

# SENATE BILL REPORT

## SSB 5568

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As Amended by House, April 15, 2025

**Title:** An act relating to updating and modernizing the Washington state health plan.

**Brief Description:** Updating and modernizing the Washington state health plan.

**Sponsors:** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Cleveland, Cortes, Nobles and Riccelli).

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/06/25, 2/13/25 [DPS, w/oRec].

**Floor Activity:** Passed Senate: 2/26/25, 37-9.

Passed House: 4/15/25, 59-38.

**Brief Summary of First Substitute Bill**

- Updates direction to the Office of Financial Management to develop a statewide health resource strategy.

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** That Substitute Senate Bill No. 5568 be substituted therefor, and the substitute bill do pass.

Signed by Senators Cleveland, Chair; Orwall, Vice Chair; Muzzall, Ranking Member; Bateman, Chapman, Riccelli, Robinson and Slatter.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Christian, Harris and Holy.

**Staff:** Greg Attanasio (786-7410)

**Background:** In 1987, as directed by the State Health Planning and Resources Development Act, the State Health Coordinating Council released the state health plan,

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which set forth objectives for the improvement of health status and development of health services in the state. The plan included recommendations on improving the health status of Washingtonians, improving access and quality of care, containing health care cost growth, and planning for long-term care needs.

In 2007, the Legislature directed the Office of Financial Management (OFM) to develop a statewide health resource strategy to establish statewide health planning policies and goals related to the availability of health care facilities and services, quality of care, and cost of care. OFM must serve as a coordinating body for public and private efforts to improve quality in health care, promote cost-effectiveness in health care, and plan health facility and health service availability. To conduct its work OFM has access to data submitted to the Department of Health as part of its professional licensing work. The development of the strategy shall consider:

- that excess capacity of health services and facilities place considerable economic burden on the public who pay for the construction and operation of these facilities as patients, health insurance purchasers, carriers, and taxpayers; and
- that the development and ongoing maintenance of current and accurate health care information and statistics related to cost and quality of health care, as well as projections of need for health facilities and services, are essential to effective strategic health planning.

OFM was required to submit its initial report in 2010 and is directed to update the strategy every two years.

**Summary of First Substitute Bill:** OFM must, in coordination with relevant public and private stakeholders, update the state health plan by developing a statewide health resources strategy. In addition to existing considerations, OFM must consider the principals of health equity when developing a health resources strategy. OFM may access data contained in the all-payer claims database and information submitted to the Health Care Authority (HCA) as part of HCA's annual reporting process, and other relevant data from the Office of the Insurance Commissioner, the Department of Social and Health Services, and the Health Benefit Exchange to complete its work. OFM must submit a preliminary report outlining its work in developing a state health resources strategy by July 1, 2026, and submit a completed health resources strategy report to the Governor and the appropriate committees of the Legislature by December 31, 2027. The report must include projections and policy recommendations through 2032. Beginning January 1, 2033, OFM must report on strategy updates and implementation every two years. Before submitting a report, OFM must hold at least one virtual or hybrid public meeting and allow public comment.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Proposed Substitute:** *The committee recommended a different version of the bill than what was heard.* PRO: An overall strategic plan helps address cost, need, and health disparities. Much has changed since 1987 and continued updates are needed. Stakeholders appreciate the opportunity engage in strategic health planning. Objective analysis is important and helpful to the overall planning efforts. Appreciate the focus on equity and increased data sharing provisions.

OTHER: OFM appreciates the increased data access. The bill would codify current efforts and have no fiscal impact.

**Persons Testifying:** PRO: Senator Annette Cleveland, Prime Sponsor; Zosia Stanley, Washington State Hospital Association; Jennifer Ziegler, Association of Washington Health Care Plans; Amy Brackenbury, Washington State Medical Association (WSMA); Sam Hatzenbeler, Economic Opportunity Institute; Jim Freeburg, Patient Coalition of Washington; Emily Brice, Northwest Health Law Advocates.

OTHER: Annie Pennucci, Office of Financial Management.

**Persons Signed In To Testify But Not Testifying:** No one.

**EFFECT OF HOUSE AMENDMENT(S):**

- Requires the Office of Financial Management to report on strategy updates and implementation every four years instead of every two years.
- Prohibits the Department of Health from updating Certificate of Need rules in response to the statewide health resources strategy issued in 2027.