

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1392**

69th Legislature  
2025 Regular Session

Passed by the House April 19, 2025  
Yeas 57 Nays 38

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**Speaker of the House of  
Representatives**

Passed by the Senate April 14, 2025  
Yeas 31 Nays 18

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1392** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1392**

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AS AMENDED BY THE SENATE

Passed Legislature - 2025 Regular Session

**State of Washington                      69th Legislature                      2025 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Macri, Leavitt, Simmons, Davis, Berry, Ryu, Callan, Rule, Stearns, Peterson, Taylor, Reed, Ramel, Alvarado, Doglio, Tharinger, Fey, Salahuddin, Bernbaum, Fosse, Pollet, Street, Scott, and Santos)

READ FIRST TIME 02/28/25.

1            AN ACT Relating to creating the medicaid access program;  
2 reenacting and amending RCW 43.84.092 and 43.84.092; adding a new  
3 chapter to Title 74 RCW; adding a new chapter to Title 48 RCW;  
4 creating new sections; providing an effective date; providing an  
5 expiration date; providing a contingent expiration date; and  
6 declaring an emergency.

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

8            NEW SECTION.    **Sec. 1.** The definitions in this section apply  
9 throughout this chapter and chapter 48.--- RCW (the new chapter  
10 created in section 15 of this act) unless the context clearly  
11 requires otherwise.

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

13            (2) "Commissioner" means the insurance commissioner or his or her  
14 designee.

15            (3) "Covered lives" means all persons residing in Washington  
16 state who are covered:

17            (a) Under a fully insured individual or group health plan issued  
18 or delivered in Washington state; or

19            (b) By a medicaid managed care organization.

20            (4) "Health carrier" or "carrier" has the same meaning as defined  
21 in RCW 48.43.005.

1 (5) "Health plan" has the same meaning as defined in RCW  
2 48.43.005 and does not include medicare advantage plans established  
3 under medicare part C or outpatient prescription drug plans  
4 established under medicare part D.

5 (6) "Medicaid managed care organization" means a managed health  
6 care system under contract with the state of Washington to provide  
7 services to medicaid enrollees under RCW 74.09.522.

8 NEW SECTION. **Sec. 2.** (1) By September 1, 2025, the authority  
9 shall submit any state plan amendments or waiver requests to the  
10 centers for medicare and medicaid services that are necessary to  
11 implement the medicaid access program established in section 6 of  
12 this act.

13 (2) The assessment, collection, and disbursement of funds for  
14 this program shall be conditional upon:

15 (a) Final approval by the centers for medicare and medicaid  
16 services of any state plan amendments or waiver requests that are  
17 necessary in order to implement the applicable sections of this  
18 chapter including, if necessary, waiver of the broad-based or  
19 uniformity requirements as specified under section 1903(w)(3)(E) of  
20 the federal social security act and 42 C.F.R. Sec. 433.68(e);

21 (b) To the extent necessary, amendment of contracts between the  
22 authority and managed care organizations to implement this chapter;  
23 and

24 (c) Certification by the office of financial management that  
25 appropriations have been adopted that fully support the rates  
26 established in section 3 of this act for the upcoming fiscal year.

27 NEW SECTION. **Sec. 3.** (1) All health carriers and medicaid  
28 managed care organizations shall pay an annual covered lives  
29 assessment beginning January 1st of the plan year following the  
30 approval in section 2(2)(a) of this act as follows:

31 (a) For assessments due the first plan year:

32 (i) The authority shall assess a per member per month assessment  
33 of \$16 per covered life for medicaid managed care organizations; and

34 (ii) The commissioner shall assess a per member per month  
35 assessment of \$0.50 per covered life for health carriers.

36 (b) On or before May 15th of the first plan year of assessments  
37 due and on or before May 15th of each subsequent year, the authority  
38 shall determine the covered lives assessment at the rate necessary to

1 fund the adjustment based on the inflation factor using the medicare  
2 economic index for professional services rates in section 6 of this  
3 act.

4 (c) The ratio of the total assessments collected from managed  
5 care organizations and health carriers must be set as 36 to one,  
6 respectively. Assessments for each calendar year shall be set  
7 utilizing the proportion of fully insured to medicaid managed care  
8 covered lives from the previous calendar year.

9 (2) The assessments as applied in subsection (1) of this section  
10 are limited to:

11 (a) The first 2,300,000 member months of fully insured lives per  
12 medicaid managed care organization on a per medicaid managed care  
13 organization basis; and

14 (b) The first 2,300,000 member months of fully insured lives per  
15 health carrier. For each health carrier, the assessment shall apply  
16 to member months of all group health plan lives first, followed by  
17 member months of individual health plans lives.

18 (3) If an assessment against a health carrier or medicaid managed  
19 care organization is prohibited by court order, the assessment for  
20 the remaining health carriers and medicaid managed care organizations  
21 may be adjusted in a manner consistent with subsection (1) of this  
22 section to ensure that the assessment amount calculated in subsection  
23 (1)(b) of this section will be collected.

24 (4) The authority shall annually notify, in writing, each  
25 medicaid managed care organization of the estimated total assessment  
26 and its payment obligation for the upcoming year. The authority shall  
27 determine a payment schedule for receipt of assessments under this  
28 section in accordance with the medicaid access program rules as  
29 defined by the authority. Payment collections may be made no more  
30 frequently than quarterly.

31 (5) Payments from managed care organizations are due to the  
32 authority within 45 days of the payment schedule determined under  
33 subsection (4) of this section. The authority shall charge interest  
34 as defined by RCW 43.17.240, which begins to accrue on the 46th day,  
35 on amounts received after the 45-day period. The authority may allow  
36 each managed care organization in arrears to submit a payment plan,  
37 subject to approval by the authority and initial payment under an  
38 approved payment plan.

39 (6) The authority may abate or defer, in whole or in part, the  
40 assessment of a managed care organization if, in the opinion of the

1 authority, payment of the assessment would endanger the ability of  
2 the managed care organization to fulfill its contractual obligations  
3 under chapter 74.09 RCW. If an assessment against a managed care  
4 organization is abated or deferred in whole or in part, the amount by  
5 which such assessment is abated or deferred may be assessed against  
6 the other managed care organizations in a manner consistent with the  
7 basis for assessments in subsection (1) of this section. The managed  
8 care organization receiving such abatement or deferment remains  
9 liable to the program for the deficiency plus interest the rate  
10 established in RCW 43.17.240. Upon receipt of payment of any  
11 abatement or deferment by a managed care organization, the authority  
12 shall adjust future assessments made against other managed care  
13 organizations under this subsection to reflect receipt of the  
14 payment.

15 (7) The authority shall deposit annual assessments and interest  
16 collected under this section with the state treasurer to the credit  
17 of the medicaid access program account created in section 5 of this  
18 act.

19 (8) Managed care organizations shall submit any annual statements  
20 or other reports deemed necessary by the authority to calculate the  
21 assessment under this section in a manner consistent with the  
22 schedule and procedures in accordance with the medicaid access  
23 program rules as defined by the authority.

24 NEW SECTION. **Sec. 4.** (1) All health carriers and medicaid  
25 managed care organizations shall pay an annual covered lives  
26 assessment under section 3 of this act.

27 (2) The commissioner shall assess a per member per month  
28 assessment for health carriers pursuant to section 3 of this act.

29 (3) The commissioner shall annually notify, in writing, each  
30 health carrier of the estimated total assessment and its payment  
31 obligation for the upcoming year. The commissioner shall determine a  
32 payment schedule for receipt of assessments under this section in  
33 accordance with the medicaid access program rules established by the  
34 authority. Payment collections may be made no more frequently than  
35 quarterly.

36 (4) Payments from health carriers are due to the commissioner  
37 within 45 days of the payment schedule determined under subsection  
38 (3) of this section. The commissioner shall charge interest as  
39 defined by RCW 43.17.240, which begins to accrue on the 46th day, on

1 amounts received after the 45-day period. The commissioner may allow  
2 each health carrier in arrears to submit a payment plan, subject to  
3 approval by the commissioner and initial payment under an approved  
4 payment plan.

5 (5) The commissioner shall deposit annual assessments and  
6 interest collected under this section with the state treasurer to the  
7 credit of the medicaid access program account created in section 5 of  
8 this act.

9 (6) Health carriers shall submit any annual statements or other  
10 reports deemed necessary by the commissioner for the health care  
11 authority to calculate the assessment in a manner consistent with the  
12 schedule and procedures in accordance with section 3 of this act.

13 NEW SECTION. **Sec. 5.** (1) The medicaid access program account is  
14 created in the state treasury. All receipts from the assessments,  
15 interest, and penalties collected by the authority and commissioner  
16 under sections 3 and 4 of this act must be deposited into the  
17 account. Moneys in the account may be spent only after appropriation.  
18 Expenditures from the account may be used only for the administration  
19 and implementation of the medicaid access program as established in  
20 section 6 of this act.

21 (2) Disbursements from the account may be made only:

22 (a) To make payments to health care providers and managed care  
23 organizations;

24 (b) To medicaid managed care organizations to fund the nonfederal  
25 share of increased capitation payments based on their projected  
26 assessment obligation established by the medicaid access program and  
27 the medicaid managed care rate setting process;

28 (c) To refund erroneous or excessive payments made by health  
29 carriers and medicaid managed care organizations;

30 (d) To pay for administrative expenses incurred by the authority  
31 in performing the activities authorized by this chapter;

32 (e) To be used in lieu of state general fund payments for  
33 medicaid services in an amount not to exceed \$35,000,000 in the first  
34 fiscal year following the approval in section 2(2)(a) of this act and  
35 assessment by the authority authorized in section 3(1)(a)(i) of this  
36 act;

37 (f) To repay the federal government for any excess payments made  
38 to health care providers from the account if the assessments or  
39 payment increases set forth by the medicaid access program are deemed

1 out of compliance with federal statutes and regulations in a final  
2 determination by a court of competent jurisdiction with all appeals  
3 exhausted. In such a case, the authority may require health care  
4 providers receiving excess payments to refund the payments in  
5 question to the account. The state in turn shall return funds to the  
6 federal government in the same proportion as the original financing.  
7 If a health care provider is unable to refund payments, the state  
8 shall develop either a payment plan, deduct moneys from future  
9 medicaid payments, or both; and

10 (g) To pay up to \$2,000,000 for administrative and service-  
11 related costs to expand medicaid access in schools by maximizing  
12 medicaid funding opportunities to support the school-based health  
13 services program, school-based health centers, and on-site behavioral  
14 health services.

15 NEW SECTION. **Sec. 6.** (1) The medicaid access program is hereby  
16 created.

17 (2) By January 1st of the second plan year after conditions of  
18 section 2 of this act are met, professional services rates for  
19 anesthesia, diagnostics, intense outpatient, opioid treatment  
20 programs, emergency room, inpatient and outpatient surgery, inpatient  
21 visits, low-level behavioral health, maternity services, office and  
22 home visits, consults, office administered drugs, vision, and other  
23 physician services, for services that are not reimbursed at or above  
24 medicare rates as of December 31, 2024, must be increased uniformly  
25 across professional service categories by a percentage of  
26 corresponding medicare rates as of December 31, 2024, based on  
27 availability of funds in the account created in section 5 of this act  
28 for rate increases from collections in the preceding plan year.

29 (3) By January 1st of the third plan year after the conditions of  
30 section 2 of this act are met, and annually thereafter, the rates for  
31 all services listed in subsection (2) of this section shall be  
32 adjusted using the most recently published medicare economic index  
33 available at the time rates are established for the plan year.

34 (4)(a) Beginning January 1st of the third plan year after the  
35 conditions of section 2 of this act are met and by January 1st in  
36 each of the two subsequent plan years, the authority shall study the  
37 impact of the professional services rate increases described in this  
38 section on medicaid access. The authority shall provide information  
39 to fiscal and health committees of the legislature whether these rate

1 increases have increased access for medicaid enrollees, using metrics  
2 including but not limited to:

3 (i) Increases in utilization of services from licensed health  
4 care providers;

5 (ii) Number of contracts with identifiable provider types  
6 enrolled to provide services to medicaid enrollees;

7 (iii) Patient access measures in the CAHPS health plan surveys of  
8 managed care organizations; and

9 (iv) Other external quality review metrics.

10 (b) The authority shall provide the information in a fashion that  
11 disaggregates managed care organizations and fee-for-service.

12 NEW SECTION. **Sec. 7.** Nothing in this act shall be construed to  
13 alter the requirements: (1) Under 42 C.F.R. Sec. 438.4 that the rates  
14 paid by the state to managed care organizations be actuarially sound;  
15 and (2) that the state develop the rates in compliance with standards  
16 under 42 C.F.R. Sec. 438.5.

17 NEW SECTION. **Sec. 8.** The authority may adopt rules and  
18 undertake actions necessary to carry out sections 2, 3, and 6 of this  
19 act including, but not limited to, rules prescribing the medicaid  
20 access program plan of operations, measures to enforce reporting of  
21 covered lives, audits of covered lives reporting, and payment of  
22 applicable assessments.

23 NEW SECTION. **Sec. 9.** The commissioner may adopt rules and  
24 undertake actions necessary to carry out section 4 of this act  
25 including, but not limited to, rules prescribing the medicaid access  
26 program plan of operations, measures to enforce reporting of covered  
27 lives, audits of covered lives reporting, and payment of applicable  
28 assessments.

29 NEW SECTION. **Sec. 10.** The medicaid access program, health  
30 carriers and medicaid managed care organizations assessed by the  
31 program, the authority, and employees of the authority are not  
32 civilly or criminally liable and may not have any penalty or cause of  
33 action of any nature arise against them for any action or inaction,  
34 including any discretionary decision or failure to make a  
35 discretionary decision, when the action or inaction is done in good  
36 faith and in the performance of the powers and duties assigned to the



1 program. This section does not prohibit legal actions against the  
2 program to enforce the program's statutory or contractual duties or  
3 obligations.

4 NEW SECTION. **Sec. 11.** The medicaid access program, health  
5 carriers and medicaid managed care organizations assessed by the  
6 program, the commissioner, the commissioner's representatives, and  
7 the commissioner's employees are not civilly or criminally liable and  
8 may not have any penalty or cause of action of any nature arise  
9 against them for any action or inaction, including any discretionary  
10 decision or failure to make a discretionary decision, when the action  
11 or inaction is done in good faith and in the performance of the  
12 powers and duties assigned to the program. This section does not  
13 prohibit legal actions against the program to enforce the program's  
14 statutory or contractual duties or obligations.

15 **Sec. 12.** RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12  
16 are each reenacted and amended to read as follows:

17 (1) All earnings of investments of surplus balances in the state  
18 treasury shall be deposited to the treasury income account, which  
19 account is hereby established in the state treasury.

20 (2) The treasury income account shall be utilized to pay or  
21 receive funds associated with federal programs as required by the  
22 federal cash management improvement act of 1990. The treasury income  
23 account is subject in all respects to chapter 43.88 RCW, but no  
24 appropriation is required for refunds or allocations of interest  
25 earnings required by the cash management improvement act. Refunds of  
26 interest to the federal treasury required under the cash management  
27 improvement act fall under RCW 43.88.180 and shall not require  
28 appropriation. The office of financial management shall determine the  
29 amounts due to or from the federal government pursuant to the cash  
30 management improvement act. The office of financial management may  
31 direct transfers of funds between accounts as deemed necessary to  
32 implement the provisions of the cash management improvement act, and  
33 this subsection. Refunds or allocations shall occur prior to the  
34 distributions of earnings set forth in subsection (4) of this  
35 section.

36 (3) Except for the provisions of RCW 43.84.160, the treasury  
37 income account may be utilized for the payment of purchased banking  
38 services on behalf of treasury funds including, but not limited to,

1 depository, safekeeping, and disbursement functions for the state  
2 treasury and affected state agencies. The treasury income account is  
3 subject in all respects to chapter 43.88 RCW, but no appropriation is  
4 required for payments to financial institutions. Payments shall occur  
5 prior to distribution of earnings set forth in subsection (4) of this  
6 section.

7 (4) Monthly, the state treasurer shall distribute the earnings  
8 credited to the treasury income account. The state treasurer shall  
9 credit the general fund with all the earnings credited to the  
10 treasury income account except:

11 (a) The following accounts and funds shall receive their  
12 proportionate share of earnings based upon each account's and fund's  
13 average daily balance for the period: The abandoned recreational  
14 vehicle disposal account, the aeronautics account, the Alaskan Way  
15 viaduct replacement project account, the ambulance transport fund,  
16 the budget stabilization account, the capital vessel replacement  
17 account, the capitol building construction account, the Central  
18 Washington University capital projects account, the charitable,  
19 educational, penal and reformatory institutions account, the Chehalis  
20 basin account, the Chehalis basin taxable account, the clean fuels  
21 credit account, the clean fuels transportation investment account,  
22 the cleanup settlement account, the climate active transportation  
23 account, the climate transit programs account, the Columbia river  
24 basin water supply development account, the Columbia river basin  
25 taxable bond water supply development account, the Columbia river  
26 basin water supply revenue recovery account, the common school  
27 construction fund, the community forest trust account, the connecting  
28 Washington account, the county arterial preservation account, the  
29 county criminal justice assistance account, the covenant  
30 homeownership account, the deferred compensation administrative  
31 account, the deferred compensation principal account, the department  
32 of licensing services account, the department of retirement systems  
33 expense account, the developmental disabilities community services  
34 account, the diesel idle reduction account, the opioid abatement  
35 settlement account, the drinking water assistance account, the  
36 administrative subaccount of the drinking water assistance account,  
37 the early learning facilities development account, the early learning  
38 facilities revolving account, the Eastern Washington University  
39 capital projects account, the education construction fund, the  
40 education legacy trust account, the election account, the electric

1 vehicle account, the energy freedom account, the energy recovery act  
2 account, the essential rail assistance account, The Evergreen State  
3 College capital projects account, the fair start for kids account,  
4 the family medicine workforce development account, the ferry bond  
5 retirement fund, the fish, wildlife, and conservation account, the  
6 freight mobility investment account, the freight mobility multimodal  
7 account, the grade crossing protective fund, the higher education  
8 retirement plan supplemental benefit fund, the Washington student  
9 loan account, the highway bond retirement fund, the highway  
10 infrastructure account, the highway safety fund, the hospital safety  
11 net assessment fund, the Interstate 5 bridge replacement project  
12 account, the Interstate 405 and state route number 167 express toll  
13 lanes account, the judges' retirement account, the judicial  
14 retirement administrative account, the judicial retirement principal  
15 account, the limited fish and wildlife account, the local leasehold  
16 excise tax account, the local real estate excise tax account, the  
17 local sales and use tax account, the marine resources stewardship  
18 trust account, the medical aid account, the money-purchase retirement  
19 savings administrative account, the money-purchase retirement savings  
20 principal account, the motor vehicle fund, the motorcycle safety  
21 education account, the move ahead WA account, the move ahead WA  
22 flexible account, the multimodal transportation account, the multiuse  
23 roadway safety account, the municipal criminal justice assistance  
24 account, the oyster reserve land account, the pension funding  
25 stabilization account, the perpetual surveillance and maintenance  
26 account, the pilotage account, the pollution liability insurance  
27 agency underground storage tank revolving account, the medicaid  
28 access program account, the public employees' retirement system plan  
29 1 account, the public employees' retirement system combined plan 2  
30 and plan 3 account, the public facilities construction loan revolving  
31 account, the public health supplemental account, the public works  
32 assistance account, the Puget Sound capital construction account, the  
33 Puget Sound ferry operations account, the Puget Sound Gateway  
34 facility account, the Puget Sound taxpayer accountability account,  
35 the real estate appraiser commission account, the recreational  
36 vehicle account, the regional mobility grant program account, the  
37 reserve officers' relief and pension principal fund, the resource  
38 management cost account, the rural arterial trust account, the rural  
39 mobility grant program account, the rural Washington loan fund, the  
40 second injury fund, the sexual assault prevention and response

1 account, the site closure account, the skilled nursing facility  
2 safety net trust fund, the small city pavement and sidewalk account,  
3 the special category C account, the special wildlife account, the  
4 state hazard mitigation revolving loan account, the state investment  
5 board expense account, the state investment board commingled trust  
6 fund accounts, the state patrol highway account, the state  
7 reclamation revolving account, the state route number 520 civil  
8 penalties account, the state route number 520 corridor account, the  
9 statewide broadband account, the statewide tourism marketing account,  
10 the supplemental pension account, the Tacoma Narrows toll bridge  
11 account, the teachers' retirement system plan 1 account, the  
12 teachers' retirement system combined plan 2 and plan 3 account, the  
13 tobacco prevention and control account, the tobacco settlement  
14 account, the toll facility bond retirement account, the  
15 transportation 2003 account (nickel account), the transportation  
16 equipment fund, the JUDY transportation future funding program  
17 account, the transportation improvement account, the transportation  
18 improvement board bond retirement account, the transportation  
19 infrastructure account, the transportation partnership account, the  
20 traumatic brain injury account, the tribal opioid prevention and  
21 treatment account, the University of Washington bond retirement fund,  
22 the University of Washington building account, the voluntary cleanup  
23 account, the volunteer firefighters' relief and pension principal  
24 fund, the volunteer firefighters' and reserve officers'  
25 administrative fund, the vulnerable roadway user education account,  
26 the Washington judicial retirement system account, the Washington law  
27 enforcement officers' and firefighters' system plan 1 retirement  
28 account, the Washington law enforcement officers' and firefighters'  
29 system plan 2 retirement account, the Washington public safety  
30 employees' plan 2 retirement account, the Washington school  
31 employees' retirement system combined plan 2 and 3 account, the  
32 Washington state patrol retirement account, the Washington State  
33 University building account, the Washington State University bond  
34 retirement fund, the water pollution control revolving administration  
35 account, the water pollution control revolving fund, the Western  
36 Washington University capital projects account, the Yakima integrated  
37 plan implementation account, the Yakima integrated plan  
38 implementation revenue recovery account, and the Yakima integrated  
39 plan implementation taxable bond account. Earnings derived from  
40 investing balances of the agricultural permanent fund, the normal

1 school permanent fund, the permanent common school fund, the  
2 scientific permanent fund, and the state university permanent fund  
3 shall be allocated to their respective beneficiary accounts.

4 (b) Any state agency that has independent authority over accounts  
5 or funds not statutorily required to be held in the state treasury  
6 that deposits funds into a fund or account in the state treasury  
7 pursuant to an agreement with the office of the state treasurer shall  
8 receive its proportionate share of earnings based upon each account's  
9 or fund's average daily balance for the period.

10 (5) In conformance with Article II, section 37 of the state  
11 Constitution, no treasury accounts or funds shall be allocated  
12 earnings without the specific affirmative directive of this section.

13 **Sec. 13.** RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13  
14 are each reenacted and amended to read as follows:

15 (1) All earnings of investments of surplus balances in the state  
16 treasury shall be deposited to the treasury income account, which  
17 account is hereby established in the state treasury.

18 (2) The treasury income account shall be utilized to pay or  
19 receive funds associated with federal programs as required by the  
20 federal cash management improvement act of 1990. The treasury income  
21 account is subject in all respects to chapter 43.88 RCW, but no  
22 appropriation is required for refunds or allocations of interest  
23 earnings required by the cash management improvement act. Refunds of  
24 interest to the federal treasury required under the cash management  
25 improvement act fall under RCW 43.88.180 and shall not require  
26 appropriation. The office of financial management shall determine the  
27 amounts due to or from the federal government pursuant to the cash  
28 management improvement act. The office of financial management may  
29 direct transfers of funds between accounts as deemed necessary to  
30 implement the provisions of the cash management improvement act, and  
31 this subsection. Refunds or allocations shall occur prior to the  
32 distributions of earnings set forth in subsection (4) of this  
33 section.

34 (3) Except for the provisions of RCW 43.84.160, the treasury  
35 income account may be utilized for the payment of purchased banking  
36 services on behalf of treasury funds including, but not limited to,  
37 depository, safekeeping, and disbursement functions for the state  
38 treasury and affected state agencies. The treasury income account is  
39 subject in all respects to chapter 43.88 RCW, but no appropriation is

1 required for payments to financial institutions. Payments shall occur  
2 prior to distribution of earnings set forth in subsection (4) of this  
3 section.

4 (4) Monthly, the state treasurer shall distribute the earnings  
5 credited to the treasury income account. The state treasurer shall  
6 credit the general fund with all the earnings credited to the  
7 treasury income account except:

8 (a) The following accounts and funds shall receive their  
9 proportionate share of earnings based upon each account's and fund's  
10 average daily balance for the period: The abandoned recreational  
11 vehicle disposal account, the aeronautics account, the Alaskan Way  
12 viaduct replacement project account, the budget stabilization  
13 account, the capital vessel replacement account, the capitol building  
14 construction account, the Central Washington University capital  
15 projects account, the charitable, educational, penal and reformatory  
16 institutions account, the Chehalis basin account, the Chehalis basin  
17 taxable account, the clean fuels credit account, the clean fuels  
18 transportation investment account, the cleanup settlement account,  
19 the climate active transportation account, the climate transit  
20 programs account, the Columbia river basin water supply development  
21 account, the Columbia river basin taxable bond water supply  
22 development account, the Columbia river basin water supply revenue  
23 recovery account, the common school construction fund, the community  
24 forest trust account, the connecting Washington account, the county  
25 arterial preservation account, the county criminal justice assistance  
26 account, the covenant homeownership account, the deferred  
27 compensation administrative account, the deferred compensation  
28 principal account, the department of licensing services account, the  
29 department of retirement systems expense account, the developmental  
30 disabilities community services account, the diesel idle reduction  
31 account, the opioid abatement settlement account, the drinking water  
32 assistance account, the administrative subaccount of the drinking  
33 water assistance account, the early learning facilities development  
34 account, the early learning facilities revolving account, the Eastern  
35 Washington University capital projects account, the education  
36 construction fund, the education legacy trust account, the election  
37 account, the electric vehicle account, the energy freedom account,  
38 the energy recovery act account, the essential rail assistance  
39 account, The Evergreen State College capital projects account, the  
40 fair start for kids account, the family medicine workforce

1 development account, the ferry bond retirement fund, the fish,  
2 wildlife, and conservation account, the freight mobility investment  
3 account, the freight mobility multimodal account, the grade crossing  
4 protective fund, the higher education retirement plan supplemental  
5 benefit fund, the Washington student loan account, the highway bond  
6 retirement fund, the highway infrastructure account, the highway  
7 safety fund, the hospital safety net assessment fund, the Interstate  
8 5 bridge replacement project account, the Interstate 405 and state  
9 route number 167 express toll lanes account, the judges' retirement  
10 account, the judicial retirement administrative account, the judicial  
11 retirement principal account, the limited fish and wildlife account,  
12 the local leasehold excise tax account, the local real estate excise  
13 tax account, the local sales and use tax account, the marine  
14 resources stewardship trust account, the medical aid account, the  
15 money-purchase retirement savings administrative account, the money-  
16 purchase retirement savings principal account, the motor vehicle  
17 fund, the motorcycle safety education account, the move ahead WA  
18 account, the move ahead WA flexible account, the multimodal  
19 transportation account, the multiuse roadway safety account, the  
20 municipal criminal justice assistance account, the oyster reserve  
21 land account, the pension funding stabilization account, the  
22 perpetual surveillance and maintenance account, the pilotage account,  
23 the pollution liability insurance agency underground storage tank  
24 revolving account, the medicaid access program account, the public  
25 employees' retirement system plan 1 account, the public employees'  
26 retirement system combined plan 2 and plan 3 account, the public  
27 facilities construction loan revolving account, the public health  
28 supplemental account, the public works assistance account, the Puget  
29 Sound capital construction account, the Puget Sound ferry operations  
30 account, the Puget Sound Gateway facility account, the Puget Sound  
31 taxpayer accountability account, the real estate appraiser commission  
32 account, the recreational vehicle account, the regional mobility  
33 grant program account, the reserve officers' relief and pension  
34 principal fund, the resource management cost account, the rural  
35 arterial trust account, the rural mobility grant program account, the  
36 rural Washington loan fund, the second injury fund, the sexual  
37 assault prevention and response account, the site closure account,  
38 the skilled nursing facility safety net trust fund, the small city  
39 pavement and sidewalk account, the special category C account, the  
40 special wildlife account, the state hazard mitigation revolving loan

1 account, the state investment board expense account, the state  
2 investment board commingled trust fund accounts, the state patrol  
3 highway account, the state reclamation revolving account, the state  
4 route number 520 civil penalties account, the state route number 520  
5 corridor account, the statewide broadband account, the statewide  
6 tourism marketing account, the supplemental pension account, the  
7 Tacoma Narrows toll bridge account, the teachers' retirement system  
8 plan 1 account, the teachers' retirement system combined plan 2 and  
9 plan 3 account, the tobacco prevention and control account, the  
10 tobacco settlement account, the toll facility bond retirement  
11 account, the transportation 2003 account (nickel account), the  
12 transportation equipment fund, the JUDY transportation future funding  
13 program account, the transportation improvement account, the  
14 transportation improvement board bond retirement account, the  
15 transportation infrastructure account, the transportation partnership  
16 account, the traumatic brain injury account, the tribal opioid  
17 prevention and treatment account, the University of Washington bond  
18 retirement fund, the University of Washington building account, the  
19 voluntary cleanup account, the volunteer firefighters' relief and  
20 pension principal fund, the volunteer firefighters' and reserve  
21 officers' administrative fund, the vulnerable roadway user education  
22 account, the Washington judicial retirement system account, the  
23 Washington law enforcement officers' and firefighters' system plan 1  
24 retirement account, the Washington law enforcement officers' and  
25 firefighters' system plan 2 retirement account, the Washington public  
26 safety employees' plan 2 retirement account, the Washington school  
27 employees' retirement system combined plan 2 and 3 account, the  
28 Washington state patrol retirement account, the Washington State  
29 University building account, the Washington State University bond  
30 retirement fund, the water pollution control revolving administration  
31 account, the water pollution control revolving fund, the Western  
32 Washington University capital projects account, the Yakima integrated  
33 plan implementation account, the Yakima integrated plan  
34 implementation revenue recovery account, and the Yakima integrated  
35 plan implementation taxable bond account. Earnings derived from  
36 investing balances of the agricultural permanent fund, the normal  
37 school permanent fund, the permanent common school fund, the  
38 scientific permanent fund, and the state university permanent fund  
39 shall be allocated to their respective beneficiary accounts.



1 (b) Any state agency that has independent authority over accounts  
2 or funds not statutorily required to be held in the state treasury  
3 that deposits funds into a fund or account in the state treasury  
4 pursuant to an agreement with the office of the state treasurer shall  
5 receive its proportionate share of earnings based upon each account's  
6 or fund's average daily balance for the period.

7 (5) In conformance with Article II, section 37 of the state  
8 Constitution, no treasury accounts or funds shall be allocated  
9 earnings without the specific affirmative directive of this section.

10 NEW SECTION. **Sec. 14.** Sections 1 through 3, 5 through 8, and 10  
11 of this act constitute a new chapter in Title 74 RCW.

12 NEW SECTION. **Sec. 15.** Sections 4, 9, and 11 of this act  
13 constitute a new chapter in Title 48 RCW.

14 NEW SECTION. **Sec. 16.** The provisions of this act are not  
15 severable. In the event that any portion of this act shall have been  
16 validly implemented and the entire act is later rendered ineffective,  
17 prior assessments and payments under the validly implemented portions  
18 shall not be affected.

19 NEW SECTION. **Sec. 17.** Sections 1 through 12, 14 through 16, and  
20 18 through 20 of this act are necessary for the immediate  
21 preservation of the public peace, health, or safety, or support of  
22 the state government and its existing public institutions, and take  
23 effect immediately.

24 NEW SECTION. **Sec. 18.** (1) This act expires if by January 1,  
25 2027, the federal centers for medicare and medicaid services does not  
26 provide final approval of the state plan amendment or waiver requests  
27 under section 2 of this act.

28 (2) The Washington state health care authority must provide  
29 written notice of the expiration date in subsection (1) of this  
30 section to affected parties, the chief clerk of the house of  
31 representatives, the secretary of the senate, the office of the code  
32 reviser, and others as deemed appropriate by the authority.

33 NEW SECTION. **Sec. 19.** Section 12 of this act expires July 1,  
34 2028.

1        NEW SECTION.    **Sec. 20.**    Section 13 of this act takes effect July  
2    1, 2028.

3        NEW SECTION.    **Sec. 21.**    If specific funding for the purposes of  
4    this act, referencing this act by bill or chapter number, is not  
5    provided by June 30, 2025, in the omnibus appropriations act, this  
6    act is null and void.

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