Capitol News
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WSLHA Priorities

HB 1589, our fair contracting bill, was heard on Tuesday in the House Health Care & Wellness Committee! WSLHA Clinical Practice Committee Chair Kendra Holloway and I testified in support of the bill, along with several other health care providers. You can watch the hearing here beginning at minute 59. We expect the bill to be scheduled for a vote the week of February 17th.

Take action now on HB 1589! Contact your legislators here, asking them to support HB 1589!

Thursday was WSLHA's **Advocacy Day**! We had a great group of professionals and students in person and virtually joining us for this important day of advocacy. Thank you for taking the time to participate!

General News

With only two weeks until the February 21st policy committee cutoff, legislators are in high gear introducing, hearing, and passing bills out of policy committees and sending them to the fiscal committees (to analyze the budget impact) or the Rules committees for further consideration. Bills that do not pass their policy committees by the February 21st deadline are likely dead for the session.

On the budget front, the Governor Ferguson has directed his cabinet agencies to identify **spending reductions of at least 6%** for the 2025-27 and biennial budget. This doesn't apply to K-12, the Washington State Patrol, community and technical colleges, Department of Corrections, and the Criminal Justice Training Commission. Entitlements that are cash benefits to residents are also excluded. This exercise was due to OFM last week. They should be posted publicly next week.

We are beginning to see revenue bills introduced in the House and Senate. HB 1785 addresses income inequality by imposing a tax where **CEO pay** in publicly traded companies vastly exceeds median worker pay. Under the bill, a 10% tax applies if the CEO-to-median worker pay ratio is 50:1 to 149:1. A 25% tax applies if the ratio is 150:1 or more. If a company fails to disclose its executive pay ratio, it automatically faces the 25% surcharge. Funds collected will go to the state general fund and the Department of Revenue will study expanding the tax to other companies not currently required to report executive pay ratios under federal law.

In the Senate, SB 5638, the **Hospital Executive Excess Compensation Tax Act**, is aimed at increasing funding for healthcare access by imposing an excise tax on "excessive" compensation of hospital executives. The tax applies to the five highest-paid hospital employees (excluding those with direct patient responsibilities) and the lead administrator if not included. "Excess compensation" refers to salaries exceeding 10 times the state's average annual wage. Under the bill, hospitals must pay a 7.5% tax on the portion of executive salaries deemed excessive. No hearing scheduled yet.

HB 1392 creates the Medicaid Access Program to increase Medicaid reimbursement rates to the Medicare rate as of December 31, 2024. This includes reimbursement for anesthesia, emergency department, maternity services, inpatient and outpatient surgery, and other physician services. The Medicaid Access Program will be funded by a "covered lives" assessment on health insurers and Medicaid managed care organizations. A hearing is scheduled on Thursday.