider" means a provider who is contracted with
28 a medicaid managed care organization.

29 (c) "Hospital" means a facility licensed under chapter 70.41 or
30 71.12 RCW.

31 (d) "Rural health clinic" means a federally designated rural
32 health clinic.

33 (e) "Rural provider" means physicians licensed under chapter
34 18.71 RCW, osteopathic physicians and surgeons licensed under chapter
35 18.57 RCW, podiatric physicians and surgeons licensed under chapter
36 18.22 RCW, physician assistants licensed under chapter 18.71A RCW,
37 osteopathic physician assistants licensed under chapter (~~18.57A~~)
38 18.71A RCW, and advanced registered nurse practitioners licensed
39 under chapter 18.79 RCW, who are located in a rural county as defined
40 in RCW 82.14.370.

1 (f) "Substitute provider" includes physicians licensed under
2 chapter 18.71 RCW, osteopathic physicians and surgeons licensed under
3 chapter 18.57 RCW, podiatric physicians and surgeons licensed under
4 chapter 18.22 RCW, physician assistants licensed under chapter 18.71A
5 RCW, osteopathic physician assistants licensed under chapter
6 (~~18.57A~~) 18.71A RCW, and advanced registered nurse practitioners
7 licensed under chapter 18.79 RCW.

8 **Sec. 40.** RCW 74.09.470 and 2018 c 58 s 2 are each amended to
9 read as follows:

10 (1) Consistent with the goals established in RCW 74.09.402,
11 through the apple health for kids program authorized in this section,
12 the authority shall provide affordable health care coverage to
13 children under the age of nineteen who reside in Washington state and
14 whose family income at the time of enrollment is not greater than
15 (~~two hundred fifty~~) 260 percent of the federal poverty level as
16 adjusted for family size and determined annually by the federal
17 department of health and human services, and effective January 1,
18 2009, and only to the extent that funds are specifically appropriated
19 therefor, to children whose family income is not greater than (~~three~~
20 ~~hundred~~) 312 percent of the federal poverty level. In administering
21 the program, the authority shall take such actions as may be
22 necessary to ensure the receipt of federal financial participation
23 under the medical assistance program, as codified at Title XIX of the
24 federal social security act, the state children's health insurance
25 program, as codified at Title XXI of the federal social security act,
26 and any other federal funding sources that are now available or may
27 become available in the future. The authority and the caseload
28 forecast council shall estimate the anticipated caseload and costs of
29 the program established in this section.

30 (2) The authority shall accept applications for enrollment for
31 children's health care coverage; establish appropriate minimum-
32 enrollment periods, as may be necessary; and determine eligibility
33 based on current family income. The authority shall make eligibility
34 determinations within the time frames for establishing eligibility
35 for children on medical assistance, as defined by RCW 74.09.510. The
36 application and annual renewal processes shall be designed to
37 minimize administrative barriers for applicants and enrolled clients,
38 and to minimize gaps in eligibility for families who are eligible for
39 coverage. If a change in family income results in a change in the

1 source of funding for coverage, the authority shall transfer the
2 family members to the appropriate source of funding and notify the
3 family with respect to any change in premium obligation, without a
4 break in eligibility. The authority shall use the same eligibility
5 redetermination and appeals procedures as those provided for children
6 on medical assistance programs. The authority shall modify its
7 eligibility renewal procedures to lower the percentage of children
8 failing to annually renew. The authority shall manage its outreach,
9 application, and renewal procedures with the goals of: (a) Achieving
10 year by year improvements in enrollment, enrollment rates, renewals,
11 and renewal rates; (b) maximizing the use of existing program
12 databases to obtain information related to earned and unearned income
13 for purposes of eligibility determination and renewals, including,
14 but not limited to, the basic food program, the child care subsidy
15 program, federal social security administration programs, and the
16 employment security department wage database; (c) streamlining
17 renewal processes to rely primarily upon data matches, online
18 submissions, and telephone interviews; and (d) implementing any other
19 eligibility determination and renewal processes to allow the state to
20 receive an enhanced federal matching rate and additional federal
21 outreach funding available through the federal children's health
22 insurance program reauthorization act of 2009 by January 2010. The
23 department shall advise the governor and the legislature regarding
24 the status of these efforts by September 30, 2009. The information
25 provided should include the status of the department's efforts, the
26 anticipated impact of those efforts on enrollment, and the costs
27 associated with that enrollment.

28 (3) To ensure continuity of care and ease of understanding for
29 families and health care providers, and to maximize the efficiency of
30 the program, the amount, scope, and duration of health care services
31 provided to children under this section shall be the same as that
32 provided to children under medical assistance, as defined in RCW
33 74.09.520.

34 (4) The primary mechanism for purchasing health care coverage
35 under this section shall be through contracts with managed health
36 care systems as defined in RCW 74.09.522, subject to conditions,
37 limitations, and appropriations provided in the biennial
38 appropriations act. However, the authority shall make every effort
39 within available resources to purchase health care coverage for
40 uninsured children whose families have access to dependent coverage

1 through an employer-sponsored health plan or another source when it
2 is cost-effective for the state to do so, and the purchase is
3 consistent with requirements of Title XIX and Title XXI of the
4 federal social security act. To the extent allowable under federal
5 law, the authority shall require families to enroll in available
6 employer-sponsored coverage, as a condition of participating in the
7 program established under this section, when it is cost-effective for
8 the state to do so. Families who enroll in available employer-
9 sponsored coverage under this section shall be accounted for
10 separately in the annual report required by RCW 74.09.053.

11 (5) (a) To reflect appropriate parental responsibility, the
12 authority shall develop and implement a schedule of premiums for
13 children's health care coverage due to the authority from families
14 with income greater than (~~two hundred~~) 210 percent of the federal
15 poverty level. For families with income greater than (~~two hundred~~
16 ~~fifty~~) 260 percent of the federal poverty level, the premiums shall
17 be established in consultation with the senate majority and minority
18 leaders and the speaker and minority leader of the house of
19 representatives. For children eligible for coverage under the
20 federally funded children's health insurance program, Title XXI of
21 the federal social security act, premiums shall be set at a
22 reasonable level that does not pose a barrier to enrollment. The
23 amount of the premium shall be based upon family income and shall not
24 exceed the premium limitations in Title XXI of the federal social
25 security act. For children who are not eligible for coverage under
26 the federally funded children's health insurance program, premiums
27 shall be set every two years in an amount no greater than the average
28 state-only share of the per capita cost of coverage in the state-
29 funded children's health program.

30 (b) Premiums shall not be imposed on children in households at or
31 below (~~two hundred~~) 210 percent of the federal poverty level as
32 articulated in RCW 74.09.055.

33 (c) (~~Beginning no later than January 1, 2010, the~~) The
34 authority shall offer families whose income is greater than (~~three~~
35 ~~hundred~~) 312 percent of the federal poverty level the opportunity to
36 purchase health care coverage for their children through the programs
37 administered under this section without an explicit premium subsidy
38 from the state. The design of the health benefit package offered to
39 these children should provide a benefit package substantially similar
40 to that offered in the apple health for kids program, and may differ

1 with respect to cost-sharing, and other appropriate elements from
2 that provided to children under subsection (3) of this section
3 including, but not limited to, application of preexisting conditions,
4 waiting periods, and other design changes needed to offer affordable
5 coverage. The amount paid by the family shall be in an amount equal
6 to the rate paid by the state to the managed health care system for
7 coverage of the child, including any associated and administrative
8 costs to the state of providing coverage for the child. Any pooling
9 of the program enrollees that results in state fiscal impact must be
10 identified and brought to the legislature for consideration.

11 (6) The authority shall undertake and continue a proactive,
12 targeted outreach and education effort with the goal of enrolling
13 children in health coverage and improving the health literacy of
14 youth and parents. The authority shall collaborate with the
15 department of social and health services, department of health, local
16 public health jurisdictions, the office of the superintendent of
17 public instruction, the department of children, youth, and families,
18 health educators, health care providers, health carriers, community-
19 based organizations, and parents in the design and development of
20 this effort. The outreach and education effort shall include the
21 following components:

22 (a) Broad dissemination of information about the availability of
23 coverage, including media campaigns;

24 (b) Assistance with completing applications, and community-based
25 outreach efforts to help people apply for coverage. Community-based
26 outreach efforts should be targeted to the populations least likely
27 to be covered;

28 (c) Use of existing systems, such as enrollment information from
29 the free and reduced-price lunch program, the department of children,
30 youth, and families child care subsidy program, the department of
31 health's women, infants, and children program, and the early
32 childhood education and assistance program, to identify children who
33 may be eligible but not enrolled in coverage;

34 (d) Contracting with community-based organizations and government
35 entities to support community-based outreach efforts to help families
36 apply for coverage. These efforts should be targeted to the
37 populations least likely to be covered. The authority shall provide
38 informational materials for use by government entities and community-
39 based organizations in their outreach activities, and should identify
40 any available federal matching funds to support these efforts;

1 (e) Development and dissemination of materials to engage and
2 inform parents and families statewide on issues such as: The benefits
3 of health insurance coverage; the appropriate use of health services,
4 including primary care provided by health care practitioners licensed
5 under chapters 18.71, 18.57, 18.36A, and 18.79 RCW, and emergency
6 services; the value of a medical home, well-child services and
7 immunization, and other preventive health services with linkages to
8 department of health child profile efforts; identifying and managing
9 chronic conditions such as asthma and diabetes; and the value of good
10 nutrition and physical activity;

11 (f) An evaluation of the outreach and education efforts, based
12 upon clear, cost-effective outcome measures that are included in
13 contracts with entities that undertake components of the outreach and
14 education effort;

15 (g) An implementation plan to develop online application
16 capability that is integrated with the automated client eligibility
17 system, and to develop data linkages with the office of the
18 superintendent of public instruction for free and reduced-price lunch
19 enrollment information and the department of children, youth, and
20 families for child care subsidy program enrollment information.

21 (7) The authority shall take action to increase the number of
22 primary care physicians providing dental disease preventive services
23 including oral health screenings, risk assessment, family education,
24 the application of fluoride varnish, and referral to a dentist as
25 needed.

26 (8) The department shall monitor the rates of substitution
27 between private-sector health care coverage and the coverage provided
28 under this section.

29 **Sec. 41.** RCW 74.09.4701 and 2011 c 4 s 19 are each amended to
30 read as follows:

31 For apple health for kids, the department shall not count the
32 twenty-five dollar increase paid as part of an individual's weekly
33 benefit amount (~~as provided in RCW 50.20.1202~~) when determining
34 family income, eligibility, and payment levels.

35 **Sec. 42.** RCW 74.09.480 and 2017 c 294 s 4 are each amended to
36 read as follows:

37 (1) The authority, in collaboration with the department of
38 health, department of social and health services, health carriers,

1 local public health jurisdictions, children's health care providers
2 including pediatricians, family practitioners, advanced registered
3 nurse practitioners, certified nurse midwives, and pediatric
4 subspecialists, community and migrant health centers, parents, and
5 other purchasers, shall establish a concise set of explicit
6 performance measures that can indicate whether children enrolled in
7 the program are receiving health care through an established and
8 effective medical home, and whether the overall health of enrolled
9 children is improving. Such indicators may include, but are not
10 limited to:

- 11 (a) Childhood immunization rates;
- 12 (b) Well child care utilization rates, including the use of
13 behavioral and oral health screening, and validated, structured
14 developmental screens using tools, that are consistent with
15 nationally accepted pediatric guidelines and recommended
16 administration schedule, once funding is specifically appropriated
17 for this purpose;
- 18 (c) Care management for children with chronic illnesses;
- 19 (d) Emergency room utilization;
- 20 (e) Visual acuity and eye health;
- 21 (f) Preventive oral health service utilization; and
- 22 (g) Children's mental health status. In defining these measures
23 the authority shall be guided by the measures provided in RCW
24 71.36.025.

25 Performance measures and targets for each performance measure
26 must be established and monitored each biennium, with a goal of
27 achieving measurable, improved health outcomes for the children of
28 Washington state each biennium.

29 (2) Beginning in calendar year 2009, targeted provider rate
30 increases shall be linked to quality improvement measures established
31 under this section. The authority, in conjunction with those groups
32 identified in subsection (1) of this section, shall develop
33 parameters for determining criteria for increased payment,
34 alternative payment methodologies, or other incentives for those
35 practices and health plans that incorporate evidence-based practice
36 (~~and improve~~) and achieve sustained improvement with respect to the
37 measures.

38 (3) The department shall provide a report to the governor and the
39 legislature related to provider performance on these measures, as
40 well as the information collected under RCW 74.09.475, beginning in

1 September 2010 for 2007 through 2009 and the authority shall provide
2 the report biennially thereafter.

3 **Sec. 43.** RCW 74.09.522 and 2020 c 260 s 1 are each amended to
4 read as follows:

5 (1) For the purposes of this section(~~;~~

6 ~~(a) "Managed health care system" means any health care~~
7 ~~organization, including health care providers, insurers, health care~~
8 ~~service contractors, health maintenance organizations, health~~
9 ~~insuring organizations, or any combination thereof, that provides~~
10 ~~directly or by contract health care services covered under this~~
11 ~~chapter or other applicable law and rendered by licensed providers,~~
12 ~~on a prepaid capitated basis and that meets the requirements of~~
13 ~~section 1903(m)(1)(A) of Title XIX of the federal social security act~~
14 ~~or federal demonstration waivers granted under section 1115(a) of~~
15 ~~Title XI of the federal social security act;~~

16 ~~(b) "Nonparticipating)), "nonparticipating provider" means a~~
17 ~~person, health care provider, practitioner, facility, or entity,~~
18 ~~acting within their scope of practice, that does not have a written~~
19 ~~contract to participate in a managed ((health)) care ((system's))~~
20 ~~organization's provider network, but provides health care services to~~
21 ~~enrollees of programs authorized under this chapter or other~~
22 ~~applicable law whose health care services are provided by the managed~~
23 ~~((health)) care ((system)) organization.~~

24 (2) The authority shall enter into agreements with managed
25 ((health)) care ((systems)) organizations to provide health care
26 services to recipients of medicaid under the following conditions:

27 (a) Agreements shall be made for at least thirty thousand
28 recipients statewide;

29 (b) Agreements in at least one county shall include enrollment of
30 all recipients of programs as allowed for in the approved state plan
31 amendment or federal waiver for Washington state's medicaid program;

32 (c) To the extent that this provision is consistent with section
33 1903(m) of Title XIX of the federal social security act or federal
34 demonstration waivers granted under section 1115(a) of Title XI of
35 the federal social security act, recipients shall have a choice of
36 systems in which to enroll and shall have the right to terminate
37 their enrollment in a system: PROVIDED, That the authority may limit
38 recipient termination of enrollment without cause to the first month
39 of a period of enrollment, which period shall not exceed twelve

1 months: AND PROVIDED FURTHER, That the authority shall not restrict a
2 recipient's right to terminate enrollment in a system for good cause
3 as established by the authority by rule;

4 (d) To the extent that this provision is consistent with section
5 1903(m) of Title XIX of the federal social security act,
6 participating managed ((health)) care ((systems)) organizations shall
7 not enroll a disproportionate number of medical assistance recipients
8 within the total numbers of persons served by the managed ((health))
9 care ((systems)) organizations, except as authorized by the authority
10 under federal demonstration waivers granted under section 1115(a) of
11 Title XI of the federal social security act;

12 (e)(i) In negotiating with managed ((health)) care ((systems))
13 organizations the authority shall adopt a uniform procedure to enter
14 into contractual arrangements, including:

15 (A) Standards regarding the quality of services to be provided;

16 (B) The financial integrity of the responding system;

17 (C) Provider reimbursement methods that incentivize chronic care
18 management within health homes, including comprehensive medication
19 management services for patients with multiple chronic conditions
20 consistent with the findings and goals established in RCW 74.09.5223;

21 (D) Provider reimbursement methods that reward health homes that,
22 by using chronic care management, reduce emergency department and
23 inpatient use;

24 (E) Promoting provider participation in the program of training
25 and technical assistance regarding care of people with chronic
26 conditions described in RCW 43.70.533, including allocation of funds
27 to support provider participation in the training, unless the managed
28 care ((system)) organization is an integrated health delivery system
29 that has programs in place for chronic care management;

30 (F) Provider reimbursement methods within the medical billing
31 processes that incentivize pharmacists or other qualified providers
32 licensed in Washington state to provide comprehensive medication
33 management services consistent with the findings and goals
34 established in RCW 74.09.5223;

35 (G) Evaluation and reporting on the impact of comprehensive
36 medication management services on patient clinical outcomes and total
37 health care costs, including reductions in emergency department
38 utilization, hospitalization, and drug costs; and

1 (H) Established consistent processes to incentivize integration
2 of behavioral health services in the primary care setting, promoting
3 care that is integrated, collaborative, colocated, and preventive.

4 (ii)(A) Health home services contracted for under this subsection
5 may be prioritized to enrollees with complex, high cost, or multiple
6 chronic conditions.

7 (B) Contracts that include the items in (e)(i)(C) through (G) of
8 this subsection must not exceed the rates that would be paid in the
9 absence of these provisions;

10 (f) The authority shall seek waivers from federal requirements as
11 necessary to implement this chapter;

12 (g) The authority shall, wherever possible, enter into prepaid
13 capitation contracts that include inpatient care. However, if this is
14 not possible or feasible, the authority may enter into prepaid
15 capitation contracts that do not include inpatient care;

16 (h) The authority shall define those circumstances under which a
17 managed (~~health~~) care (~~system~~) organization is responsible for
18 out-of-plan services and assure that recipients shall not be charged
19 for such services;

20 (i) Nothing in this section prevents the authority from entering
21 into similar agreements for other groups of people eligible to
22 receive services under this chapter; and

23 (j) The authority must consult with the federal center for
24 medicare and medicaid innovation and seek funding opportunities to
25 support health homes.

26 (3) The authority shall ensure that publicly supported community
27 health centers and providers in rural areas, who show serious intent
28 and apparent capability to participate as managed (~~health~~) care
29 (~~systems~~) organizations are seriously considered as contractors.
30 The authority shall coordinate its managed care activities with
31 activities under chapter 70.47 RCW.

32 (4) The authority shall work jointly with the state of Oregon and
33 other states in this geographical region in order to develop
34 recommendations to be presented to the appropriate federal agencies
35 and the United States congress for improving health care of the poor,
36 while controlling related costs.

37 (5) The legislature finds that competition in the managed health
38 care marketplace is enhanced, in the long term, by the existence of a
39 large number of managed (~~health~~) care (~~system~~) organization
40 options for medicaid clients. In a managed care delivery system,

1 whose goal is to focus on prevention, primary care, and improved
2 enrollee health status, continuity in care relationships is of
3 substantial importance, and disruption to clients and health care
4 providers should be minimized. To help ensure these goals are met,
5 the following principles shall guide the authority in its healthy
6 options managed health care purchasing efforts:

7 (a) All managed ((health)) care ((systems)) organizations should
8 have an opportunity to contract with the authority to the extent that
9 minimum contracting requirements defined by the authority are met, at
10 payment rates that enable the authority to operate as far below
11 appropriated spending levels as possible, consistent with the
12 principles established in this section.

13 (b) Managed ((health)) care ((systems)) organizations should
14 compete for the award of contracts and assignment of medicaid
15 beneficiaries who do not voluntarily select a contracting system,
16 based upon:

17 (i) Demonstrated commitment to or experience in serving low-
18 income populations;

19 (ii) Quality of services provided to enrollees;

20 (iii) Accessibility, including appropriate utilization, of
21 services offered to enrollees;

22 (iv) Demonstrated capability to perform contracted services,
23 including ability to supply an adequate provider network;

24 (v) Payment rates; and

25 (vi) The ability to meet other specifically defined contract
26 requirements established by the authority, including consideration of
27 past and current performance and participation in other state or
28 federal health programs as a contractor.

29 (c) Consideration should be given to using multiple year
30 contracting periods.

31 (d) Quality, accessibility, and demonstrated commitment to
32 serving low-income populations shall be given significant weight in
33 the contracting, evaluation, and assignment process.

34 (e) All contractors that are regulated health carriers must meet
35 state minimum net worth requirements as defined in applicable state
36 laws. The authority shall adopt rules establishing the minimum net
37 worth requirements for contractors that are not regulated health
38 carriers. This subsection does not limit the authority of the
39 Washington state health care authority to take action under a
40 contract upon finding that a contractor's financial status seriously

1 jeopardizes the contractor's ability to meet its contract
2 obligations.

3 (f) Procedures for resolution of disputes between the authority
4 and contract bidders or the authority and contracting carriers
5 related to the award of, or failure to award, a managed care contract
6 must be clearly set out in the procurement document.

7 (6) The authority may apply the principles set forth in
8 subsection (5) of this section to its managed health care purchasing
9 efforts on behalf of clients receiving supplemental security income
10 benefits to the extent appropriate.

11 (7) Any contract with a managed (~~health~~) care (~~system~~)
12 organization to provide services to medical assistance enrollees
13 shall require that managed (~~health~~) care (~~systems~~) organizations
14 offer contracts to mental health providers and substance use disorder
15 treatment providers to provide access to primary care services
16 integrated into behavioral health clinical settings, for individuals
17 with behavioral health and medical comorbidities.

18 (8) Managed (~~health~~) care (~~system~~) organization contracts
19 effective on or after April 1, 2016, shall serve geographic areas
20 that correspond to the regional service areas established in RCW
21 74.09.870.

22 (9) A managed (~~health~~) care (~~system~~) organization shall pay a
23 nonparticipating provider that provides a service covered under this
24 chapter or other applicable law to the (~~system's~~) organization's
25 enrollee no more than the lowest amount paid for that service under
26 the managed (~~health~~) care (~~system's~~) organization's contracts
27 with similar providers in the state if the managed (~~health~~) care
28 (~~system~~) organization has made good faith efforts to contract with
29 the nonparticipating provider.

30 (10) For services covered under this chapter or other applicable
31 law to medical assistance or medical care services enrollees,
32 nonparticipating providers must accept as payment in full the amount
33 paid by the managed (~~health~~) care (~~system~~) organization under
34 subsection (9) of this section in addition to any deductible,
35 coinsurance, or copayment that is due from the enrollee for the
36 service provided. An enrollee is not liable to any nonparticipating
37 provider for covered services, except for amounts due for any
38 deductible, coinsurance, or copayment under the terms and conditions
39 set forth in the managed (~~health~~) care (~~system~~) organization
40 contract to provide services under this section.

1 (11) Pursuant to federal managed care access standards, 42 C.F.R.
2 Sec. 438, managed ~~((health))~~ care ~~((systems))~~ organizations must
3 maintain a network of appropriate providers that is supported by
4 written agreements sufficient to provide adequate access to all
5 services covered under the contract with the authority, including
6 hospital-based physician services. The authority will monitor and
7 periodically report on the proportion of services provided by
8 contracted providers and nonparticipating providers, by county, for
9 each managed ~~((health))~~ care ~~((system))~~ organization to ensure that
10 managed health care systems are meeting network adequacy
11 requirements. No later than January 1st of each year, the authority
12 will review and report its findings to the appropriate policy and
13 fiscal committees of the legislature for the preceding state fiscal
14 year.

15 (12) Payments under RCW 74.60.130 are exempt from this section.

16 **Sec. 44.** RCW 74.09.630 and 2021 c 273 s 5 are each amended to
17 read as follows:

18 Until the opioid overdose reversal medication bulk purchasing and
19 distribution program established in RCW 70.14.170 is operational:

20 (1) ~~((Upon initiation or renewal of a contract with the authority
21 to administer a))~~ All medicaid managed care ~~((plan, a managed care))~~
22 organizations must reimburse a hospital or behavioral health agency
23 for dispensing or distributing opioid overdose reversal medication to
24 a covered person under RCW 70.41.485 and 71.24.594.

25 (2) If the person is not enrolled in a medicaid managed care
26 ~~((plan))~~ organization and does not have any other available insurance
27 coverage, the authority must reimburse a hospital, behavioral health
28 agency, or pharmacy for dispensing or distributing opioid overdose
29 reversal medication under RCW 70.41.485 and 71.24.594.

30 **Sec. 45.** RCW 74.09.634 and 2021 c 273 s 12 are each amended to
31 read as follows:

32 (1) ~~((Upon initiation or renewal of a contract with the authority
33 to administer a medicaid managed care plan, a))~~ All medicaid
34 contracted managed health care ~~((system))~~ organizations must
35 participate in the opioid overdose reversal medication bulk
36 purchasing and distribution program established in RCW 70.14.170 once
37 the program is operational.

1 (2) The health care authority must participate in the opioid
2 overdose reversal medication bulk purchasing and distribution program
3 established in RCW 70.14.170 once the program is operational for
4 purposes of individuals enrolled in medical assistance under this
5 chapter that are not enrolled in a managed care (~~plan~~) organization
6 and are uninsured individuals.

7 **Sec. 46.** RCW 74.09.645 and 2019 c 314 s 38 are each amended to
8 read as follows:

9 (~~Upon initiation or renewal of a contract with the authority to~~
10 ~~administer a medicaid managed care plan, a)~~ All medicaid contracted
11 managed (~~health~~) care (~~system~~) organizations shall provide
12 coverage without prior authorization of at least one federal food and
13 drug administration approved product for the treatment of opioid use
14 disorder in the drug classes opioid agonists, opioid antagonists, and
15 opioid partial agonists.

16 **Sec. 47.** RCW 74.09.650 and 2003 1st sp.s. c 29 s 2 are each
17 amended to read as follows:

18 (1) To the extent funds are appropriated specifically for this
19 purpose, and subject to any conditions placed on appropriations made
20 for this purpose, the (~~department~~) authority shall design a
21 medicaid prescription drug assistance program. Neither the benefits
22 of, nor eligibility for, the program is considered to be an
23 entitlement.

24 (2) The (~~department~~) authority shall request any federal waiver
25 necessary to implement this program. Consistent with federal waiver
26 conditions, the department may charge enrollment fees, premiums, or
27 point-of-service cost-sharing to program enrollees.

28 (3) Eligibility for this program is limited to persons:

29 (a) Who are eligible for medicare or age sixty-five and older;

30 (b) Whose family income does not exceed two hundred percent of
31 the federal poverty level as adjusted for family size and determined
32 annually by the federal department of health and human services;

33 (c) Who lack insurance that provides prescription drug coverage;
34 and

35 (d) Who are not otherwise eligible under Title XIX of the federal
36 social security act.

37 (4) The (~~department~~) authority shall use a cost-effective
38 prescription drug benefit design. Consistent with federal waiver

1 conditions, this benefit design may be different than the benefit
2 design offered under the medical assistance program. The benefit
3 design may include a deductible benefit that provides coverage when
4 enrollees incur higher prescription drug costs as defined by the
5 department. The ((department)) authority also may offer more than one
6 benefit design.

7 (5) The ((department)) authority shall limit enrollment of
8 persons who qualify for the program so as to prevent an
9 overexpenditure of appropriations for this program or to assure
10 necessary compliance with federal waiver budget neutrality
11 requirements. The ((department)) authority may not reduce existing
12 medical assistance program eligibility or benefits to assure
13 compliance with federal waiver budget neutrality requirements.

14 (6) Premiums paid by medicaid enrollees not in the medicaid
15 prescription drug assistance program may not be used to finance the
16 medicaid prescription drug assistance program.

17 (7) This program will be terminated within twelve months after
18 implementation of a prescription drug benefit under Title XVIII of
19 the federal social security act.

20 ~~((8) The department shall provide recommendations to the
21 appropriate committees of the senate and house of representatives by
22 November 15, 2003, on financing options available to support the
23 medicaid prescription drug assistance program. In recommending
24 financing options, the department shall explore every opportunity to
25 maximize federal funding to support the program.))~~

26 **Sec. 48.** RCW 74.09.653 and 2011 1st sp.s. c 15 s 60 are each
27 amended to read as follows:

28 A committee or council required by federal law, within the health
29 care authority, that makes policy recommendations regarding
30 reimbursement for drugs under the requirements of federal law or
31 regulations is subject to chapter((s)) 42.30 ((and 42.32)) RCW.

32 **Sec. 49.** RCW 74.09.655 and 2011 1st sp.s. c 15 s 39 are each
33 amended to read as follows:

34 The authority shall provide coverage under this chapter for
35 smoking cessation counseling services, as well as prescription and
36 nonprescription agents when used to promote smoking cessation, so
37 long as such agents otherwise meet the definition of "covered
38 outpatient drug" in 42 U.S.C. Sec. 1396r-8(k). However, the authority

1 may initiate an individualized inquiry and determine and implement by
2 rule appropriate coverage limitations as may be required to encourage
3 the use of effective, evidence-based services and prescription and
4 nonprescription agents. (~~The authority shall track per-capita~~
5 ~~expenditures for a cohort of clients that receive smoking cessation~~
6 ~~benefits, and submit a cost-benefit analysis to the legislature on or~~
7 ~~before January 1, 2012.~~)

8 **Sec. 50.** RCW 74.09.657 and 2011 1st sp.s. c 41 s 1 are each
9 amended to read as follows:

10 The legislature finds that:

11 (1) Over half of all births in Washington state are covered by
12 public programs;

13 (2) Research has demonstrated that children of unintended
14 pregnancies receive less prenatal care and are at higher risk for
15 premature birth, low birth weight, neurological disorders, and poor
16 academic performance;

17 (3) In Washington state, over (~~(fifty)~~) 50 percent of unintended
18 pregnancies occur in women age (~~(twenty-five)~~) 25 years and older;

19 (4) Washington state's take charge program has been successful in
20 helping women avoid unintended pregnancies; however, when the
21 caseload declined due to federally mandated changes, the rate of
22 unintended pregnancies increased dramatically;

23 (5) Expanding family planning services to cover women to (~~(two~~
24 ~~hundred-fifty)~~) 260 percent of the federal poverty level would align
25 that program's eligibility standard with income eligibility for
26 publicly funded maternity care service; and

27 (6) Such an expansion would reduce unintended pregnancies and
28 associated costs to the state.

29 **Sec. 51.** RCW 74.09.659 and 2011 1st sp.s. c 41 s 2 and 2011 1st
30 sp.s. c 15 s 41 are each reenacted and amended to read as follows:

31 (1) The authority shall continue to submit applications for the
32 family planning waiver program.

33 (2) The authority shall submit a request to the federal
34 department of health and human services to amend the current family
35 planning waiver program as follows:

36 (a) Provide coverage for sexually transmitted disease testing and
37 treatment; and

1 (b) Return to the eligibility standards used in 2005 including,
2 but not limited to, citizenship determination based on declaration or
3 matching with federal social security databases, insurance
4 eligibility standards comparable to 2005, and confidential service
5 availability for minors and survivors of domestic and sexual
6 violence(~~;~~and

7 ~~(c) By September 30, 2011, submit an application to increase~~
8 ~~income eligibility to two hundred fifty percent of the federal~~
9 ~~poverty level, to correspond with income eligibility for publicly~~
10 ~~funded maternity care services)).~~

11 **Sec. 52.** RCW 74.09.860 and 2018 c 27 s 1 are each amended to
12 read as follows:

13 (1) The authority shall issue a request for proposals to provide
14 integrated managed health and behavioral health care for foster
15 children receiving care through the medical assistance program.
16 Behavioral health services provided under chapters 71.24 and 71.34
17 RCW must be integrated into the managed (~~health~~) care (~~plan~~)
18 organization for foster children beginning January 1, 2019. The
19 request for proposals must address the program elements described in
20 section 110, chapter 225, Laws of 2014, including development of a
21 service delivery system, benefit design, reimbursement mechanisms,
22 incorporation or coordination of services currently provided by the
23 regional support networks, and standards for contracting with health
24 (~~plans~~) organizations. The request for proposals must be issued and
25 completed in time for services under the integrated managed care plan
26 to begin on October 1, 2016.

27 (2) The parent or guardian of a child who is no longer a
28 dependent child pursuant to chapter 13.34 RCW may choose to continue
29 in the transitional foster care eligibility category for up to twelve
30 months following reunification with the child's parents or guardian
31 if the child:

32 (a) Is under eighteen years of age;

33 (b) Was in foster care under the legal responsibility of the
34 department of social and health services, the department of children,
35 youth, and families, or a federally recognized Indian tribe located
36 within the state; and

37 (c) Meets income and other eligibility standards for medical
38 assistance coverage.

1 NEW SECTION. **Sec. 53.** The following acts or parts of acts are
2 each repealed:

3 (1) RCW 41.05.090 (Continuation of coverage of employee, spouse,
4 or covered dependent ineligible under state plan—Exceptions) and 1990
5 c 222 s 5 & 1979 c 125 s 3;

6 (2) RCW 41.05.205 (Tricare supplemental insurance policy—
7 Authority to offer—Rules) and 2005 c 46 s 1;

8 (3) RCW 41.05.240 (American Indian health care delivery plan) and
9 1993 c 492 s 468; and

10 (4) RCW 74.09.720 (Prevention of blindness program) and 2011 1st
11 sp.s. c 15 s 45 & 1983 c 194 s 26.

12 NEW SECTION. **Sec. 54.** The following sections are decodified:

13 (1) RCW 41.05.033 (Shared decision-making demonstration project—
14 Preference-sensitive care);

15 (2) RCW 41.05.110 (Chapter not applicable to officers and
16 employees of state convention and trade center);

17 (3) RCW 41.05.280 (Department of corrections—Inmate health care);

18 (4) RCW 41.05.680 (Report—Chronic care management); and

19 (5) RCW 74.09.756 (Medicaid and state children's health insurance
20 program demonstration project).

Passed by the Senate March 6, 2023.

Passed by the House March 24, 2023.

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