

ESSB 5998 - H AMD TO H AMD (H-3714.1/26) **2111**

By Representative Marshall

NOT ADOPTED 02/28/2026

1 On page 137, line 21, increase the general fund-state
2 appropriation for fiscal year 2026 by \$12,028,000

3
4 On page 137, line 23, increase the general fund-state
5 appropriation for fiscal year 2027 by \$6,803,000

6
7 On page 137, line 25, increase the general fund-federal
8 appropriation by \$15,194,000

9
10 On page 137, line 32, correct the total.

11
12 On page 141, line 10, after "(n)" strike "~~(\$3,042,000)~~
13 \$2,884,000" and insert "\$3,042,000"

14
15 On page 141, line 11, after "2026," strike "~~(\$3,115,000)~~
16 \$3,016,000" and insert "\$3,115,000"

17
18 On page 141, at the beginning of line 13, strike "~~(\$2,695,000)~~
19 \$2,581,000" and insert "\$2,695,000"

20
21 On page 141, line 24, after "(o)" strike "~~(\$2,553,000)~~
22 \$1,947,000" and insert "\$2,553,000"

23
24 On page 141, line 25, after "and" strike "~~(\$2,621,000)~~
25 \$2,058,000" and insert "\$2,621,000"

26
27

1 On page 146, line 37, increase the general fund-state
2 appropriation for fiscal year 2026 by \$5,747,000

3
4 On page 147, line 1, increase the general fund-state appropriation
5 for fiscal year 2027 by \$26,267,000

6
7 On page 147, line 3, increase the general fund-federal
8 appropriation by \$35,027,000

9
10 On page 147, line 13, correct the total.

11
12 On page 153, line 19, after "(28)(a)" strike "~~(\$20,662,000)~~
13 \$17,417,000" and insert "\$20,662,000"

14
15 On page 153, beginning on line 21, after "and" strike
16 "~~(\$43,416,000)~~ \$40,181,000" and insert "\$43,416,000"

17
18 On page 154, at the beginning of line 23, strike "~~((+31)~~
19 ~~\$14,447,000))~~ (30) \$12,263,000" and insert "~~((+31))~~(30) \$14,447,000"

20
21 On page 154, line 24, after "2026," strike "~~(\$14,510,000)~~
22 \$12,314,000" and insert "\$14,510,000"

23
24 On page 154, at the beginning of line 26, strike "~~(\$28,959,000)~~
25 \$24,557,000" and insert "\$28,959,000"

26
27 On page 173, line 11, decrease the general fund-state
28 appropriation for fiscal year 2027 by \$24,344,000

29
30 On page 173, line 13, increase the general fund-federal
31 appropriation by \$104,211,000

32
33 On page 174, line 3, correct the total.

34
5998-S.E AMH MARS TOUL 321 2 - Official Print

1 On page 190, beginning on line 16, after "2026" strike all
2 material through "are" on line 17 and insert "~~((and \$70,976,000 of the~~
3 ~~general fund-state appropriation for fiscal year 2027 are))~~ is"

4
5 On page 191, beginning on line 11, after "(e)" strike all material
6 through "(g)" on line 17

7
8 On page 191, at the beginning of line 19, beginning with "(h)"
9 strike all material through "capacity." on line 23

10
11 On page 203, line 34, increase the general fund-state
12 appropriation for fiscal year 2026 by \$17,027,000

13
14 On page 203, line 36, increase the general fund-state
15 appropriation for fiscal year 2027 by \$28,135,000

16
17 On page 203, line 38, increase the general fund-federal
18 appropriation by \$55,127,000

19
20 On page 204, line 13, increase the opioid abatement settlement
21 account-state appropriation by \$525,000

22
23 On page 204, line 20, correct the total.

24
25 On page 206, line 16, after "~~(\$147,449,000))~~" strike
26 "\$146,616,000" and insert "\$144,949,000"

27
28 On page 206, beginning on line 34, after "(b)" strike all
29 material through "(c)" on page 207, line 1

30
31 On page 215, line 21, after "2026," strike "~~(\$6,510,000)~~
32 \$4,557,000" and insert "\$6,510,000"

33
34

1 On page 215, line 22, after "2027," strike "~~(\$21,602,000)~~
2 \$18,362,000" and insert "\$21,602,000"

3
4 On page 215, line 23, after "appropriation, and" strike
5 "~~(\$3,500,000)~~ \$2,975,000" and insert "\$3,500,000"

6
7 On page 217, line 23, after "(29)" strike "~~(\$12,435,000)~~
8 \$9,622,000" and insert "\$12,435,000"

9
10 On page 217, line 24, after "year 26," strike "~~(\$13,015,000)~~
11 \$10,513,000" and insert "\$13,015,000"

12
13 On page 217, at the beginning of line 26, strike
14 "~~(\$25,450,000)~~ \$19,104,000" and insert "\$25,450,000"

15
16 On page 217, at the beginning of line 29, strike "~~(62)~~ 50
17 beds by ~~((the end of fiscal year 2026))~~ January 2027" and insert "62
18 beds by the end of fiscal year 2026"

19
20 On page 217, line 31, after "(30)" strike "~~(\$51,103,000)~~
21 \$39,830,000" and insert "\$51,103,000"

22
23 On page 217, line 32, after "2026," strike "~~(\$52,933,000)~~
24 \$40,291,000" and insert "\$52,933,000"

25
26 On page 217, at the beginning of line 34, strike
27 "~~(90,434,000)~~ \$76,431,000" and insert "\$90,434,000"

28
29 On page 230, beginning on line 18, after "2026" strike all
30 material through "are" on line 19 and insert "~~((and \$5,753,000 of the~~
31 ~~general fund state appropriation for fiscal year 2027 are))~~ is"

32
33 On page 231, beginning on line 11, after "(e)" strike all material
34 through "(g)" on line 17

1
2 On page 231, at the beginning of line 19, beginning with "(h)"
3 strike all material through "capacity." on line 23

4
5 On page 237, line 31, after "(66)(a)" strike "~~((\$81,542,000))~~
6 \$80,121,000" and insert "\$81,542,000"

7
8 On page 237, line 32, after "2026," strike "~~((\$81,729,000))~~
9 \$72,787,000" and insert "\$81,729,000"

10
11 On page 237, at the beginning of line 34, strike
12 "~~((\$167,792,000))~~ \$152,748,000" and insert "\$167,792,000"

13
14 On page 240, beginning on line 36, beginning with "~~(81))~~"
15 strike all material through "of this section." on page 241, line 10
16 and insert "~~(81) Within amounts appropriated in this section,~~
17 ~~effective January 1, 2026, the authority shall reduce medicaid~~
18 ~~managed care rates by one percent. Notwithstanding any other proviso~~
19 ~~in the appropriations act for the current biennium, the authority~~
20 ~~may adjust existing state directed payments, published fee~~
21 ~~schedules, or make other administrative changes needed to comply~~
22 ~~with this subsection.~~

23 ~~(82) Sufficient amounts are appropriated in this section to~~
24 ~~maintain increases to medicaid reimbursement for community~~
25 ~~behavioral health providers contracted through managed care~~
26 ~~organizations to the extent that they align with subsection (81) of~~
27 ~~this section. The authority may adjust rates and existing state~~
28 ~~directed payments to ensure compliance with subsection (81) of this~~
29 ~~section.))"~~

30
31 Renumber the remaining subsections consecutively and correct any
32 internal references accordingly.

33
34 On page 241, beginning on line 38, strike all of subsection (83)

1
2 Renumber the remaining subsections consecutively and correct any
3 internal references accordingly.

4
5 On page 507, after line 33, insert the following:

6 "NEW SECTION. Sec. 729. FOR THE OFFICE OF FINANCIAL MANAGEMENT
7 CONTRIBUTIONS FOR STATE EMPLOYEE HEALTH INSURANCE

8 General Fund–State Appropriation (FY 2027)	(\$12,290,000)
9 General Fund–Federal Appropriation	(\$618,000)
10 General Fund–Private/Local Appropriation	(\$107,000)
11 Other Dedicated Funds Appropriation	(\$11,207,000)
12 TOTAL APPROPRIATION	(\$24,222,000)

13 The appropriations in this section are subject to the following
14 conditions and limitations:

15 (1) The appropriations in this section are provided solely to
16 adjust agency and institution appropriations to reflect a \$16
17 reduction in the state employer funding rate for health insurance
18 during fiscal year 2027, and corresponding decreased employer health
19 insurance costs, consistent with the increasing the non-represented
20 employee share of health benefit costs from 15 percent to 20 percent,
21 effective January 1, 2027. Consistent with House Bill no. XXXX
22 (H-3695/26), this increased employee cost sharing is anticipated to
23 apply to all employees covered by the public employees' and school
24 employees' benefits board programs beginning July 1, 2027.

25 (2) To facilitate the transfer of moneys from dedicated funds and
26 accounts, the state treasurer shall transfer sufficient moneys from
27 each dedicated fund or account to the special insurance contribution
28 adjustment revolving account. The office of financial management
29 shall adjust allotments for all agencies to reflect these adjusted
30 appropriations."

31
32 On page 541, beginning on line 20, after "(7)" strike all material
33 through "(8)" on line 27

1 Correct the title

EFFECT:

Department of Social and Health Services- Developmental Disabilities

- Restores funding for the rebase of assisted living rates for Fiscal Year 2027 that was delayed to Fiscal Year 2028 in the underlying 2026 supplemental budget.
- Restores funding for the family support budget unit and the employment and day program budget unit that was reduced in the underlying 2026 supplemental budget.
- Restores funding for enhanced respite beds for children and overnight planned respite beds for adults that was reduced in the underlying 2026 supplemental budget.

Department of Social and Health Services- Long Term Care

- Restores funding for the rebase of assisted living rates for Fiscal Year 2027 that was delayed to Fiscal Year 2028 in the underlying 2026 supplemental budget.
- Restores funding for the adult day health program that was reduced in the underlying 2026 supplemental budget.
- Restores funding for enhanced service facilities that was reduced in the underlying 2026 supplemental budget.
- Restores funding for the housing and employment unit that was reduced in the underlying 2026 supplemental budget.
- Restores funding for enhanced behavior support services for clients receiving specialized dementia care that was reduced in the underlying 2026 supplemental budget.
- Restores funding for the transitional care center of Seattle that was reduced in the underlying 2026 supplemental budget.

Health Care Authority- Medical Assistance

- Eliminates funding, beginning July 1, 2026, for the Apple Health Expansion program that provides health care for Washington residents with incomes at or below 138 percent of the federal poverty level, regardless of immigration status.
- Restores funding to maintain reimbursement rate increases provided in the 2022 supplemental budget for children's dental services.
- Restores funding to maintain medical assistance rates for adult dental services reimbursed at the existing fee-for-service basis up to 100 percent of the rates in effect January 1, 2019.
- Restores funding to provide reimbursements for medically necessary ancillary services for difficult to discharge patients on administrative day stays.
- Restores the reduction in physical health capitation rates for Medicaid managed care organizations by 1.0 percent beginning July 1, 2026.

- Restores coverage for adults in both managed care and fee-for-service for procedures related to physical, occupational, and speech therapies.
- Restores state funding for the full 50 percent match requirement for school-based medical, which is an optional program that allows schools to use state match to access federal funds to help low-income children access Medicaid services.

Health Care Authority- Community Behavioral Health

- Removes funding for Behavioral Health Administrative Services Organizations to provide treatment services to uninsured individuals who have an immigration status making them ineligible for federal medicaid or federal subsidies through the health benefit exchange.
- Restores funding for Clubhouse grants that was reduced in the underlying 2026 supplemental budget.
- Restores funding for the Children's Long-Term Inpatient Program that was reduced in the underlying 2026 supplemental budget.
- Restores funding for long-term inpatient care beds that was reduced in the underlying 2026 supplemental budget.
- Eliminates funding for the Apple Health Expansion program which provides health care for Washington residents with incomes at or below 138 percent of the federal poverty level, regardless of immigration status.
- Restores funding for 1915i state plan supportive supervision services that was reduced in the underlying 2026 supplemental budget.
- Restores funding for intensive behavioral supportive supervision services that was reduced in the underlying 2026 supplemental budget.
- Provides funding effective July 1, 2026 to reverse a 1 percent Medicaid managed care rate reduction that began in January 2026.

State Employee and School Health Insurance

Reduces health benefit funding rate costs reflecting the enactment of HB XXXX (H-3695/26), which increases the share of health benefit costs paid by non-represented state employees from 15 percent to 20 percent on January 1, 2027, and for all state employees and school district employees in the 2027-29 fiscal biennium.

FISCAL IMPACT:

Department of Social and Health Services- Developmental Disabilities

Increases General Fund - State by \$18,831,000
Increases General Fund - Federal by \$15,194,000
FOUR-YEAR OUTLOOK EXPENDITURE EFFECT:
Increases NGF-O expenditures by \$18,831,000

Department of Social and Health Services- Long-Term Care

Increases General Fund - State by \$32,014,000
Increases General Fund - Federal by \$35,027,000
FOUR-YEAR OUTLOOK EXPENDITURE EFFECT:
Increases NGF-O expenditures by \$40,326,000

Health Care Authority - Medical Assistance

Reduces General Fund - State by \$24,344,000
Increases General Fund - Federal by \$104,211,000
FOUR-YEAR OUTLOOK EXPENDITURE EFFECT:
Reduces NGF-O expenditures by \$75,119,000

Health Care Authority - Community Behavioral Health

Increases General Fund - State by \$45,162,000
Increases General Fund - Federal by \$55,127,000
Increases Opioid Abatement Settlement Account-State by \$525,000
FOUR-YEAR OUTLOOK EXPENDITURE EFFECT:
Increases NGF-O expenditures by \$104,502,000

State Employee and School Health Insurance

Reduces General Fund - State by \$12,290,000
Reduces General Fund - Federal by \$618,000
Reduces General Fund - Local by \$107,000
Reduces Other Funds by \$11,207,000
FOUR-YEAR OUTLOOK EXPENDITURE EFFECT:
Reduces NGF-O expenditures by \$271,139,000

Total Fiscal Impact

Increases General Fund - State by \$59,373,000.
Increases General Fund - Federal by \$208,941,000
Reduces General Fund - Local by \$107,000
Increases Opioid Abatement Settlement Account - State by \$525,000
Reduces Other Funds by \$11,207,000
FOUR-YEAR OUTLOOK EXPENDITURE EFFECT:
Reduces NGF-O expenditures by \$182,599,000

--- END ---