

CERTIFICATION OF ENROLLMENT
ENGROSSED SECOND SUBSTITUTE SENATE BILL 5083

69th Legislature
2025 Regular Session

Passed by the Senate April 24, 2025
Yeas 29 Nays 19

President of the Senate

Passed by the House April 22, 2025
Yeas 57 Nays 39

**Speaker of the House of
Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 5083** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5083

AS AMENDED BY THE HOUSE

Passed Legislature - 2025 Regular Session

State of Washington

69th Legislature

2025 Regular Session

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

READ FIRST TIME 02/28/25.

1 AN ACT Relating to ensuring access to primary care, behavioral
2 health, and affordable hospital services; and adding a new section to
3 chapter 41.05 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.05
6 RCW to read as follows:

7 (1) For purposes of this section:

8 (a) "Contractor" means a health carrier that provides medical
9 insurance offered to public employees and their covered dependents
10 under this chapter, or a third-party administrator contracted by the
11 authority to provide medical coverage to public employees under this
12 chapter.

13 (b) "The total amount medicare would have reimbursed for the same
14 or similar services" means the amount of reimbursement for a claim
15 that would be paid as if the centers for medicare and medicaid
16 services reimbursed the claim, including applicable postclaim
17 settlements.

18 (2)(a) Claims submitted for reimbursement under this section must
19 include all the current year centers for medicare and medicaid
20 services required modifiers so that all rebates, incentives, or
21 adjustments that would have applied if reimbursed by medicare apply.

1 (b) The authority shall adopt rules to determine the equivalent
2 amount of reimbursement for services with a low volume of medicare
3 experience or for which there is no applicable centers for medicare
4 and medicaid services reimbursement for a service.

5 (3) Beginning January 1, 2027, each contractor, for its health
6 plans that provide medical coverage offered to public employees and
7 their covered dependents, must meet the following requirements:

8 (a) Except as provided in (b) of this subsection, reimbursement
9 to any in-network hospital licensed under chapter 70.41 RCW located
10 in Washington for inpatient and outpatient hospital services shall be
11 the lesser of billed charges, the contractor's contracted rate for
12 the hospital, or 200 percent of the total amount medicare would have
13 reimbursed for the same or similar services;

14 (b) Reimbursement for inpatient and outpatient hospital services
15 to any in-network hospital licensed under chapter 70.41 RCW primarily
16 engaged in the care and treatment of children located in:

17 (i) King county, shall be the lesser of billed charges, the
18 contractor's contracted rate for the hospital, or 150 percent of the
19 hospital-specific medicaid inpatient ratio of cost to charges as
20 determined by the authority; and

21 (ii) Pierce county, shall be the lesser of billed charges, the
22 contractor's contracted rate for the hospital, or 190 percent of the
23 hospital-specific medicaid inpatient ratio of cost to charges as
24 determined by the authority;

25 (c) Reimbursement for services provided by rural hospitals
26 certified by the centers for medicare and medicaid services as
27 critical access hospitals may not be less than 101 percent of
28 allowable costs as defined by the United States centers for medicare
29 and medicaid services for purposes of medicare cost reporting;

30 (d) Reimbursement for in-network primary care services, as
31 defined by the authority, may not be less than 150 percent of the
32 total amount medicare would have reimbursed for the same or similar
33 services;

34 (e) Reimbursement for in-network nonfacility-based behavioral
35 health services, as defined by the authority, may not be less than
36 150 percent of the total amount medicare would have reimbursed for
37 the same or similar services;

38 (f) Except as provided in (g) of this subsection, reimbursement
39 to any out-of-network hospital licensed under chapter 70.41 RCW
40 located in Washington for inpatient and outpatient hospital services

1 shall be the lesser of billed charges or 185 percent of the total
2 amount medicare would have reimbursed for the same or similar
3 services;

4 (g) Reimbursement for inpatient and outpatient hospital services
5 provided by a hospital licensed under chapter 70.41 RCW and located
6 in Washington to any out-of-network hospital primarily engaged in the
7 care and treatment of children located in:

8 (i) King county, shall be the lesser of billed charges or 135
9 percent of the hospital-specific medicaid inpatient ratio of cost to
10 charges as determined by the authority; and

11 (ii) Pierce county, shall be the lesser of billed charges or 175
12 percent of the hospital-specific medicaid inpatient ratio of cost to
13 charges as determined by the authority; and

14 (h) A provider who is reimbursed in accordance with (f) or (g) of
15 this subsection may not charge to or collect from the patient or a
16 person who is financially responsible for the patient an amount in
17 addition to the reimbursement paid under (f) or (g) of this
18 subsection other than cost-sharing amounts authorized by the terms of
19 the health plan.

20 (4) Except as provided in subsection (3)(c) of this section, this
21 section does not apply to:

22 (a) Rural hospitals certified by the centers for medicare and
23 medicaid services as sole community hospitals or critical access
24 hospitals except for hospitals that are owned or operated by a health
25 system that owns or operates more than two acute care hospitals
26 licensed under chapter 70.41 RCW;

27 (b) Hospitals located on an island operating within a public
28 hospital district in Skagit county; or

29 (c) Hospitals that are not currently designated as a critical
30 access hospital, do not meet current federal eligibility requirements
31 for designation as a critical access hospital, have combined medicaid
32 and medicare inpatient days greater than 60 percent of all hospital
33 inpatient days, and are located on the land of a federally recognized
34 Indian tribe.

35 (5) Nothing in this section prohibits a contractor from
36 reimbursing a hospital through a nonfee-for-service payment
37 methodology, so long as the payments incentivize higher quality or
38 improved health outcomes and the contractor continues to comply with
39 the reimbursement requirements in this section.

1 (6) Premiums must take into account changes in reimbursement for
2 hospital, primary care, and behavioral health services anticipated to
3 result from the application of this section.

4 (7) At the request of the authority for monitoring, enforcement,
5 or program and quality improvement activities, a contractor must
6 provide cost and quality of care information and data to the
7 authority and may not enter into an agreement with a provider or
8 third party that would restrict the contractor from providing this
9 information or data.

10 (8) (a) By December 31, 2030, the authority, in consultation with
11 the office of the insurance commissioner, shall provide a report to
12 the governor's office and relevant committees of the legislature
13 analyzing the initial impacts of this section on network access,
14 enrollee premiums and cost sharing, and state expenditures for
15 medical coverage offered to public employees under this chapter. The
16 report may include recommendations for legislative changes to the
17 policy established in this section.

18 (b) By December 31, 2034, the authority, in consultation with the
19 office of the insurance commissioner, shall provide a second report
20 to the governor's office and relevant committees of the legislature
21 providing an updated analysis on the impacts of this section on
22 network access, enrollee premiums and cost sharing, and state
23 expenditures for medical coverage offered to public employees under
24 this chapter. The report may include recommendations for legislative
25 changes to the policy established in this section.

26 (9) For the purposes of this section, reimbursement for inpatient
27 and outpatient services does not include charges for professional
28 services.

29 (10) The authority may adopt rules to implement this section,
30 including rules for levying fines and taking other contract actions
31 it deems necessary to enforce compliance with this section.

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