

FINAL BILL REPORT

E2SSB 5083

C 373 L 25
Synopsis as Enacted

Brief Description: Ensuring access to primary care, behavioral health, and affordable hospital services.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Robinson, Harris, Lias, Nobles, Salomon and Valdez; by request of Health Care Authority).

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Health Care Authority (HCA), through the Public Employees Benefits Board (PEBB), provides medical benefits for employees and dependents of the state and participating local governments. PEBB coverage is also available to retired employees of the state and those local governments who purchase active employee benefits through PEBB. The School Employees Benefits Board (SEBB), also administered by HCA, provides medical benefits for employees of the state's public schools and Educational Service Districts. School employees covered by the provisions of SEBB are covered by the PEBB program as retirees. The PEBB and SEBB health benefit systems cover almost 700,000 lives between employees, retirees, and dependents.

The Uniform Medical Plan (UMP) is a self-insured health plan for Washington State public employees and school employees. HCA administers the UMP through its PEBB and SEBB, and provides a choice of several different benefit designs from the UMP, including a high-deductible plan with health savings accounts and accountable care networks. The PEBB and SEBB also provide health plans through health carriers, including fully insured plans, among which members may choose. Both the UMP and the fully insured plans contract with a variety of health care providers to ensure access for members of the PEBB and SEBB systems.

Summary: Beginning January 1, 2027, reimbursement caps from health carriers or similar entities providing benefits from the PEBB and SEBB systems are applied to licensed

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hospitals that receive payments from Medicaid programs. For in-network hospitals, a 200 percent of Medicare payments amounts is applied, and for out-of-network hospitals a 185 percent of Medicare payment amounts is applied.

For children's hospitals, reimbursement from PEBB and SEBB is limited to a percentage of the hospital-specific Medicaid inpatient ratio of cost to charges, as determined by HCA. For in-network hospitals, the limit is 150 percent for children's hospitals in King County and 190 percent in Pierce County. For out-of-network hospitals, the limit is 135 percent for children's hospitals in King County and 175 percent in Pierce County.

Reimbursement for in-network primary care services or nonfacility-based behavioral health services may not be less than 150 percent of the total amount Medicare would have reimbursed for the same or similar service.

Balance billing is prohibited for out-of-network services, and a definition for "total amount Medicare would have reimbursed for the same or similar services" is created.

This act does not apply to critical access hospital or sole community hospitals, except those owned or operated by a health system that owns or operates more than two acute care hospitals. The act also does not apply to hospitals located on an island operating within a public hospital district in Skagit County or hospitals that are not currently designated as a critical access hospital, do not meet current federal eligibility requirements for designation as a critical access hospital, have combined Medicaid and Medicare inpatient days greater than 60 percent of all hospital inpatient days, and are located on the land of a federally recognized Indian tribe.

For the purposes of this act, reimbursement for inpatient and outpatient services does not include charges for professional services.

A health carrier or similar entity must provide HCA with cost and quality of care information, and may not enter into an agreement with a provider or third party that would restrict the provision of data to HCA.

By December 31, 2030, HCA must, in consultation with the Office of the Insurance Commissioner, report to the Governor's Office and the appropriate committees of the Legislature on the impacts of the bill on network access, enrollee premiums and cost-sharing, and state expenditures for state and school district employee and retiree coverage.

By December 31, 2034, HCA must, in consultation with the Office of the Insurance Commissioner, submit a second report to the Governor's Office and the appropriate committees of the Legislature updating the impacts of the bill on network access, enrollee premiums and cost-sharing, and state expenditures for state and school district employee and retiree coverage.

HCA may adopt rules to implement the bill, including rules for levying fines and taking other contract actions to enforce compliance.

Votes on Final Passage:

Senate 30 19

House 57 39 (House amended)

Senate 29 19 (Senate concurred)

Effective: July 27, 2025