



Washington State
Hospital Association



2023 Legislative Session

Key health care budget & policy items
(and what to expect in 2024)

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HFMA Fall Conference

October 11, 2023

Objectives

Legislative Session

Provide an overview of 2023 legislative session – politics, legislation, and navigating the long state legislative session

Key Policy & Budget Outcomes

Discuss specific health care related policy and budget bills and likely impact to Washington state health law

What's Next

Discuss WSHA's work to assist hospitals and health systems to implement laws passed in 2023 and to prepare for the 2024 legislative session

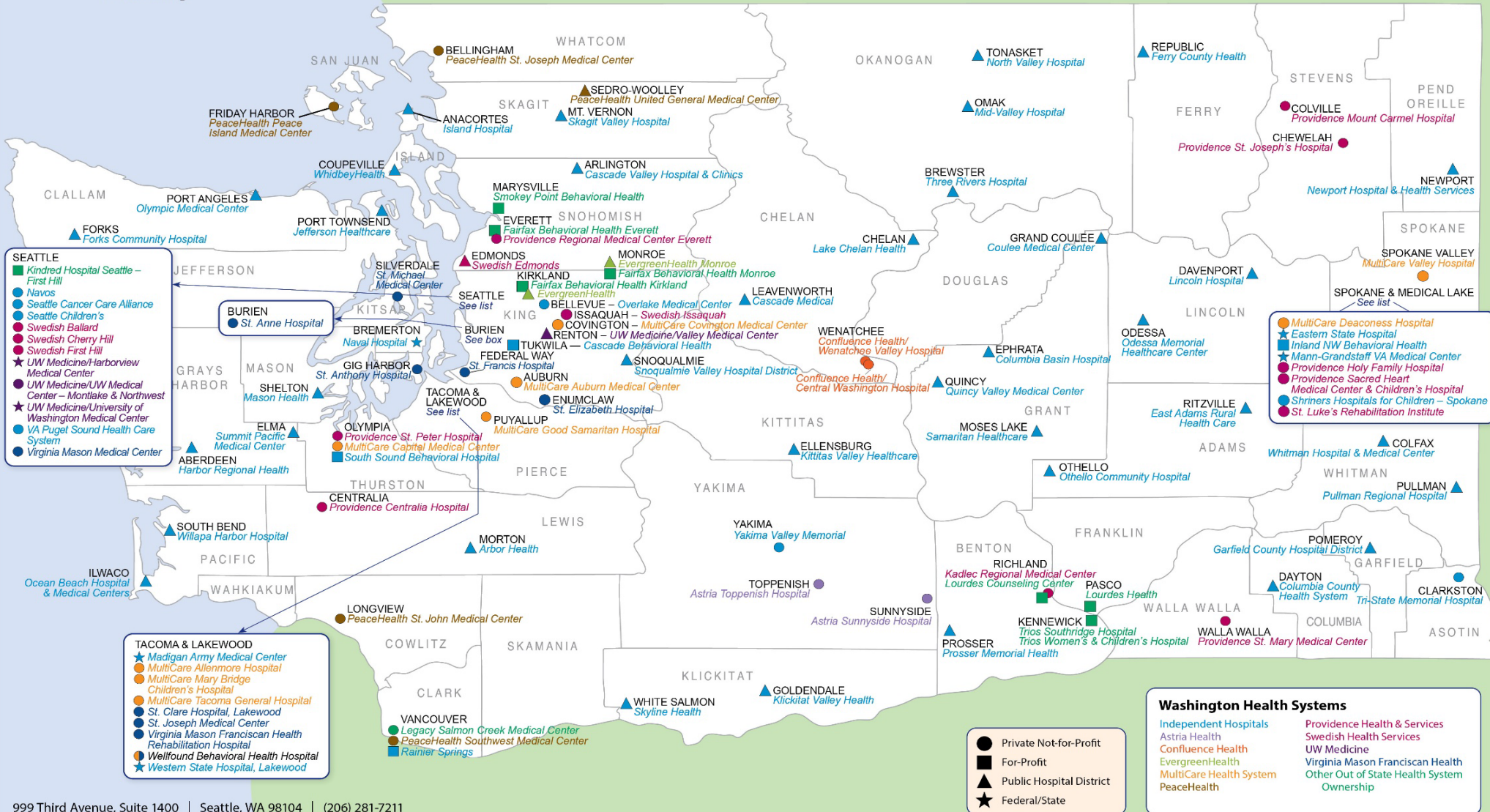


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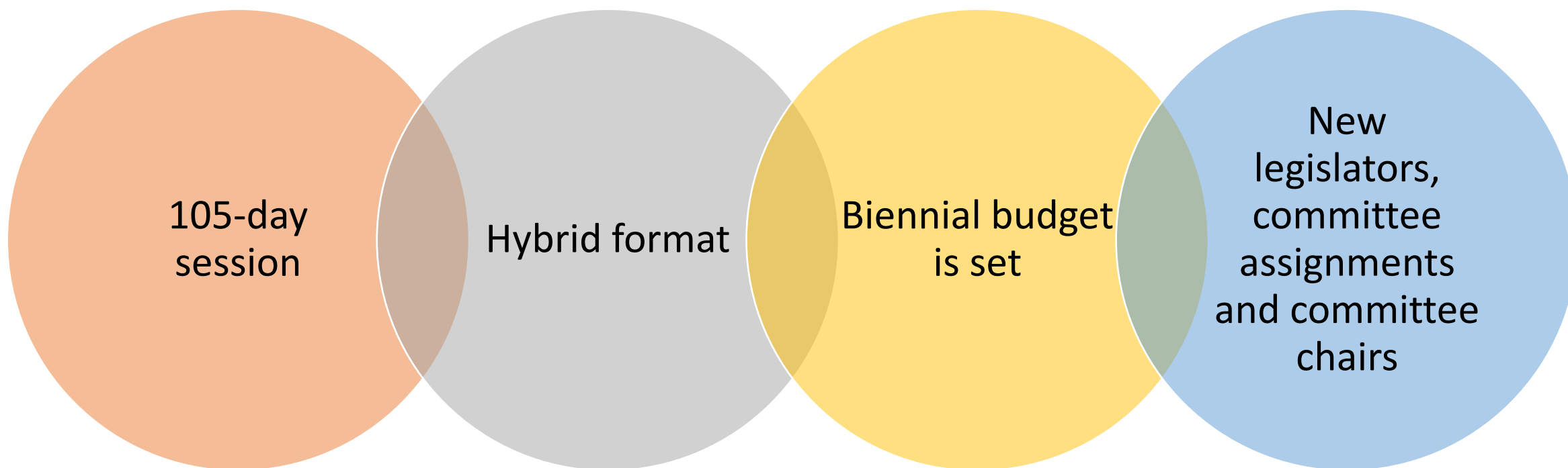
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Political Landscape



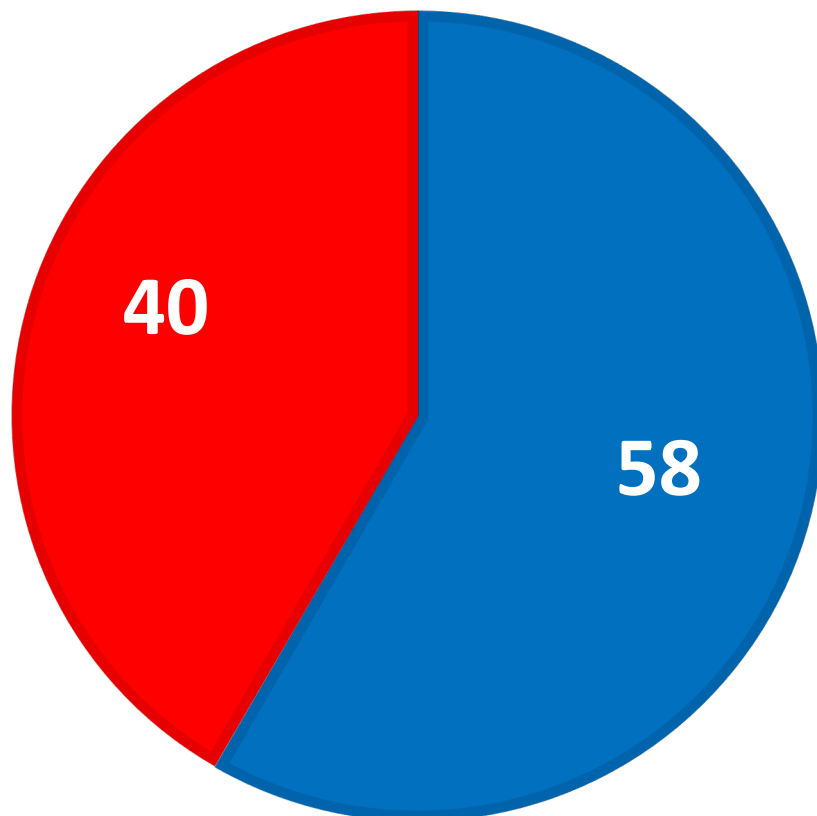
2023 Washington State Legislative Session



Democratic Majorities in the House and Senate

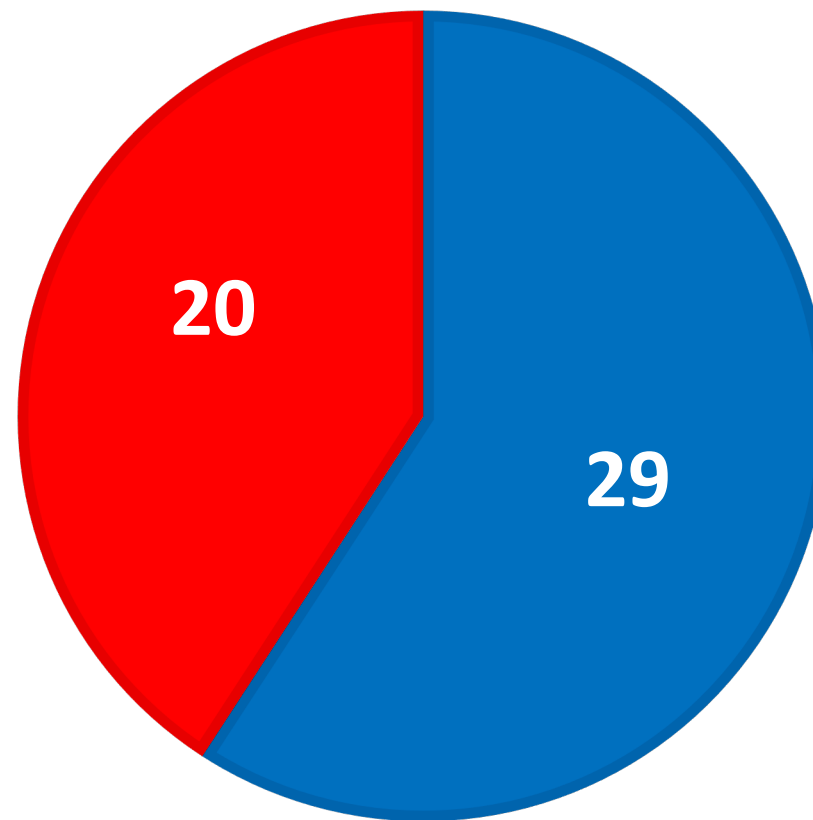
IN THE HOUSE

■ Democratic Party ■ Republican Party



IN THE SENATE

■ Democratic Party ■ Republican Party

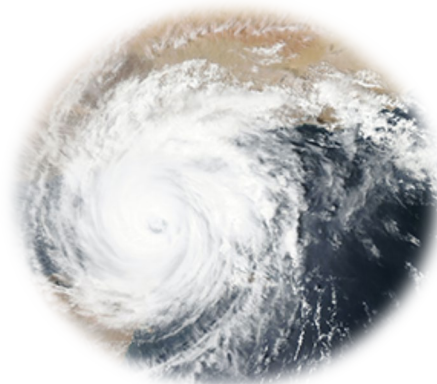


Priorities of Legislative Leaders in 2023



**Housing/
Homelessness**

**Public
Safety**



**Climate
Change**

**Reproductive
Rights**



**Behavioral
Health**

WSHA 2023 Legislative Priorities

Ensure **patients have health coverage and access** throughout the care continuum before, during and after hospitalization.

Ensure **hospitals are stable institutions** serving their communities, long into the future.

Maintain flexibility for hospital operations while mitigating new burdensome and costly regulations.



2023 Budget and Policy Outcomes

*2023 state budget: \$69.8 billion two-year budget

*2023 policy bills: 2162 bills considered; 484 passed



Final Budget Overview

- Over \$69 billion total biennial budget
 - \$4.7 billion in new spending; leaves \$3 billion in reserve
 - Revenue is up but growth expected to slow in next several years.
- Significant investments in public employee compensation, k-12 education, climate change, and housing.
- Over \$500 million in Medicaid long-term care rate increases.
- Over \$200 million in Medicaid community behavioral health rate increases.



See Inside Olympia for More Budget Details:

<https://www.wsha.org/articles/legislature-releases-final-supplemental-budget/>

Other Budget Items of Note

Budget Item	Funding Level
One-time bridge grant for hospitals in financial distress	\$8 million state/total
1% increase to Medicaid primary care provider payment rates.	\$1 million state, \$3.1 million total
Continue the rapid response nursing team program until June 30, 2024, to provide staffing teams for long-term care facilities facing workforce shortages.	\$17.4 million state, \$34.8 million total
Taskforce and 5-site pilot program to address challenges faced with discharging patients from acute care and post-acute care capacity.	\$24.8 million state; \$26.4 million total
Funding to increase the number of nursing slots in the community college system .	\$3.6 million state/total
Funding to rebase per diem rates paid for hospital based inpatient psychiatric beds	\$14.8 million state, \$52.1 million total
Funding to increase nurse educator salaries to support the WSU reaccreditation effort.	\$3.9 million state/total
One-time funding to continue the telehealth collaborative .	\$100,000 state/total
Funding to expand Apple Health to undocumented Washingtonians .	\$48.2 million state/total
Expenditure authority for the NCQAC to increase staffing to meet demand for nursing licensure/updates .	\$2.3 million total

Hospital Staffing Standards – SB 5236

COVID-19 significantly impacted the hospital workforce.

There is a shared desire to support health care workers, but disagreement on approach.

The original bill proposed:

- Strict nurse-to-patient ratios defined by L&I in acute care hospitals.
- Limit on mandatory pre-scheduled on-call time to 60 hours/month.
- Hefty fines for administrative violations.
- Removal of hospital/CEO oversight of hospital staffing plans.
- Penalties on hospitals if the nurse staffing committee does not operate efficiently, regardless of the party causing the inefficiency.

WSHA strongly opposed the bill as introduced; negotiated neutral





Strengthens existing hospital staffing laws:

- **Staffing plan compliance:** Requires hospitals to report patient care unit compliance with the hospital staffing plan.
- **Corrective action plans:** Requires hospitals to develop corrective action plans if less than 80% compliance in any month & significant fines for failure to follow the plan.
- **Breaks:** Expands hospital uninterrupted meal/rest break law to all patient care staff, requires compliance reporting, and imposes penalties for less than 80% compliance.
- **Enforcement:** Changes enforcement process for the health care facility mandatory overtime law to follow a similar process as Wage Payment Act violations.

Nurse Student Loan Repayment Assistance – SB 5498/HB 1643 ❌

- Require participating hospitals, with exceptions, to fund 50% of the student loan repayment assistance provided to their employees under the program.

Nurse Licensure Compact – SB 5499/HB 1417 ✅

- Provide that Washington state joins the interstate nurse licensure compact.

Hospital Staffing Innovation Collaborative - SB 5537 ❌

- Establish a collaborative to identify innovative hospital staffing and care delivery models to disseminate across the state. *Partially incorporated into E2SSB 5236 (staffing bill).*

Traveler Agency Transparency – SB 5547 ✅

- Require nurse staffing agencies to disclose ownership structure and aggregate cost, payment, and placement information to promote transparency.

Clinical Placement Hours Standardization – SB 5503 ❌

- Require nursing programs to set a maximum number of clinical hours that nursing students must fulfill based on their degree type.

Background:

- State hospitals are facing a dire financial situation, losses grew to \$2.1 B in first 9 months of 2022.
- No Medicaid rate increase in 20+ years. Aggregate shortfall of about \$2 billion annually.

Negotiated Bill:

- Increases the payment for hospital Medicaid services.
- Hospitals will pay assessments (taxes) to provide the state share for additional Medicaid payments.
- Draw down federal match and distribute to hospitals as supplemental payments through the Medicaid MCOs, based on the HCA's calculation of the hospitals' Medicaid services.
- No additional state funds are required, the new SNAP is fully funded through assessments on hospitals and a federal match.



Hospital “Oversight”

Restrictions on Provider Contracting – HB 1379/SB 5393 ✗

- Prohibit use of certain contractual provisions in contracts between health carriers and hospitals or hospital affiliates, including anti-steering, anti-tiering, and all-or-nothing clauses.
- Significantly change contracting dynamics.
- Inspired by California Sutter Health Settlement.



Mergers & Affiliation – HB 1263/SB 5241 ✗

- Establish new state oversight of mergers, acquisitions, or contracting affiliations between hospitals, hospital systems, or provider organizations.
- Substantial documentation, process, and time requirements to seek AGO approval (10 years of oversight).
- Place AGO (law enforcement agency) in regulatory role with broad/unclear standard of review.

Health Care Cost Transparency Board – HB 1508/SB 5519 ✗

- Expand powers of existing board responsible for reducing the state’s health care cost growth, without evidence that additional fining and penalty powers necessary or appropriate.

Complex Discharge Patients

Guardianship – SB 5665 ✗

- Problem of patients stuck in hospitals awaiting guardianship process.
- Allow courts to order appropriate hospital discharge and transition to long-term care services.

Administrative Day Rate – SB 5103 ✓

- Clarify state payment to hospitals for Medicaid patients who are waiting in the hospital to be appropriately and timely discharged to post-acute and community settings.
- Allow hospital to bill separately for ancillary services.

Children in Crisis – HB 1580 ✓

- Require Governor appointed children and youth multisystem care coordinator to address complex cases of children from being stuck in hospitals.

Complex Discharge funding ✓

- The proposed budget included funding for difficult to discharge related investments amounting to \$293.2 million state, \$557.7 million total.

Budget:

- \$55.7 million state and total to fund non-Medicaid/state only services, including a 15% rate increase.
- \$3.5 million state, \$6.9 million total, to increase CLIP bed rates.
- \$95.3 million state, \$267.7 million total for a 15% MCO behavioral health rate increase.

Legislative:

23-Hour Mental Health Facilities - SB 5120 ✓

- Structure for the licensing/certification for organizations to establish 23-hour crisis facilities.
- Facilities to function as an “urgent care” for Washingtonians experiencing a BH crisis, serving as an alternative to the ED.

PTSD – HB 1593/SB 5454 ✓

- Allow direct care RNs a prima facie presumption that posttraumatic stress disorder is an occupational disease, rebuttable by a preponderance of the evidence.
- Include nurses in any setting.
- State will bear a significant cost to implement these provisions.



Work-related musculoskeletal injuries– SB 5217 ✓

- Reinstate L&I authority to implement ergonomics-related regulations (previously repealed).
- Require L&I to identify industries/risk classifications for rulemaking, review certain claims data and consider factors during rulemaking.

Post-*Dobbs* Protections

"My Health, My Data" – HB 1155/SB 5351 ✓

- Intent to design HIPAA-like privacy protections to health data that is not otherwise protected under other healthcare laws.
- "Consumer health data" defined broadly (akin to general consumer privacy law).
- Exempts data that is otherwise protected under other state and federal healthcare privacy laws such as HIPAA or 42 CFR Part 2.

Protecting access to reproductive & gender-affirming care ("Shield law") – HB 1469/SB 5489 ✓

- Defines protected health care services in Washington to include reproductive health care services and gender-affirming treatment.
- Creates protections for patients, providers, and the use and disclosure of healthcare information.
- Primarily focuses on judicial process-related issues.
- Response to states that have moved to criminalize or impose civil liability on those who pursue or provide care.

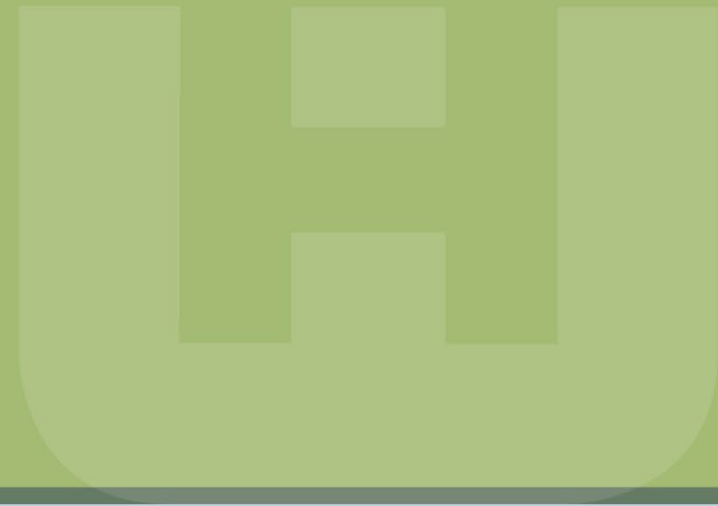
Disciplinary Protections for Providers – HB 1340 ✓

- Establishes that health care provider participation in reproductive health care services or gender affirming treatment does not constitute unprofessional conduct under the Uniform Disciplinary Act (UDA), with some exceptions.

Other Bills of Note

Bill #	Subject	Results
HB 1020	Suciasaurus Rex as the state dinosaur	Passed
HB 1027/SB 5036	Audio-only Telemedicine	Passed
HB 1077	Courthouse Dogs	Passed
HB 1320/SB 5061	Personnel files	Failed
HB 1357	Prior authorization modernization	Passed
1569	Long Term Care Professionals	Failed
HB 1564	Prohibiting the sale of over-the-counter sexual assault kits.	Passed
HB 1568	Long-Term Care Professionals	Failed
HB 1812	Medicaid/B&O Tax Deductions	Passed
SB 5057	Clean Buildings	Failed
SB 5059	Prejudgment Interest	Failed
SB 5124/HB 1278	Nonrelative Kin Placement	Passed
SB 5228	Behavioral Health OT	Passed
SB 5327	Intern Wages	Failed
SB 5569	Kidney Disease Centers	Passed
SB 5580	Maternal Health Outcomes	Failed

What's Ahead in 2024?



Key Office Changes in 2024-2025



Attorney General Bob Ferguson (D)
Resigning to run for Governor



Senator Mark Mullet (D)
Resigning to run for Governor
Capital Budget Chair, Ways & Means



Comr. of Public Lands Hillary Franz (D)
Resigning to run for Governor



Senator Manka Dhingra (D)
Running for Attorney General
Chair Law & Justice, Ways & Means



Senator Patty Kuderer (D)
Running for Insurance Comr.
Chair Housing & Local Gov't



Senator Kevin Van de Wege (D)
Running for Comr. Of Public Lands
Chair Natural Resources, Ways & Means

Making Healthcare Affordable...

Legislative Proposals

- Health Care Cost Transparency Board penalties
- Health care entity transactions oversight
- Limit the ability of hospitals and providers to negotiate with insurers
- Expand/change certificate of need

Areas of Interest

- Mergers & affiliations
- Employed physicians
- Cost growth caps
- Global hospital contracts
- Hospital rate setting

Budget

Rural OB unit sustainability

Medicaid coverage – partial
hospitalization & intensive outpatient

Complex discharge patients

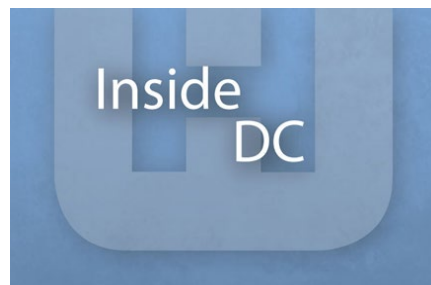
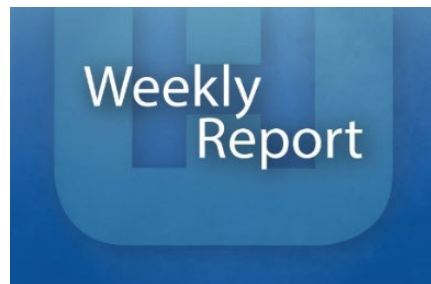
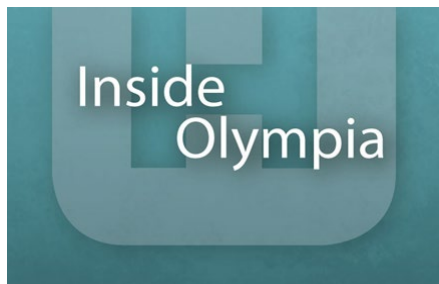
Policy

Oppose reductions in hospital
payments

Protect ability to engage in business
transactions

Workforce innovation

If you want more!



WSHA Newsletters

WSHA Resources & Guidance

[Home](#) / [Government Affairs](#) / [New Law Implementation Guide](#)

New Law Implementation Guide

When legislative session ends, implementation of the new laws begin. WSHA's Government Affairs team is hard at work preparing resources to help hospitals understand, prepare and ultimately implement all the new laws.

On this page, you will find a list of the high priority laws passed this legislative session that WSHA is preparing resources and information on. The implementation schedule below identifies the new law, bill number, whether hospital action is required, the resource(s) WSHA is preparing, a timeline for the release of the resources, the effective date of the law, and the WSHA staff who can help address any follow up questions.

This page and the schedule below will be updated regularly, as new resources are released.

Questions



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