

2025 Legislative session recap

Evan Klein, Special Assistant
for Policy and Legislative Affairs

2025 Legislative priorities

Maintaining coverage and ensuring access

Strengthening behavioral health, substance use disorder (SUD), and housing supports

Improving health outcomes through enhanced rates and benefits

Critical staffing support

Health and Human Services (HHS) Enterprise Coalition projects and IT investments

2025 session by the numbers





2025 session themes

- ▶ Budget reductions
- ▶ Provider reimbursement
- ▶ Behavioral health
- ▶ Protected health services
- ▶ Commercial insurance

HCA Agency Request Legislation

HCA request: PEBB/SEBB alignment

- ▶ [SB 5478](#) – Aligns Public Employee Benefits Board (PEBB) and School Employee Benefits Board (SEBB) authorities around permissible types of alternative coverage offerings
 - ▶ Emergency transportation
 - ▶ Identity protection
 - ▶ Legal aid
 - ▶ Long-term care insurance
 - ▶ Noncommercial personal automobile insurance
 - ▶ Personal homeowner's or renter's insurance
 - ▶ Pet insurance
 - ▶ Specified disease or illness-triggered fixed payment insurance, hospital confinement fixed payment insurance, or other fixed payment insurance offered as an independent, non-coordinated benefit regulated by Office of Insurance Commissioner (OIC)
 - ▶ Travel insurance

HCA request: access and affordability

- ▶ [E2SSB 5083](#) – PEBB/SEBB affordability
- ▶ Beginning January 1, 2027, caps PEBB/SEBB reimbursement for licensed hospitals in Washington.
 - ▶ In-network acute care hospitals: 200% of Medicare payments amounts
 - ▶ In-network children's hospitals: at 150-190% of Medicaid ratio of cost-to-charges (RCC)
 - ▶ Out-of-network rates for acute care and children's hospitals capped at lower levels
- ▶ Establishes reimbursement floors at 150% of Medicare for Primary Care and Behavioral Health Services

HCA request: care coordination

- ▶ [HB 1287](#) – Improves communication and care coordination
- ▶ Aligns data disclosure permissions for:
 - ▶ Licensed mental health counselors
 - ▶ Licensed marriage and family therapists
 - ▶ Licensed social workers
 - ▶ Certified counselors
 - ▶ Certified advisers with state and federal health care privacy protections
- ▶ HIPAA and Washington's data privacy protections in chapter 70.02 RCW still apply.
- ▶ Will permit providers to share patient information with other treating providers.

HCA request: modernizing the APCD

- ▶ [HB 1382](#) – Modernizes the Washington State All Payer Claims Database (WA-APCD).
- ▶ Removes references to "proprietary financial information" in statutes implementing the WA-APCD, effective July 1, 2026.
- ▶ Allows HCA to act as the lead organization for the WA-APCD effective immediately.
- ▶ Expands the goals of the WA-APCD as they relate to providers, hospitals, carriers, and certain statewide associations; also allows data disclosures in accordance with those goals.
- ▶ Requires HCA to update the Legislature on health care price transparency programs by December 31, 2025.

Policy bills

Provider reimbursement

▶ HB 1392 – Medicaid Access Program

- ▶ Establishes the Medicaid Access Program Account
- ▶ Creates a covered-lives assessment on Medicaid managed care organizations (MCOs) and health carriers
- ▶ Increases Medicaid professional services rates up to the equivalent Medicare rates

Behavioral health (1/3)

▶ E2SHB 1813 – Medical assistance reprocurement

- ▶ Requires HCA to adjust Medicaid rates to reflect increases and decreases in services, facilities and capacity.
- ▶ Requires HCA's preparations for the reprocurement of Medicaid managed care contracts to consider methodologies for measuring network access and adequacy and contract amendments to reduce administrative burdens for health care providers.
- ▶ Requires HCA to direct MCOs to expand delegation arrangements with behavioral health administrative services organizations (BH-ASOs) for crisis services.
- ▶ Requires HCA to develop a plan for a statewide BH-ASO that serves American Indian and Alaska Native (AI/AN) population.

▶ SHB 1811 – Crisis co-response

- ▶ Directs the University of Washington (UW) School of Social Work, in consultation with HCA and BH-ASOs, to establish a program to administer a crisis responder training academy.

Behavioral health (2/3)

▶ [E2SHB 1432](#) – Mental health services

- ▶ Applies to commercial health plans, including PEBB and SEBB.
- ▶ Updates and codifies clinical standards for insurer medical-necessity determinations.
- ▶ Applies ASAM criteria but permits continued utilization of electronic tools that are no more restrictive.

▶ [2SHB 1427](#) – Peer support specialists

- ▶ Changes the name of the profession of certified peer specialists to "certified peer support specialists."
- ▶ Directs HCA to contract for the development of courses to supplement the training of certified peer support specialists related to domestic violence, sexual assault, and human trafficking.
- ▶ Directs HCA to contract with at least one external entity to develop ways to expand access to peer support services through providing technical assistance, billing health carriers, creating SUD peer-run respite centers, and exploring the use of capitated payment arrangements.
- ▶ Requires that the accessibility to peer services in an MCO's network be given significant weight in any procurement for Medicaid managed care services.

Behavioral health (3/3)

▶ [SB 5361](#) – ASAM 4 criteria delay

- ▶ Extends the date by which Medicaid MCOs, carriers, and other entities must use ASAM Criteria, 4th Edition as the utilization management standard for SUD evaluations and treatment to January 1, 2028.

▶ [E2SSB 5745](#) – Involuntary treatment counsel

- ▶ Allows counties to elect to have HCA contract with the Office of Public Defense (OPD) for appointed counsel services on the county's behalf for individuals being detained in a state facility.
- ▶ HCA must notify a county within 30 days of receiving notice from OPD that appointed counsel cannot be provided through a contract with OPD.
- ▶ Counties receiving such a notice from the HCA shall provide appointed counsel either directly or by contracting for that representation

Protected health care services

▶ [SB 5498](#) – Contraceptive coverage

- ▶ Permits filling a 12-month supply for all contraceptive drug prescriptions, not just refills.

▶ [SB 5577](#) – HIV antiviral drugs/Medicaid

- ▶ Requires HCA to provide coverage for all FDA-approved HIV antiviral drugs without prior authorization or step therapy, in both fee-for-service and managed care programs.
- ▶ Current practice, per budget direction.

▶ [ESHB 1971](#) – Prescription hormone therapy

- ▶ Requires health plans that cover prescription hormone therapy to reimburse a 12-month refill of prescription hormone therapy at one time.
- ▶ Prescription must be able to be stored without refrigeration.

Commercial insurance

▶ SB 5084 – Primary care spend reporting

- ▶ Allows OIC to require health carriers to annually report primary care expenditures in previous calendar years, or anticipated expenditures for upcoming calendar years.

▶ SSB 5579 – Health care contract terminations

- ▶ Stops carriers and providers from making public statements about possible expirations or terminations until 45 days before the termination date.
- ▶ Requires OIC to develop and post template language by December 2025.

Commercial insurance (cont.)

▶ SHB 1706 – Prior authorization APIs/health

- ▶ Aligns technical requirements for prior authorization application programming interfaces (APIs) with federal requirements.
- ▶ Establishes that requirements regarding prior authorization APIs are enforceable beginning January 1, 2027.

▶ SSB 5262 – Essential Health Benefits

- ▶ Makes technical updates to align state law with updates made to Washington's Essential Health Benefits Benchmark plan
- ▶ Revises a health plan coverage mandate regarding hearing aids and associated services.

Miscellaneous bills

▶ [SSB 5493](#) – Hospital price transparency

- ▶ By July 1, 2027, hospitals must publish all data and comply with all federal rules and regulations on standard charges and shoppable services.
- ▶ Beginning July 1, 2027, hospitals must submit the most recent machine-readable file containing a list of all standard charges for all hospital items or services and the most recent consumer-friendly list of standard charges for a limited set of shoppable services to the Department of Health (DOH) at least once a year.

▶ [E2SHB 1686](#) – Health care entity registry

- ▶ Requires DOH, in consultation with others, including HCA, to develop a plan and recommendations to the Legislature on how to create an interactive registry of the health care landscape in Washington.

Miscellaneous bills (cont.)

▶ [SSB 5139](#) – Reentry council members

- ▶ Increases council membership from 15 to 22 members
- ▶ Adds HCA, the Department of Social and Health Services (DSHS), the Employment Security Department (ESD), two community members who are currently incarcerated, and two persons who are either a survivor or victim of a crime

▶ [ESSB 5291](#) – Long-term services and supports (LTSS)

- ▶ Requires OIC to develop a consumer education guide and expand existing consumer education programs for supplemental long-term care (LTC) insurance.
- ▶ Requires HCA to assist DSHS with leveraging existing payment systems for paying for approved services.

▶ [SSB 5568](#) – State health plan

- ▶ Requires the Office of Financial Management (OFM), in coordination with relevant public and private stakeholders, to update the state health plan by developing a statewide health resources strategy.

Failed bills

- ▶ [1881](#) – Keep Our Care Act (KOCA) / mergers and acquisitions
- ▶ [1062](#) – Biomarker testing coverage
- ▶ [1725](#) – Biosimilar medicines
- ▶ [1218](#) – Competency evaluation and restoration
- ▶ [1330](#) – PEBB/SEBB consolidation
- ▶ [5387](#) – Corporate practice of medicine
- ▶ [5395](#) – Prior authorization/health
- ▶ [5273](#) – Violence Prevention Services
- ▶ [1589](#) – Relationships between carriers and providers

Budget

Admin reductions

- ▶ 6% across-the-board administrative reductions to:
 - ▶ Contracts
 - ▶ Goods and services
 - ▶ Management
 - ▶ Travel

Medicaid Transformation Project (MTP) 2.0

- ▶ Apple Health and Homes (AHAH) and rent supports
- ▶ Community information exchange (CIE)
- ▶ Foundational Community Supports (FCS)
- ▶ Long-term supports
- ▶ Medicaid Quality Improvement Program (MQIP) payments
- ▶ Reentry services

Medicaid and behavioral health investments

- ▶ Medicaid Access Program
- ▶ Health Homes
- ▶ Children in crisis
- ▶ Crisis relief facility grants
- ▶ Emergency department medications for opioid use disorder (MOUD)
- ▶ Involuntary Treatment Act (ITA) appointed counsel
- ▶ SUD transitional housing and services

Rate changes

- ▶ 1% Medicaid managed care rate reduction
- ▶ Adult and children dental rate reductions
- ▶ Medicaid lab rate reductions

Grants and pilot programs

- ▶ Health engagement hubs
- ▶ Case management transition pilot
- ▶ DentistLink
- ▶ Hospital grants
- ▶ Rural behavioral health pilot

IT investments

- ▶ Centers for Medicare & Medicaid Services (CMS) eligibility solution
- ▶ Medicaid bridge
- ▶ Statewide electronic health record (EHR) foundational system
- ▶ 988 technology platform

Tribal health care

- ▶ Traditional health care practices
 - ▶ Funding is provided for HCA to apply for a CMS waiver to allow for the payment of claims for tribal traditional health care practices
- ▶ Tribal SUD treatment for non-AI/AN people

Miscellaneous

- ▶ Cascade Care premium assistance
- ▶ Health care entity registry
- ▶ WA Cares maintenance and operations
- ▶ 6% administrative reductions

Looking ahead

Interim implementation activities

▶ 1813

- ▶ Adjust Medicaid rates to reflect new facilities
- ▶ Prepare for reprocurement of Medicaid managed care contracts
- ▶ Direct MCOs to expand delegation arrangements with BH-ASOs for crisis services.
- ▶ Develop a plan for a statewide BH-ASO that serves AI/AN population.

▶ 5083

- ▶ Rate caps and floors effective January 1, 2027

▶ Implement rate reductions

▶ New reports

▶ Managing agency capacity in light of funding reductions

Tracking and reacting to federal activity

- ▶ Tracking Congressional budget
- ▶ Monitoring impacts to gender-affirming care and DEI
- ▶ Anticipating Medicaid work requirements
 - ▶ More than 600,000 adults would be at risk to lose or delay coverage.
 - ▶ Assuming similar experience from other states, an estimated 138,000 Washington adults will lose Medicaid coverage
- ▶ Bracing for potential broader cuts
 - ▶ Per capita caps: Would force WA to either increase state spending by \$2 billion per year or reduce services and enrollment
 - ▶ FMAP reductions: Total estimated cost impact to state if FMAP rates reduced to 40% for administrative services: \$171.6 million
- ▶ For more information, see our [slide deck](#) and [fact sheet](#).



Questions

Evan Klein

Special Assistant,
Legislative & Policy Affairs
evan.klein@hca.wa.gov

Shawn O'Neill

Legislative Relations Manager
shawn.oneill@hca.wa.gov