

WSLHA Legislative Report

March 2, 2025

Melissa Johnson, Lobbyist

WSLHA Priorities

Great news! [HB 1589](#), **our fair contracting bill**, was voted out of the House Appropriations Committee on Thursday with a strong bipartisan vote of 21-4! It's now in the House Rules Committee. HB 1549 must pass the House by March 12th.

Please **answer the WSLHA call to action** to contact your two representatives NOW! If one of your representatives is on the House Health Care Committee, you may have already contacted them. But please contact them again, thanking them for their support in committee (if they voted yes) and asking them to vote yes on the floor.

Health Care Bills of Interest

[HB 1392](#) creates the Medicaid Access Program to **increase Medicaid reimbursement rates** to the Medicare rate as of December 31, 2024. It passed the Appropriations Committee on Thursday and is now in the Rules Committee.

[HB 1686](#), the bill creating a **health care entity registry**, passed the Appropriations Committee on Thursday and is now in the Rules Committee. It was amended as follows:

- Excludes adult family homes and behavioral health agencies, except for behavioral health agencies owned, controlled, or affiliated with an acute care hospital, from the definition of "health care entity."
- Excludes temporary locations and a patient's or health care provider's home from the definition of a "site where health care services are provided."
- Modifies the DOH's enforcement authority by: removing the authority to audit the records of registering entities and their affiliates and subsidiaries; delaying the issuance of any civil penalties until after the DOH requires reporting through a health enforcement and licensing management system or similar system; authorizing rather requiring the DOH to issue civil penalties; and requiring the registering entity to be provided a 30-day opportunity to cure reports before civil penalties are assessed.
- Authorizes the DOH to determine the means in which the submitted reports are made publicly available beginning in 2027 and delays the date the DOH must make the reports submitted in 2026 publicly available to November 1, 2026.
- Modifies the financial statements a registering entity must submit by only requiring a registering entity to submit documents containing publicly available financial reports or statements for the previous fiscal reporting year of the registering entity, in a form and manner determined by the DOH.

- Modifies the plan and recommendations the DOH must develop to: include input from stakeholders; require the recommendations to identify opportunities to streamline reporting and consider opportunities to allow for information sharing between state agencies for entities and providers licensed or certified by a state agency; require the recommendations to include any recommended changes to the reported items; be provided through a progress update to the relevant committees of the Legislature by December 31, 2026, and a final report by November 1, 2027.
- Specifies that the registration fee must cover the DOH's implementation costs, in addition to the administrative, oversight, and enforcement costs.
- Defines "business identification numbers," which excludes a tax identification number that is an individual's social security number.
- Modifies the definition of "registering entity" to remove references to affiliates and subsidiaries.

[SB 5387](#), the **corporate practice of medicine** bill, passed the Senate Ways & Means Committee on Friday and is now in the Rules Committee. It was amended as follows:

- Exempts HMOs and health care service contractors organized as integrated care delivery systems from the corporate practice of health care provisions in the bill.
- Clarifies that unlicensed persons may not interfering with ultimate clinical decision making of health care providers.
- Adds restrictions related to unlicensed persons interfering with the ultimate clinical decision making of health care providers at facilities operated by HMOs and health care service contractors organized as integrated care delivery systems.
- Modifies language related to the policies and requirements that are not subject to the restrictions related to unlicensed persons interfering with clinical decision making.
- Clarifies that only the Attorney General may enforce violations by telemedicine companies through the Consumer Protection Act.
- Adds definitions for "licensed health care provider," "health care practice," and "health care profession."

Bills that did not pass either the policy committee or fiscal committee before the cutoff deadline include:

- [SB 5254](#), the **medical records** bill from the Washington State Association for Justice (trial lawyers)
- [SB 5683](#), the bill requiring health carriers to report **timeliness of claims payments** to providers to the Office of the Insurance Commissioner (OIC)

General News

The Legislature reached another important cutoff deadline on Friday, the fiscal committee cutoff. Bills that have an impact on the state budget must pass the fiscal committees (Finance, Appropriations, Transportation, and Ways & Means) by today to remain alive for further legislative consideration. However, bills that are deemed by majority leadership to be "necessary to implement the budget" or "NTIB," are exempt from cutoff deadlines. Next week, lawmakers begin full-time floor action to pass bills to meet the House of Origin cutoff on March 12th. There are no committee meetings scheduled.

The most significant development of the week wasn't just the hearings and fiscal committee actions—it was [Governor Bob Ferguson's news conference](#), where he outlined approximately [\\$4 billion in additional budget cuts](#) for the Legislature to consider. In developing the \$4 billion in proposed cuts, state agencies were instructed to assess programs based on specific criteria, targeting:

- Recently launched programs
- Programs funded by one-time federal dollars
- Services reaching fewer than 1,000 people annually
- Programs lacking performance tracking

Additionally, Governor Ferguson's cost-reduction framework focused on improving efficiency before considering new revenue options. His plan includes:

- Consolidating agency management roles by 10-25%
- Cutting administrative positions
- Limiting equipment purchases
- Reducing travel expenses

One cut of note is to the **Office of the Deaf and Hard of Hearing (ODHH)**, where additional funding for ASL interpreters was removed. These cuts, on top of those in Governor Inslee's proposed budget, cover only about half of the state's projected shortfall.

Legislative reaction to Governor Ferguson's plan was muted, at best. While Governor Ferguson has been upfront about revenue as a last resort, House and Senate Democratic budget leaders continue to talk about the impact an all-cuts budget would have on Washingtonians. House Majority Leader Fitzgibbon said he welcomed the Governor's recommendations, noting that many overlap with reductions the House is also considering. Ways & Means Chair Robinson stated, "...we have also reached the conclusion that reductions alone will not allow us to sustain the services Washingtonians rely on..."

The Legislature, constitutionally required to pass a balanced budget, will use this as a foundation for negotiations. On March 18th, updated revenue and caseload forecasts will guide legislators in shaping their own budget proposals, incorporating spending reductions and potential revenue measures. The final budget must be approved by April 27th, or the state could face one or more special sessions. And of course, the Governor must agree to sign it.