

SENATE BILL REPORT

SJM 8006

As Passed Senate, March 6, 2023

Brief Description: Requesting that the federal government create a universal health care program.

Sponsors: Senators Hasegawa, Cleveland, Billig, Kuderer, Lovelett, Nguyen, Shewmake, Stanford, Valdez and Wilson, C..

Brief History:

Committee Activity: Health & Long Term Care: 2/14/23, 2/16/23 [DP, DNP].

Floor Activity: Passed Senate: 3/6/23, 27-21.

Brief Summary of Joint Memorial

- Petitions the federal government to create a universal health care program or partner with Washington State to implement a single-payer health system.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Majority Report: Do pass.

Signed by Senators Cleveland, Chair; Robinson, Vice Chair; Conway, Dhingra, Randall and Van De Wege.

Minority Report: Do not pass.

Signed by Senators Rivers, Ranking Member; Muzzall, Assistant Ranking Member; Holy and Padden.

Staff: Julie Tran (786-7283)

Background: Universal Health Care Work Group. In 2019, the Legislature established a Universal Health Care Work Group (Work Group). The Work Group issued its final report on January 15, 2021. It defined universal health care to mean that all Washington residents

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

can access essential, effective, appropriate, and affordable health care services when and where they need it, and developed three coverage models.

Models A and B are designed to provide coverage for all state residents, including those currently covered by federal programs, and undocumented immigrants. The models would provide coverage for essential health benefits and include no cost sharing. Model A would achieve this through a state-governed and administered program while Model B would be a state-governed, but health plan administered program. Model C would offer coverage to a segment of Washington residents—those who do not have access to affordable coverage through a public program, an employer, or in the individual market. It is primarily designed to increase coverage for uninsured undocumented immigrants.

Universal Health Care Commission. In 2021, the Legislature established the Universal Health Care Commission (Commission) for creating immediate and impactful changes in Washington's health care access and delivery system and to prepare the state for the creation of a health care system to provide coverage and access through a universal financing system, including a unified financing system, once federal authority has been acquired. The Commission is not authorized to implement a universal health care system through a unified financing system until further action is taken by the Legislature and the Governor.

The Commission's Recommendations. The Commission issued a baseline report on November 1, 2022 including a summary of work conducted by the Commission in the first year and various recommendations on topics detailed by the Legislature. The Commission's recommendations in the baseline report include transitional solutions that support goals of universal coverage including enrollment options eligibility systems, access to care, quality improvement, and increased equity. The Commission recommends:

- establishing a sustained funding source for the new coverage solutions being implemented that will ensure long-term coverage for uninsured populations; and
- implementing and continue funding the Cascade Care Savings program that will make coverage more affordable for the lowest income exchange customers, including uninsured individuals currently eligible to purchase qualified health plans.

The Commission recommends the following transitional strategies that can improve affordability and advance the state's readiness to implement a universal health care system:

- aligning further the existing public coverage programs to control underlying costs of care and administrative costs, establish uniform standards for quality of care and coverage across various public programs, and help ensure continuity of coverage when individuals in Washington transition between coverage programs;
- leveraging the work of cost transparency initiatives to develop a broader set of health care cost targets; and
- implementing the Integrated Eligibility and Enrollment Modernization Roadmap that will improve access to coverage and create infrastructure that can be leveraged in a universal health care system.

The Commission recommends the following potential pathways to increase Medicaid provider rates:

- enhancing adult primary care rates to provide parity between pediatric primary care and adult primary care rates;
- enhancing behavioral health rates to achieve parity between fee-for-service and managed care behavioral health services; and
- continuing to fund rate enhancements for dental services in targeted programs with lower reimbursement rates such as Medicaid that sufficiently encourage participation from dental providers.

The State-Based Universal Health Care Act of 2021. In June 2021, during the 117th Congress, Representative Ro Khanna introduced HR 3775, The State-Based Universal Health Care Act of 2021. The act establishes the option for states, or groups of states, to apply to waive certain federal health insurance requirements and provide residents with health insurance benefits plans through a state-administered program. Such programs must cover 95 percent of the residents in the state within five years and plan benefits must be at least as comprehensive and affordable as the coverage under the equivalent federal program.

State programs are supported with funds from the federal programs that the state programs replace, which may include Medicare, Medicaid, the Children's Health Insurance Program, the Federal Employee Health Benefits program, certain federal tax credits, and premium-assistance funds, among others.

The act requires the United States Department of Health and Human Services (HHS) to appoint an Independent Assessment Panel for Comprehensive Care to review and recommend whether to approve state applications. Each approved state program must be independently reviewed every five years to evaluate changes in health benefits access, quality, and coverage, including whether the state has met the 95 percent coverage requirement.

Summary of Joint Memorial: The Senate and House of Representatives of the state of Washington petitions the federal government to create a universal health care program to ensure that every resident in the United States has timely access to health care services without incurring crippling familial debt.

Absent federal government action to create a universal health care program, the federal government may partner with Washington State to reduce barriers and allow the state to implement a single-payer health system for the people in Washington State. This may happen if Congress passes HR 3775 and allows states to create universal health care programs or the federal government grants Washington State the appropriate waivers.

Copies of this memorial must be immediately transmitted to the President of the United States, the HHS Secretary, the President of the United States Senate, the Speaker of the

House of Representatives, and each member of Congress from Washington State.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Many Washington residents want universal healthcare and they need relief. This Joint Memorial tells Congress that everybody needs healthcare. There is an economic development argument that the lack of access to healthcare is impacting the economy and people are suffering. Access to health care would help make a healthier and better workforce, save money, and increase collaboration and efficiency. The current healthcare system is inadequate and unjust. The discrepancy in access is based on people's income levels. The cost of healthcare is not about paying for care but paying insurance companies to make a profit, and things like price gouging can occur. The Commission is working on creating a plan but the best option is a national universal program. This bill calls for additional federal support, which is needed for financial and regulatory assistance.

CON: Citizens, not governments are the best advocate for their healthcare needs. Other governments have taxpayer-funded universal healthcare and it shows that affordability, access, and quality do not work together. There needs to be price transparency and educated consumers who shop for healthcare. Healthcare is not a right, but it is a necessity of life. An individual's healthcare does not benefit by taking away decisions between doctors and patients.

Persons Testifying: PRO: Senator Bob Hasegawa, Prime Sponsor; Kathryn Lewandowsky; Jen Nye, --None--; David Loud, Health Care Is a Human Right WA; Jody Disney, LWVWA; Marcia Stedman, Health Care for All-Washington; Sara Bowker; Elizabeth Reisner, Whole Washington; David Parker; Andre Stackhouse, Whole Washington; Ben Kilfoil, Whole Washington.

CON: Elizabeth Hovde, Washington Policy Center.

Persons Signed In To Testify But Not Testifying: PRO: Aryo Karai, PROGRESSIVE VICTORY; Jeanette Leonard, Progressive Victory 2020; Emily Kohring; Nancy Boespflug.