Capitol News
February 8, 2026
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WSLHA Priorities

WSLHA's priority legislation, SB 6071, is now in the Senate Rules Committee. It prohibits insurers from **requesting refunds from health care providers** on claims payments unless they do so in writing within 12 months of the original payment.

HB 1589, our legislation regarding **provider contracts with insurers**, passed the House Health Care Committee on Wednesday. The committee amended the bill to require insurers to publish point of contact information, provide redline versions of updated contracts, provide fee schedules with 60 days' notice, and provide access to contract information in a manner other than a secure website or portal. The bill also requires insurers to provide notice of significant contract changes 90 days before the effective date of the change. It is now in the House Rules Committee.

Another bill regarding payment to health care providers remains alive. SB 5845 requires health carriers to **pay clean claims within 30 calendar days**. This bill is in the Senate Rules Committee.

SB 6226 passed the Senate Health Care Committee and is now eligible for a vote by the Senate. This is legislation regarding **the use of telehealth in speech and hearing services**. WSLHA negotiated an amendment to limit the bill to the issue of telehealth in initial fittings of hearing instruments. The Health Care Committee adopted our amendment.

SB 5387, is last session's **corporate practice of medicine** bill. A proposed substitute was heard last week in the Senate Ways & Means Committee. The new version is limited to physicians, PAs, osteopaths, APRNs, and naturopaths and requires medical licensees to own all shares and hold all director positions in medical practices. It is scheduled for a committee vote on Monday.

HB 1155 is last session's non-compete clause bill. It makes any noncompetition covenant void and unenforceable, regardless of when the parties entered the covenant. It's been resurrected and is now eligible for a House vote. The Senate version, SB 5437, is also alive and is in the Senate Rules Committee.

Another bill we're watching is HB 1496, legislation that limits charges for providing patient health care information that is stored electronically to no more than $50 when provided in an electronic format to the patient or the patient's representative, attorney, or community-based or system-based advocate. This bill is in the House Rules Committee.

Bills that died in their policy committee include:

- HB 2683, a bill requiring health carriers to approve or deny complete **credentialing applications** within 30 days.
- HB 2261, the bill requiring health care providers to **wear a badge** identifying their name and credential, died in the House Health Care Committee.

General News

The Washington State Legislature has now passed the first major cutoff of the session, the house of origin policy committee cutoff. Legislation that failed to advance by this point is generally considered dead, while bills that cleared the cutoff remain alive and eligible to continue moving through the legislative process.

Those bills will next be considered by fiscal committees if they impact the state budget or advance directly to the floor for further debate and votes if there is no budget impact. Bills with fiscal implications must be voted out of fiscal committees by February 9th to remain alive. February 17th is the "house of origin" cutoff where bills must pass their respective chambers. The exception to these deadlines are bills deemed "necessary to implement the budget" (NTIB). NTIB bills remain alive until the Legislature adjourns.

The highlight of the week for those both for and against it was the long-awaited introduction of SB 6346 (Pedersen, D-43)/HB 2724 (Fitzgibbon, D-34), the "Millionaire's Tax." The Ways & Means Committee held a two-hour hearing on this bill on Friday. With over 60,000 people signed in, it was enough to break the "see who signed in on this bill" link on the Legislature's website. It's scheduled for executive session on Monday.

As currently drafted, SB 6346 would impose a 9.9 % state income tax on household income above $1 million a year. Lawmakers estimate it would impact about 20,000 households and raise roughly $3.7 billion annually. 80% of the revenue would go into the general fund, and 20% would fund tax relief for small businesses and low-income families and repeal some sales taxes. The tax would not take effect until at least 2028 and will undoubtedly face legal challenges. The bill has strong Democratic support in the Legislature, but after the release, Governor Ferguson announced he will not support this version of the bill, saying it does not do enough to return money to taxpayers.

Last week, majority Democrats also took aim at addressing health care market oversight, financial accountability of nonprofit insurers, and funding mechanisms to support health care programs. HB 2548 (Taylor, D-30) was voted out of the House Committee on Civil Rights & Judiciary. The bill requires that significant transactions such as mergers, acquisitions, affiliations, or major asset transfers be reported to the Attorney General, who is authorized to collaborate with other state agencies on data collection and enforcement.

HB 2073 (Parshley, D-22) received a hearing in Appropriations last week. This targets nonprofit health insurance carriers, requiring insurers to annually report their surplus to the state insurance commissioner, beginning July 1, 2026. If a carrier's surplus exceeds 600 % of its risk-

based capital requirements, the commissioner can deem it “excessive,” triggering a payment of 3 % of the excess to the state health care affordability account, which funds premium assistance programs. Carriers retain the right to request hearings to reduce the payment if it would jeopardize financial stability.

Also heard last week was HB 2626 (Parshley, D-22), which increases the insurance premium tax from 2% to 3% for health maintenance organizations, health care service contractors, and certain self-funded plans, starting with taxes due March 1, 2027. The bill directs most of the revenue to the general fund, with a portion allocated to the health benefit exchange account, funding state-administered health programs. These bills could be considered “necessary to implement the budget,” thus extending their timeline in the process.