



# 2023 WSHA Legislative Summary Webcast

Key health care budget & policy items

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May 8, 2023

# Presenters



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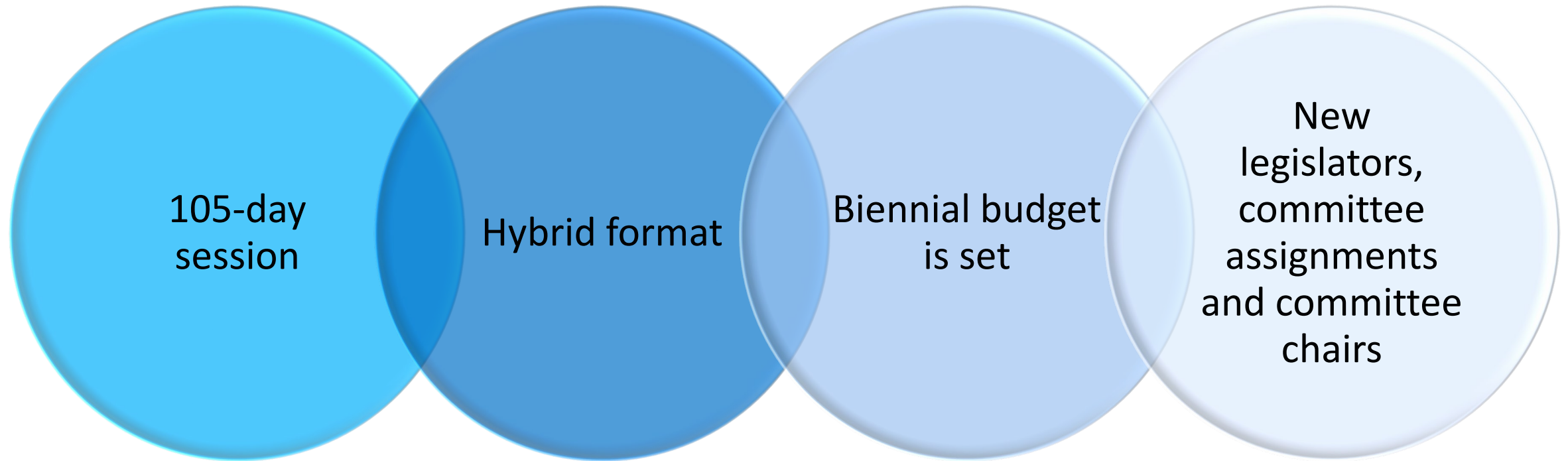
**Tim Pfarr**  
Communications  
Director

# Webinar Objectives

<p>Legislative Session</p>	<p>Provide an overview of 2023 legislative session – politics, legislation and navigating the long state legislative session</p>
<p>Key Policy &amp; Budget Outcomes</p>	<p>Discuss specific health care related policy and budget bills and likely impact to Washington State health law</p>
<p>What's Next</p>	<p>Discuss WSHA's work to assist hospitals and health systems to implement laws passed in 2023 and to prepare for the 2024 legislative session</p>

# Political Landscape

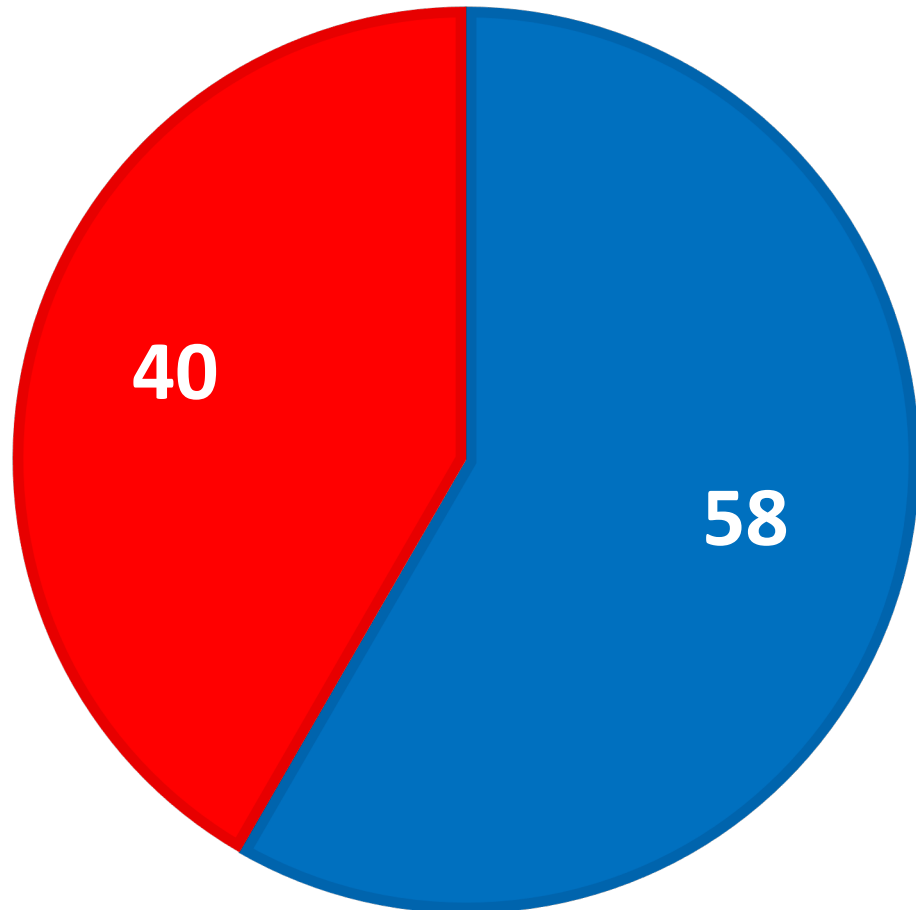




# Democratic Majorities in the House and Senate

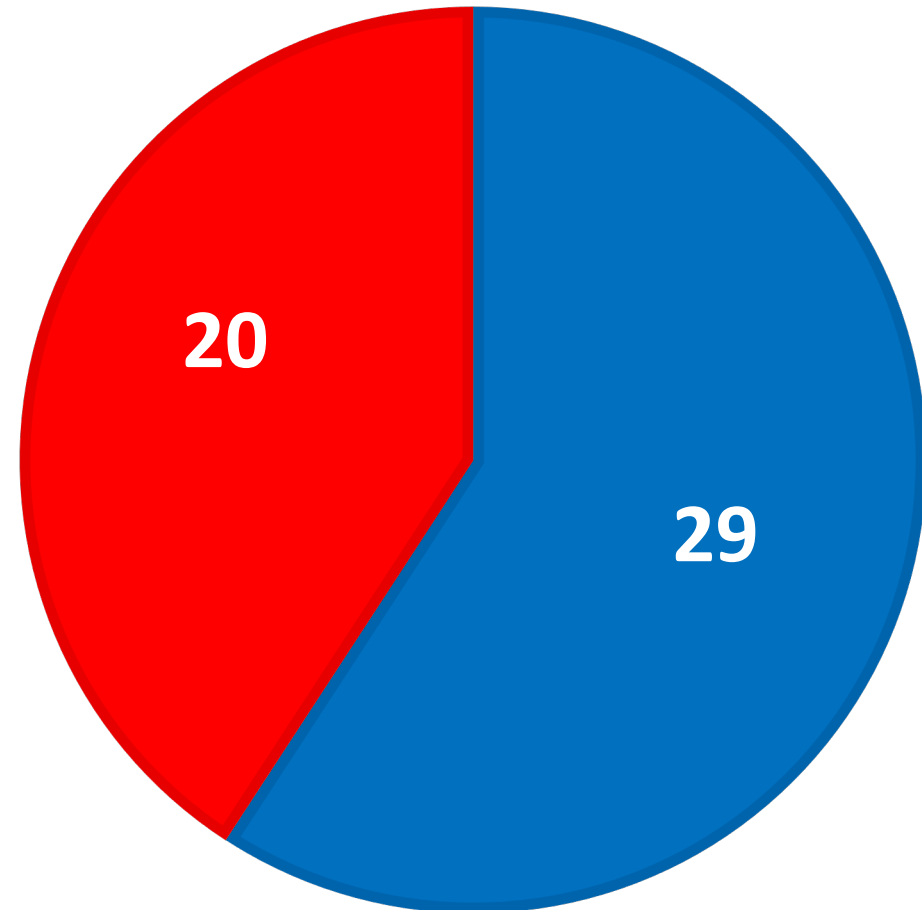
## IN THE HOUSE

■ Democratic Party ■ Republican Party



## IN THE SENATE

■ Democratic Party ■ Republican Party



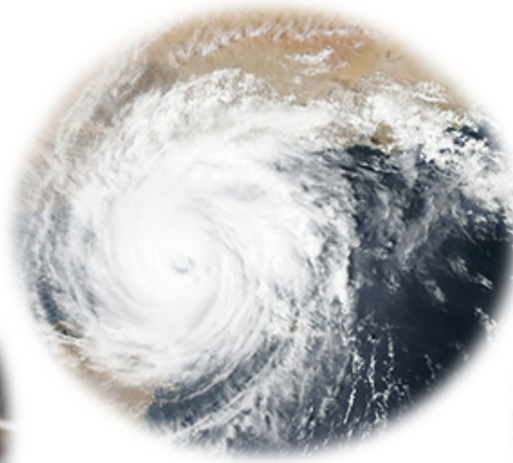


# Lawmaker Priorities in 2023



**Housing &  
Homelessness**

**Public Safety**



**Climate  
Change**

**Reproductive  
Rights**



**Behavioral Health**



- 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



# 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
- Continued focus on K-12 education, climate change, and housing
- Over \$700 million in Medicaid provider rate increases



See Inside Olympia for More Budget Details:

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

## Difficult to Discharge - \$293.3 million state (\$557.7 million total)

- **Taskforce and 5 hospital pilot programs to address discharge challenges:** \$25 million state (\$26.4 million total)
- **Hospital discharge assessment study:** \$250,000
- **Continuation of long-term care rapid response nursing team program:** \$17.4 million state (\$34.8 million total)
- **Institutional transitions into community settings:** \$10.9 million state (\$13 million total)
- **Significant Medicaid payment rate increases for long-term care providers**



## Behavioral Health - \$236.2 million state (\$481.8 million total)

- **Rebasing psychiatric per diem rates:** \$14.8 million state (\$52.1 million total)
- **Maintain PHP/IOP pilot sites, expand to a statewide children's benefit:** \$1.1 million state (\$7.5 million total)
- **Support for pediatric patients stuck in hospitals:** \$6.3 million state (\$6.5 million total)
- **Increase to children's long-term inpatient program (CLIP) bed rates:** \$3.5 million state (\$6.9 million total)
- **15% Medicaid provider rate increases** for non-hospital community BH programs



## Health Care Workforce - \$24.3 million state (\$24.4 million total)

- **Nurse preceptorship grant program: \$6 million**
- **Incumbent health care worker training matching grants to labor-management partnerships: \$2 million**
- **Increase to community college nursing slots: \$3.6 million**



# Other Noteworthy Investments

- **One-time bridge grants to hospitals in distress: \$8 million**
- **Expansion of Apple Health-like coverage to undocumented residents with incomes below 138% of federal poverty level: \$45.7 million**
- **Increase composite Medicaid rates for kidney dialysis services by 30%: \$3.3 million state (\$6 million total)**
- **Enhance Medicaid for ground rates for ground ambulance: \$4.2 million state (\$13.2 million total)**
- **HCA Report on the 340B cost and benefits of prescription drug funding models: \$100,000**





## Background:

- Hospital finances are dire with \$2.1 billion in operating losses in CY 2022
- No Medicaid rate increase in 20+ years for many hospitals

## Negotiated Bill:

- Increases Medicaid rates
- Taxes or IGTs on hospitals to draw down federal matching funds
- Operates without requiring any state funds, as it is entirely funded by hospitals and the federal match



## Original bill/Union proposal:

- 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 to neutral.**



## Strengthens existing hospital staffing laws:

- Changes Hospital Staffing Committee processes
- Requires staffing plan and meal/rest break compliance reporting
- Issues corrective action plans for less than 80% staffing plan compliance, with fines for failure to follow CAP
- Expands uninterrupted breaks to all patient care staff, adds fines less than 80% compliance
- Changes enforcement process for mandatory overtime law and meal/rest break law, becoming like Wage Payment Act violations

# WSHA plans for hospital staffing law implementation

Communicate the  
new requirements

Establish WSHA  
Hospital Staffing  
Implementation Task  
Force

Nominate  
representatives to  
Advisory Committee  
on Hospital Staffing

Create tools to help  
hospitals showcase  
their efforts

Provide technical  
assistance to  
hospitals

## Nurse Licensure Compact – SB 5499/HB 1417 ✓

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

## Traveler Agency Transparency – SB 5547 ✓

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

## 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.

## 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:

- Established in 2020, responsible for reducing the state's health care cost growth with benchmarking
- Benchmark slated to reduce from 3.2% to 2.8% in 2026

## Bill expanded the powers of the Board to:

- Require data reporting with fines for non-reporting
- Impose performance improvement plans and penalties for exceeding benchmarks

**The Board is still in its infancy, no evidence to support expanding its authority.**





## 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 the 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 in regulatory role with broad standard of review

## 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.

## 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.

## Medical Assistants – HB 1073

For certain medical assistants, extends the interim permit expiration date, allows supervised work after submission of application, and expands authorized duties.

## Workers' Compensation for Nurses HB 1593/SB 5454

- Allow direct care RNs a prima facie presumption that PTSD is an occupational disease, rebuttable by a preponderance of the evidence.
- Includes nurses in any setting.

## 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

## Children in Crisis - HB 1580 ✓

- State agencies convened to prevent children from languishing in hospitals that are not equipped to help place pediatric patients
- The Governor to maintain a children and youth multisystem care coordinator to support and address complex cases of children in crisis



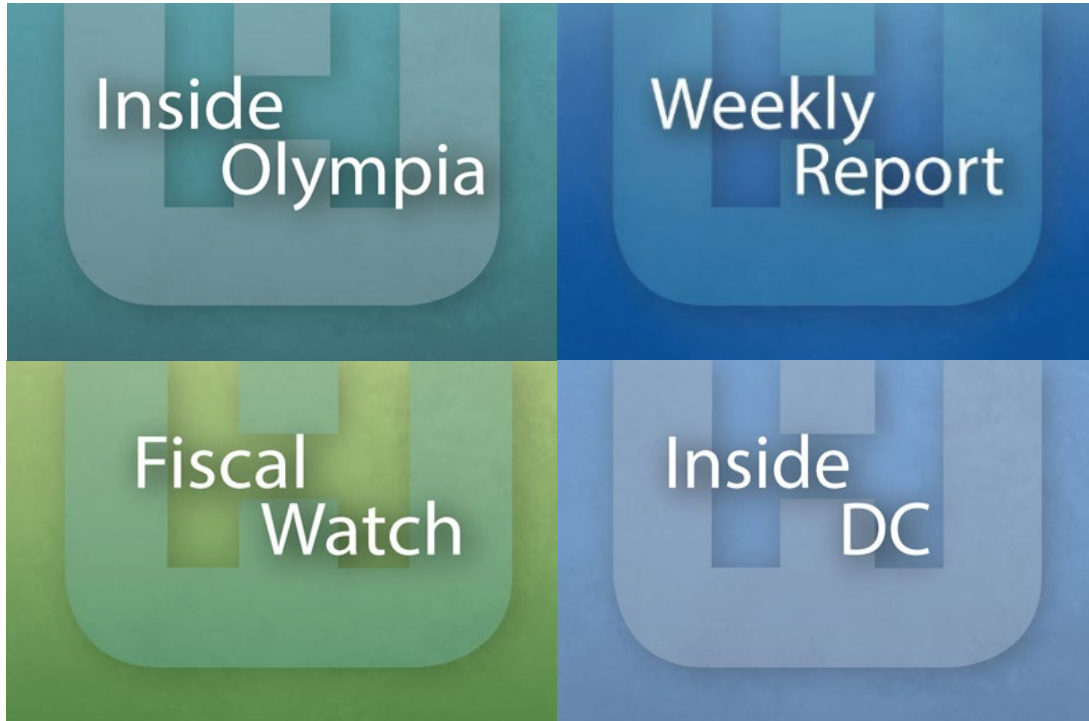
## Consumer Health Data – HB 1155/SB 5351

- 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 protected health services (“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.

# If you want more information!



## WSHA Newsletters

[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.

## WSHA Resources & Guidance



# Support the PAC in 2023!



**HOSPITALS** for a  
**HEALTHY FUTURE**  
**PAC**

[https://www.wshaweb.com/  
hhfpac/](https://www.wshaweb.com/hhfpac/)

Password: HHFPAC

# Issues we expect to return

- 340B study on retail pharmacy
- Mergers and affiliations
- Contracting between hospitals and insurers
- Health Care Cost Transparency Board changes
- Exploration of hospital at home



# Questions



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