

HOUSE BILL REPORT

HB 2555

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to medicaid coverage for traditional health care practices.

Brief Description: Concerning medicaid coverage for traditional health care practices.

Sponsors: Representatives Lekanoff, Callan, Santos, Ryu, Davis, Parshley, Ramel, Doglio, Stearns, Obras, Macri, Pollet and Zahn.

Brief History:

Committee Activity:

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

Brief Summary of Bill

- Directs the Health Care Authority to apply for a federal waiver to provide coverage under Medicaid for traditional health care practices received through Indian Health Service facilities or facilities operated by tribes or tribal organizations.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 16 members: Representatives Bronoske, Chair; Lekanoff, Vice Chair; Rule, Vice Chair; Schmick, Ranking Minority Member; Marshall, Assistant Ranking Minority Member; Davis, Engell, Low, Macri, Manjarrez, Obras, Parshley, Shavers, Stonier, Stuebe and Thai.

Minority Report: Without recommendation. Signed by 1 member: Representative Valdez, Assistant Ranking Minority Member.

Staff: Chris Blake (786-7392).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Background:

The Health Care Authority provides medical care services to eligible low-income state residents and their families, primarily through the Medicaid program. Medicaid is a federal-state partnership with programs established in the federal Social Security Act and implemented at the state level with federal matching funds. Federal law provides a framework for medical coverage of children, pregnant women, parents, elderly and disabled adults, and other adults with varying income requirements.

Under Medicaid, the federal government matches state expenditures on behalf of American Indians and Alaska Natives at 100 percent of the Federal Medical Assistance Percentage for covered services received through an Indian Health Services (IHS) or a tribal health care facility. The facilities are eligible to receive a federally-determined IHS encounter rate for the delivery of Medicaid services to eligible members of federally recognized tribes.

In October 2024 the federal Centers for Medicare and Medicaid Services (CMS) approved traditional health care practices demonstration waivers in four states. The CMS has established criteria for the review of other state requests to cover these services which includes guidance related to eligible beneficiaries, covered practices, and covered providers and practitioners of these services. The 2025-27 Operating Budget directed the Health Care Authority, in consultation with the tribes, to apply for a waiver to provide coverage of traditional health care practices by December 31, 2025. During the fall of 2025, the Health Care Authority collected public comments and prepared a draft application.

Summary of Bill:

By July 1, 2026, the Health Care Authority must apply to the federal Centers for Medicare and Medicaid Services for a waiver to allow for the coverage of traditional health care practices. The coverage applies to traditional health care practices received through Indian Health Service facilities or facilities operated by tribes or urban Indian organizations. The coverage is available to Medicaid beneficiaries who are able to receive services delivered by or through these facilities.

"Traditional health care practices" are defined as the sum total of the knowledge, skill, and practices based on the theories, beliefs, and experiences indigenous to different cultures, whether explicable or not, used in the maintenance of health as well as in the prevention, diagnosis, improvement, or treatment of physical and mental illness.

Appropriation: None.**Fiscal Note:** Requested on February 2, 2026.

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

Staff Summary of Public Testimony:

(In support) This bill strengthens the Indian health care system by recognizing traditional health medicine in the same manner as Western medicine. There are many people, both native and non-native, who value the teachings that come from traditional health and how it can help those who are in recovery. The federal Centers for Medicare and Medicaid Services has approved traditional Indian medicine waivers in four other states and Washington tribes and urban Indian health organizations have been asking for this reimbursement for years.

This is a small investment that would be beneficial to and create savings in the overall health care system because when people are receiving traditional Indian medicine, they might not be going to the emergency department or to the cardiologist outside of the Indian health care delivery system. Even though urban Indian organizations are not eligible for 100 percent federal matching funds, they should be included in the waiver and not disconnected from the overall Indian health service system.

(Opposed) None.

(Other) The Health Care Authority has been engaged with tribes, state agencies, and other partners to develop the waiver. The major question before the state is not whether to expand access to traditional healing, but how to structure payment for these services. The waiver submission timeline may be difficult to achieve while questions around reimbursement are being resolved. The bill directs inclusion of reimbursement to urban Indian organizations under the waiver, which is still under discussion with respect to the fiscal impact.

Persons Testifying: (In support) Representative Debra Lekanoff, prime sponsor; Vicki Lowe, American Indian Health Commission; and Esther Lucero, Seattle Indian Health Board.

(Other) Aren Sparck, Health Care Authority (HCA), Office of Tribal Affairs.

Persons Signed In To Testify But Not Testifying: None.