



Washington State  
Hospital Association



# 2024 Legislative Session Summary and Other Updates

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April 25, 2024

# Today's Objectives

## Legislative Session

Provide an overview of 2024 legislative session – politics, legislation and navigating the short state legislative session

## Key Policy & Budget Outcomes

Discuss specific health care related policy and budget bills and likely impact to Washington State Hospitals

## Other Updates

Discuss State and Federal Updates on Prior Authorization, Price Transparency and Balance Billing, and Medicare

# 2024 WSHA Budget Priorities and Outcomes



- Smaller, supplemental budget
- Higher-than-forecasted state revenue, but lawmakers cautious in spending due to upcoming citizen initiatives that could impact budget
  - Repeal of the long-term care tax
  - Repeal of capital gains tax
  - Repeal of climate commitment act funding

See Inside Olympia for All Budget Details:  
<https://www.wsha.org/articles/inside-olympia-legislature-releases-final-2024-supplemental-budget>

- \$412,000: Washington Reproductive Access Alliance
- \$2.96 million: Expanded funding for distressed hospital grants, including \$1.6 million for low-volume L&D sustainability
- Complex discharge:
  - \$2.1 million for Office of Public Guardianship pilot hospital discharge program
  - \$15.25 million of operational funding for a residential treatment facility at Lake Burien
  - \$2.75 million to increase specialty dementia care rate add-on from \$43.48 per client per day to \$50
  - \$7.1 million to increase Medicaid payments for non-emergent medical transportation for return trips >25 miles

# WSHA budget priorities not funded

- Long-term care slots for undocumented complex discharge patients
- Medicaid coverage of partial hospitalization and intensive outpatient treatment programs for adults
- Medicaid payment increases for specialty providers



# 2024 WSHA Legislative Priorities and Outcomes





- WSHA opposed; did not pass
- WSHA engaged with lawmakers and stakeholders
- Bill would have given AG's Office unchecked oversight of transactions, which could have harmed access to care
- Original bill excluded M&A activity of insurers and private equity
- Hospitals could have faced closure in emergency situations
- Likely to return in 2025





- WSHA opposed; did not pass
- Would have prohibited all-or-nothing, anti-tiering or anti-steering provisions in provider/carrier contracts
- Would have imposed gag clause on providers and hospitals discussing contract terminations more than 30 days prior
- Would have allowed Attorney General's Office enforcement under Consumer Protection Act
- Likely to return in 2025





- WSHA opposed: Bill was heard in committee but not voted upon
- Bill would prohibit billing by hospitals to any payor for facility overhead expenses at off campus hospital-based department and clinics
- Bill would have added onerous notification requirements for both on campus and off campus hospital services
- Ignores reasons for existence of hospital-based sites to provide access to specialized services

# HB 2295: Continue the Hospital at Home program



- WSHA bill; passed unanimously
- Failure to pass could have discontinued program
- Allows patients to receive hospital-level care at home
- Program is well-suited to certain illnesses, like cardiac disease and respiratory illness
- Program is high-quality, effective, safe and equitable





- WSHA negotiated to neutral; passed
- Board seeks to reduce health care spending, but has operational shortcomings
- Board set a cost growth benchmark to 3.2%, which reduces to 2.8% by 2026
- HB 1508 would have expanded the Board's authority and power
  - Required data reporting and fines for non-reporting
  - Imposed PIPs and penalties for exceeding benchmark
- Negotiated, alternative bill
  - Alternative bill developed to improve Board process and governance
  - HB 1508 no longer includes fines, PIPs and penalties

# SB 5940: Allow EMS to work in hospitals



- WSHA bill; passed unanimously
- Grants a medical assistant credential to allow EMTs and paramedics to deliver care in hospitals
- Will be helpful to address staffing challenges, especially in rural communities
- New credential provides targeted scope of practice
- New employment opportunities









- WSHA opposed; passed
- Removes in-person provision for audio-only telemedicine reimbursement for non-behavioral health services that had a required in-person visit once every 2 years
- WSHA concerned the removal of in-person provision makes telemedicine a replacement for in-person care, which it shouldn't be
- Regular in-person visits are necessary and maintains infrastructure, especially in rural areas



# Other important bills

- SB 6257: Geographic charity care restriction issues – WSHA supported, not passed 
- SB 5825: Expanding Office of Public Guardianship capacity — WSHA supported, passed 
- SB 5853: Crisis relief model for minors 
- SB 5920: Lifting psych hospital certificate of needs requirements 



- Limitations on hospital/provider abilities to negotiate insurance contracts
- Limitations on health care transactions
- Elimination of facility fees on hospital outpatient departments
- Health Care Cost Transparency Board modifications
- Price transparency
- Noncompetes
- OFM/DOR study on nonprofit health entity tax preferences
- Office of the Insurance Commissioner/Attorney General's Office study
  - Hospital and physician consolidation
  - Private equity in health care sector



## I-2109

### REPEAL THE CAPITAL GAINS TAX

Don't Punish Innovators & Family Businesses

#### Ballot Measure Summary

This measure would repeal an excise tax imposed on the sale or exchange of certain long-term capital assets by individuals who have annual capital gains of over \$250,000.



## I-2117

### STOP THE HIDDEN GAS TAX

The Carbon Tax = Higher Gas Prices

#### Ballot Measure Summary

This measure would prohibit state agencies from imposing any type of carbon tax credit trading, including "cap and trade" or "cap and tax" programs, regardless of whether the resulting increased costs are imposed on fuel recipients or fuel suppliers. It would repeal sections of the 2021 Washington Climate Commitment Act as amended, including repealing the creation and modification of a "cap and invest" program to reduce greenhouse gas emissions by specific entities.



## I-2124

### OPT OUT OF STATE-RUN LONG TERM CARE COVERAGE ACT

Let Workers Choose

#### Ballot Measure Summary

This measure would amend state law establishing a state long term care insurance program to provide that employees and self-employed people must elect to keep coverage under RCW 50B.04, allow employees to opt-out of coverage under RCW 50B.04 at any time, and repeal a current law governing exemptions for employees who had purchased long term care insurance before November 1, 2021.



# Other State and Federal Updates



- Increase inpatient PPS payment rates by a net 2.6% in FY 2025
- Transforming Episode Accountability Model (TEAM) model for lower extremity joint replacement, surgical hip femur fracture treatment, spinal fusion, coronary artery bypass graft, and major bowel procedure. It is proposed as a mandatory 5-year model that would be effective 1/1/2026 if finalized in the rule this fall.
- CMS is proposing a separate payment to small, independent prospective payment hospitals for establishing and maintaining access to a buffer stock of essential medicines.
- CMS is seeking public comment on improvements to obstetrical care that can be implemented through changes to the hospital Conditions of Participation
- CMS is also reviewing the MS-DRG Weights for inpatient obstetrical payment under PPS

- New requirements for accessibility of machine-readable files were effective 1/1/2024
- Changes to formatting and new elements effective 7/1/2024, with remaining new elements effective 1/1/2025.
- New attestation requirements and greater transparency of enforcement activity
- More info at <https://www.wsha.org/articles/changes-to-federal-transparency-posting-requirements-begin-january-1-2024/>
- CMS Resources at <https://www.cms.gov/priorities/key-initiatives/hospital-price-transparency/resources>

- BBPA dispute resolution extended through June 2025, available for state regulated and ERISA opt-in groups
- NSA dispute resolution streamlined, but underlying issues (such as enforcement and validation of qualifying payment amounts) remain
- NSA good faith estimate requirements remain in place, little or no movement on convening provider or advanced estimate of benefits requirements.

- CMS: Payors must provide application programming interface (API) for prior authorizations required for Medicare, Medicaid and CHIP effective 1/1/2027.
- Washington State: House Bill 1357 (2023) requires API for state-regulated insurance effective 1/1/2026. Reduced PA response timeframes were effective 1/1/2024.

- Requires MA plans to follow original Medicare requirements for prior authorizations, application of two-midnight rule (for observation versus inpatient), and site of service restrictions.
- Hospitals report that MA plans are disregarding the rule and still applying own proprietary requirements.
- CMS FAQs no longer on CMS website. But AHA has it [here](#).

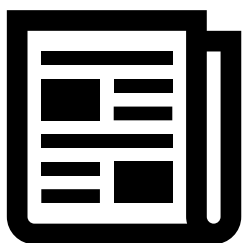
In response to concerns voiced by WSHA and member hospitals regarding ongoing impacts of the Change Healthcare cyber-attack, the Office of the Insurance Commissioner (OIC) [released guidance](#) to insurance carriers regarding expected carrier flexibilities until the issue is resolved.

- *Prior Authorization*: OIC affirmed that the Change Healthcare disruption qualifies as an extenuating circumstance and PA requests and claims should be handled accordingly
- *Timely claims billing*: OIC urged carriers to waive timely filing requirements for impacted health care providers and hospitals
- *Medical claims clearinghouse services*: OIC affirmed it expects carriers to authorize an alternative clearinghouse in an expedited manner for impacted providers.

More at WSHA's Change Healthcare [resource page](#)



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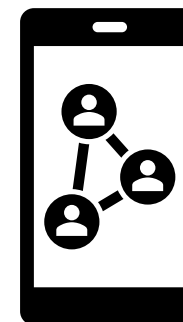
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# Questions

