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Summary: The Washington Health Security Trust, HB 1025 / SB 5132

Section 1 finds a crisis in health care accessibility, affordability and choice in Washington and sets forth **the intention to create a single health financing entity** called the Washington Health Security Trust (the Trust). The trust will provide fair, simple, and accountable health care financing for all Washington residents using a single health care financing entity; cover a comprehensive package of effective and necessary personal health services; preserve choice of providers for Washington residents; and keep clinical decisions in the hands of health professionals and patients, rather than administrative personnel.

Section 2 contains definitions.

Section 3 **creates the Trust as a new state agency**, whose purpose is to provide coverage for a set of health services for all residents.

Section 4 provides the Trust shall be **governed by a board of nine trustees**. The Governor shall appoint, from among the listed constituencies, the initial trustees to staggered terms of two, four and six years. **The Health Care Authority shall provide staff support to the Board.**

Section 5 provides for the creation of three standing committees:

- (a) a **Financial Advisory Committee**, which shall recommend specifics for major budget decisions and for appropriations, assessments, and other funding legislation;
- (b) a **Citizens' Advisory Committee**, which shall hold public hearings on priorities for inclusion in the set of health services, survey public satisfaction, investigate complaints, and identify and report on health care access and other priority issues for residents; and
- (c) a **Technical Advisory Committee**, which shall make recommendations to the Board on technical issues related to covered benefits, quality assurance, utilization, and other issues.

Section 6 provides that the chair is the **presiding officer of the Board** and sets forth the chair's powers and duties.

Section 7 enumerates the Board's required duties and powers, including establishing the set of health services to be covered. (See Sec. 11.)

Section 8 requires the Board to adopt an annual Washington Health Security budget.

Section 9 requires the Board **to provide reports** to the Governor and legislature, **to seek audits** from the State Auditor, and to **submit any internal rules or policies** it adopts to the Sec. of State.

Section 10 provides: (1) **all residents are eligible for coverage** through the Trust; (2) the benefits of this act are secondary to any other health insurance a resident currently has; (3) **residents covered under federal health programs** shall continue to use that program until federal waivers are accomplished, except if certain conditions exist; (4) the Board shall make provisions for determining eligibility for **residents while temporarily out of state**; (5) **residents covered under federally qualified trusts** are not covered through the Trust pending integration of the federally qualified trusts into the Trust, except as otherwise noted; (6) **residents who are retirees under federally qualified trusts** are not covered through the Trust pending integration of the federally qualified trusts into the Trust, except as otherwise noted; (7) **Native American residents** are not covered through the Trust pending integration of the applicable federal

programs described in section 21 of this act, except as otherwise noted; and (8) **nothing in this act limits a resident's right to seek health care from the provider of his/her choice**, or from obtaining coverage for health care benefits in excess of those available under the Trust.

Section 11 (1) sets forth the Board's duty to establish **a single benefits package covering health services**, that (2) outlines the minimum requirements of that benefits package, and that requires advice from the **Citizens' Advisory and Technical Advisory Committees** in establishing the benefits package. (3) This section also **provides for long-term care** as a covered benefit...subject to a financial analysis...(5) Board shall submit to the legislature **a plan to incorporate dental coverage** in the benefits within a year....

Section 12 (1) requires pharmaceutical and durable medical equipment manufacturers to provide their products at the lowest rate offered to federal entities,...and (3) authorizes the Board to **enact drug formularies** that do not interfere with treatments....

Section 13 (1) requires the Board to adopt rules **permitting providers to collectively negotiate** budgets, payment schedules, and other terms and conditions of Trust participation; (2) requires the Board to **annually negotiate with each hospital and facility a prospective global budget** for costs covered by the Trust... and (5) requires the Board to adopt rules ensuring **payment schedules and procedures for mental health are comparable** to other health care services....

Section 14 exempts the activities approved under this act **from state antitrust laws** and provides immunity from federal antitrust laws through the state action doctrine.

Section 15 (1) **limits the Trust's administrative expenses to 11%** of the its annual budget and prohibits the Board from shifting administrative costs to providers or to resident beneficiaries....

Section 16 requires that the **Joint Select Committee on Health Care Oversight** shall contract for **an actuarial analysis of the funding needs** of the Washington Health Security Trust and **recommend a funding mechanism** to the appropriate standing committees of the House and Senate and to the Governor's office. (2) It may contain (a) an assessment paid by all employers in Washington state and (b) a monthly premium paid by all residents with income over 200% FPL, subject to exemptions... (5) six public hearings shall be conducted around the state....

Section 18 **requires HCA, no later than January 1, 2017, to apply for a waiver from the provisions of the Federal Patient Protection and Affordable Care Act....**

Section 19 requires the Board, in **consultation with sovereign tribal governments**, to determine the state and federal laws that need to be repealed, amended or waived to implement this act....

The board is also to negotiate to obtain a statutory or regulatory waiver of (2a) the medical assistance statute of the Social Security Act and the Children's Health Insurance Program, (2b) provisions in the Medicare statute, (2c) provisions to ensure integration of federally funded community and migrant health services, (2d) provisions for the inclusion of federal employee health benefits, [and others]....

Section 24 provides this act **does not limit an employer's right** to maintain employee benefit plans under the federal **employee retirement income security act....**

Section 27 provides for **a legislative appropriation for start-up moneys.**

Summary provided by **Healthcare for All–Washington**. The full text of the bill is available at <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=1025>.

For more information on **the Washington Health Security Trust** see our webpage www.healthcareforallWA.org.