

Multiple Agency Fiscal Note Summary

Bill Number: 5233 SB	Title: Washington health trust
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Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Office of State Auditor	0	0	460,000	0	0	595,000	0	0	595,000
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Office of Insurance Commissioner	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Social and Health Services	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Health	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	460,000	0	0	595,000	0	0	595,000

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Office of State Auditor	.3	0	0	460,000	.8	0	0	595,000	.8	0	0	595,000
Office of Financial Management	Fiscal note not available											
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Revenue	Fiscal note not available											
Office of Insurance Commissioner	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Labor and Industries	.0	0	0	0	.0	0	0	710,000	.0	0	0	0
Department of Social and Health Services	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Health	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Employment Security Department	Fiscal note not available											
Total \$	0.3	0	0	460,000	0.8	0	0	1,305,000	0.8	0	0	595,000

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of State Auditor	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	Fiscal note not available								
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	Fiscal note not available								
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Employment Security Department	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

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Prepared by: Jason Brown, OFM	Phone: (360) 742-7277	Date Published: Preliminary 2/19/2025
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Individual State Agency Fiscal Note

Bill Number: 5233 SB	Title: Washington health trust	Agency: 075-Office of the Governor
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Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/14/2025
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 01/17/2025
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 01/17/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 01/21/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Sec 104: If the caucus or the Insurance Commissioner fails to submit a list of nominees for the trustee or if the nominees do not meet the qualifications, the Governor shall appoint a trustee meeting the qualifications. If the trustee fails to perform required duties or has a conflict with the public interest, the Governor may remove the trustee and appoint another. Trustees shall be paid a salary to be fixed by the Governor.

Sec 113: The Governor, in consultation with the board and the Health Care Authority, shall take steps as described in the bill to receive applicable waivers, exemptions, or approval for demonstration projects from federal agencies in order to fully integrate coverage and funding available through federally qualified trust funds into the trust.

The Governor's Office estimates this work can be accomplished within current resources and therefore doesn't have a fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5233 SB	Title: Washington health trust	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☒

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/14/2025
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 01/17/2025
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 01/17/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 02/01/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

SB 5233 creates the Washington health trust to provide coverage for a set of essential health benefits to all Washington residents.

In addition, SB 5233 creates the reserve account, displaced worker training account, benefits account, capital improvements account, and Washington health trust enforcement account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.79A.040(4).

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Changes to the earnings credited to the general fund impacts, by an equal amount, general state revenues.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The Washington health trust is created and must be governed by a board of trustees. The board shall adopt bylaws, rules, and other appropriate governance documents to assure accountability, as well as the open, fair, and effective operation of the trust, including criteria under which reserve funds may be prudently invested subject to advice from the state treasurer and the director of the department of financial management.

- Three advisory committees are created:
- 1. A finance committee: the office of the state treasurer is a member.
 - 2. A citizen committee.
 - 3. A provider committee.

Costs are indeterminate. The new assignments may require additional resources.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5233 SB	Title: Washington health trust	Agency: 095-Office of State Auditor
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Auditing Services Revolving Account-State 483-1				135,000	135,000
Performance Audits of Government Account-Non-Appropriated 553-6	115,000	345,000	460,000	460,000	460,000
Total \$	115,000	345,000	460,000	595,000	595,000

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2	0.5	0.3	0.8	0.8
Account					
Auditing Services Revolving Account-State 483-1	0	0	0	135,000	135,000
Performance Audits of Government Account-Non-Appropriated 553-6	115,000	345,000	460,000	460,000	460,000
Total \$	115,000	345,000	460,000	595,000	595,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/14/2025
Agency Preparation: Charleen Patten	Phone: 564-999-0941	Date: 01/17/2025
Agency Approval: Charleen Patten	Phone: 564-999-0941	Date: 01/17/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 02/01/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill creates the Washington Health Trust, which assures every Washington resident can enroll in a nonprofit health insurance program that covers medical, dental, vision and prescription drug benefits. All Washington residents would be eligible for this coverage. This would fall under the Health Care Authority and the universal health care commission would be the responsible board.

Sec 125 Directs the board to have annual audits completed by the Office of the Washington State Auditor (SAO) and contract with the SAO for a performance audit every two years.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

The SAO estimates the work outlined in the bill would take a total 500 hours to complete an annual audit. This assumption is based on work completed at other state agencies when new programs are created. The cash receipts total uses the current state audit billing rate of \$135 per hour.

The SAO estimates contracted services for this performance audit at \$350,000. In addition, SAO is estimated a total of 500 hours of internal staff time to manage the contract. These assumptions are based on previous performance audits and contracted services. While performance audits are not typically billed, based on the language in the bill the board would be responsible for these costs. The cash receipts reflect the estimated cost of the audit.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The State Auditor uses an activity-based cost allocation model and overhead is allocated based on actual direct expenses. To reflect this, in addition to the increased direct audit expenses related to the additional audit and management FTEs, we include an estimated cost to support the additional administrative and overhead expense. Contracting, Good and Services and Travel costs are based on actual expenses for this level of effort.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
483-1	Auditing Services Revolving Account	State	0	0	0	135,000	135,000
553-6	Performance Audits of Government Account	Non-Appropriated	115,000	345,000	460,000	460,000	460,000
Total \$			115,000	345,000	460,000	595,000	595,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2	0.5	0.3	0.8	0.8
A-Salaries and Wages	19,165	57,494	76,659	167,143	167,143
B-Employee Benefits	5,658	16,975	22,633	52,345	52,345
C-Professional Service Contracts	87,500	262,500	350,000	350,000	350,000
E-Goods and Other Services	2,677	8,031	10,708	24,512	24,512
G-Travel				1,000	1,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	115,000	345,000	460,000	595,000	595,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Admin/Overhead	103,008	0.0	0.1	0.1	0.2	0.2
Assistant State Audit Manager	113,712				0.0	0.0
Assistant State Auditor 3	82,512				0.3	0.3
Audit Manager	134,576				0.0	0.0
Senior Performance Auditor	124,452	0.1	0.4	0.3	0.3	0.3
Total FTEs		0.2	0.5	0.3	0.8	0.8

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5233 SB	Title: Washington health trust	Agency: 107-Washington State Health Care Authority
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

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- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/14/2025
Agency Preparation: Michael Grund	Phone: 360-725-1949	Date: 01/21/2025
Agency Approval: Madina Cavendish	Phone: 360-725-0902	Date: 01/21/2025
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/22/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached narrative.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached narrative.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached narrative.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.
NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.
NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

See attached narrative.

HCA Fiscal Note

Bill Number: 5233 SB

HCA Request #: 25-024

Title: Washington Health Trust

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

HCA Fiscal Note

Bill Number: 5233 SB

HCA Request #: 25-024

Title: Washington Health Trust

Part II: Narrative Explanation

II. A – Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill creates the Washington Health Trust (Trust) within the Department of Health (DOH) to provide coverage for a set of essential health benefits to all Washington residents. The Trust must be governed by a board of trustees (Board).

This bill will have an indeterminate fiscal impact to the Health Care Authority (HCA).

Section 109 (1) – The Board, with HCA, shall adopt rules and mechanisms permitting qualified providers to collectively negotiate budgets, payment schedules, and other terms and conditions of Trust participation.

Section 109 (2) – The Board, with HCA, shall collectively negotiate reimbursement rates with qualified providers not participating as community health providers on a fee-for-service basis.

Section 109 (4) – The Board, with HCA, shall negotiate with each community health provider a prospective global budget for operational and other costs to be covered by the Trust.

Section 112 (5) – HCA is designated as part of a managed health care system contracted to administer all essential health benefits.

Section 113 (1) – HCA shall determine which state and federal laws affect full integration of federally qualified trust funds into the Trust, and report its recommendations for accomplishing such full integration, with any proposed revisions to the Revised Code of Washington, to the governor and the appropriate committees of the legislature.

Section 113 (2) – The governor, with the Board and HCA, shall take steps in an effort to receive applicable waivers, state plan amendments, exemptions, or approval for demonstration projects from federal agencies in order to fully integrate coverage and funding available through federally qualified trust funds into the Trust. Negotiate with the federal Department of Health and Human Services' (DHHS) health care financing administration to obtain a statutory or regulatory waiver of provisions of the medical assistance statute, Title XIX of the federal social security act and the children's health insurance program including, but not limited to, application for an applicable demonstration project.

Section 113 (3) – HCA shall submit annual progress reports to the appropriate legislative committees regarding the development of the waiver or demonstration project applications, or other integration measures, and on enrollment of residents into health coverage managed by HCA or the Trust.

Section 113 (4) – Upon receipt of any waiver or approval for other integration measures, HCA shall promptly notify in writing the office of the code reviser, the governor, and the appropriate committees of the legislature.

HCA Fiscal Note

Bill Number: 5233 SB

HCA Request #: 25-024

Title: Washington Health Trust

Section 113 (5) – HCA shall not contract administration of essential health benefits available through the Trust to a managed health care system operating for-profit except for certain limited situations.

Section 113 (6) – HCA, in coordination with the Board and all other agencies within the state, shall take all steps necessary to align reimbursement rates for essential health benefits provided through a program managed by HCA or an agency within the state.

Section 115 (2) – HCA shall apply for a waiver from the provisions of the federal patient protection and affordable care act as amended by the federal health care and education reconciliation act to:

(a) Consolidate all state and federal funding of plans on the Washington Health Benefit Exchange (HBE) into the Trust; and

(b) Enable the state to receive appropriate federal funding in lieu of the federal premium tax credits, federal cost-sharing subsidies, and other federal payments and tax credits that will no longer subsidize private plans sold by HBE. HCA may use existing HBE resources to facilitate residents' ability to compare and purchase supplemental health insurance.

Section 123 (2) – HCA shall conduct community needs assessments, in consultation with community providers and DOH, to assess capital needs and apply for federal, public, and private funding to support those improvements, which shall be deposited into the capital improvements account.

Section 125 (6) – The Board shall collaborate with HCA to recommend adjustments to the percent of an employee's wages an employer must pay to or on behalf of an employee for required health care expenditures to the Employment Security Department (ESD), including the self-employment contribution and employee deduction.

Section 127 (1) – HCA shall administer the health options program for residents not enrolled in the Trust, which comprises community health access and medical reimbursement accounts. HCA shall determine eligibility and benefits under the program component to maximize participants' overall access to health care services.

Section 127 (3) – Health options program access shall be open to eligible, uninsured Washington residents except when they are eligible to receive benefits under Medicare or Medicaid. Additional eligibility criteria shall be established by HCA, but no person may be excluded from community health access based on employment or immigration status or a preexisting condition.

Section 127 (7) – ESD shall be authorized to transfer payments made by employers to satisfy their health care expenditure requirements to HCA. HCA shall establish and maintain the medical reimbursement accounts from which employees may obtain reimbursement of health care expenditures in the amount of and under the terms set by the Board in annual negotiations with community health providers.

HCA Fiscal Note

Bill Number: 5233 SB

HCA Request #: 25-024

Title: Washington Health Trust

Section 127 (8) – HCA may coordinate with a nonprofit third-party vendor to administer program operations, including enrollment, tracking service utilization, billing, and communication with the participants.

Section 127 (9) – HCA shall develop a plan to more directly integrate employer coverage for essential health benefits and to ensure that employer health care expenditures made to ESD can be used to maximize enrollment in health insurance through the Trust or Medicaid.

Section 202 (11) – DOH shall adjust the required health care expenditures and the employer contribution assessment rate based on recommendations from HCA and the Board.

Section 207 (2) – The department of revenue and HCA have the authority to provide any and all nonfinancial information to DOH necessary to fulfill the responsibilities as the enforcing agency.

Section 403 (1) – Section 115 takes effect at the earlier of April 1, 2029, or when 60 percent of residents are enrolled in health insurance coverage managed by HCA or the Board.

Section 403 (2) – HCA must provide notice of the effective date of section 115 and the expiration dates of sections 114 and 122.

II. B - Cash Receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Indeterminate.

II. C – Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Indeterminate.

The impacts of this bill to HCA are significant. However, given the bill's scope and complexity, the fiscal impacts are uncertain and indeterminate.

There are a lot of unknowns with the intent of this bill and how it would affect HCA's programs including Medicaid, Public Employees Benefits Board (PEBB), and School Employees Benefits Board (SEBB). It is unclear how the Trust will impact the administration and services provided by these programs, which interact with federal programs such as Medicare Indian Health Service (IHS). It is unclear how the Trust will impact eligibility or alter the populations of these programs. It is unclear how the Trust will affect the funding for these programs.

This bill lacks critical information regarding implementation and focuses more on creating a funding mechanism for the Trust. HCA's role is relatively undefined in this bill. Additionally, the bill's complexity

HCA Fiscal Note

Bill Number: 5233 SB

HCA Request #: 25-024

Title: Washington Health Trust

and requirements for implementation before any federal waivers are approved create uncertainty and risk.

There are no provisions in federal law today for the broad waivers contemplated by this bill. There are no federal guidelines or established processes for requesting such waivers. HCA expects the need for dedicated professional staff resources with in-depth knowledge of relevant federal laws, regulations, and procedures to engage with DHHS to develop waivers that would be viable for consideration and approval. In addition, given the comprehensiveness of the waivers' scope, HCA anticipates the need for actuarial analyses for purposes of establishing cost neutrality and meeting other requirements that DHHS may impose.

Assumptions:

1.0 Substantial agency resources will be required to conduct the research, development, submission, and negotiation of waivers and other processes at the federal and state level to implement these changes. Waiver approval would be needed prior to any federal dollars being utilized for the Trust.

2.0 Past experience in development and negotiations with the federal government on the State Health Care Innovation Plan, Health Homes Initiative, and the Medicaid Transformation Demonstration Project provide benchmarks for resource costs and fiscal impacts for the submission of a waiver to the federal government. This bill calls for obtaining a waiver of provisions of the Medical Assistance Statute, Title XIX of the Federal Social Security Act and the Children's Health Insurance Program, the Medicare Statute, and the United States Public Health Services Act, along with negotiating with federal agencies and Congress to review and amend programs and revenue code to align with the Trust's needs. Resource costs for this work are likely to be 3-4 times greater than those incurred for previous initiatives and waivers which involved a single agreement with one agency of the federal government.

3.0 Under the assumption that the PEBB and SEBB programs will continue current operations in HCA under this bill, the PEBB program will contract with the Board in order to enroll residents who are eligible for essential health benefits coverage through a state health program. In this case, the Trust would not eliminate or replace the coverage received by PEBB and SEBB enrollees, who would access the Trust only on a voluntary basis as secondary coverage. However, HCA will be prohibited from contracting for the administration of essential health benefits available through the Trust to a managed health care system operating for-profit except for certain limited situations.

4.0 Upon the consolidation of HBE, HCA is authorized to use the existing HBE resources to facilitate residents' ability to compare and purchase supplemental health insurance. There will be major operational impacts in transitioning operations and responsibilities from HBE to HCA. Also, if CMS does not approve a waiver of federal medical assistance provisions to fully implement this legislation of the statute, the Healthplanfinder system will still need to be maintained to continue enrolling Medicaid applicants or substantial resources will be needed to do so manually.

HCA Fiscal Note

Bill Number: 5233 SB

HCA Request #: 25-024

Title: Washington Health Trust

5.0 The Health Options will be a new benefit program administered by HCA for residents not enrolled in the Trust. It is unclear who would be eligible for this benefit. HCA may be required to develop new contracts with community health providers to provide services under this program. Other work would include: customer outreach and training for assisting participants with understanding the new program and enrolling in a plan; benefit design and portfolio management; rule and policy development; and ensuring compliance with applicable laws and regulations.

6.0 HCA, as the Medicaid single state agency, would need to work with the Trust on multiple levels. HCA would limit the current managed care for-profit contracting duties to the exceptions found in the bill. HCA would need to work with the Trust to develop the minimum standards required under Medicaid and Medicare including credentialing, benefits, contracting, general federal requirements, and appeals/grievance systems.

7.0 The significance of the health care coverage created by this bill, along with the intent for this coverage to be integrated with HCA's existing programs, would create significant new responsibilities for HCA. There is potential for changes to be made to our managed care contracts, our PEBB/SEBB contracts, and our contracts with IHS-funded Indian health care providers. There are many policies and procedures in place that would need to be reviewed and revised relating to eligibility and enrollment, provider contracting, and fraud, waste, and abuse work.

8.0 Potential HCA Information Technology systems integration with the Trust was not addressed in the bill. The impact of these changes on systems used to track and manage clients and providers could be major and require a large amount of technical work to comply with the bill. Impacts are unknown and dependent on federal waivers.

Part III: Expenditure Detail

III. A - Operating Budget Expenditure

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

HCA Fiscal Note

Bill Number: 5233 SB

HCA Request #: 25-024

Title: Washington Health Trust

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout: Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

New rules may be required by HCA with the establishment of the Trust and to meet conditions of any waivers received.

HBE Fiscal Note

Bill Number: 5233 SB

HBE Request #: 25-03-01

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

This bill establishes a single, primary nonprofit health financing entity called the Washington Health Trust (Trust) in which all Washington residents are eligible for coverage. Residents enrolled for essential health benefits (EHBs) may obtain services from any participating institution, agency, or qualified individual. Residents may obtain coverage beyond those available under the trust. No person may be excluded from participation in the trust based on protected class. All providers, institutions, agencies, or individuals qualified to provide health care services may participate and receive reimbursement through the trust. Providers are not required to provide services outside of their scope of practice and may not be denied reimbursement by the trust for EHB services.

Section 103 creates the Trust within the Department of Health (DOH).

Section 107 directs the Board to establish a single comprehensive benefits package covering EHBs financed by the Trust, seeking applicable federal waivers or demonstration project approvals, establish any necessary premiums to operate the trust so that EHB packages may be available for residents starting November 1, 2026. The Board must contract for a statewide, anonymous health care data system, develop or contract an efficient enrollment mechanism for eligible enrollees as well as a claims processing system, develop policies and rules for health care practice quality standards, patient confidentiality, eligibility, and appeals procedures. The Board must implement policies to ensure all eligible Washingtonians receive culturally, linguistically, and structurally competent care.

Section 112 stipulates Trust benefits are secondary to any other coverage an individual might have. No cost sharing may be imposed on enrollees under age 19, dual eligible for Medicare/Medicaid, or below 300% FPL for benefits provided under this chapter except for those contingent on the inclusion of long-term care and benefits under Sec. 110. By October 1, 2026, the Board must establish premiums and cost-sharing requirements for eligible individuals enrolled through HBE. If an individual qualifies for premium subsidies or CSRs under the ACA, the premium and CSR amounts established by the Board may not exceed the amounts the eligible individual would have paid if enrolled in a silver QHP. Coverage through the Trust must be offered on or before November 1, 2027.

Section 115 requires the Health Care Authority (HCA) to apply for a federal waiver to enable the state to receive appropriate federal funding in lieu of tax credits. All state and federal funding of plans on the Washington Health Benefit Exchange will be consolidated into the Trust and HCA may leverage existing HBE resources to facilitate residents' ability to compare and purchase supplemental health insurance.

Section 403 indicates that section 115 is effective at the earlier of April 1, 2029 or when sixty percent of Washington residents are enrolled in coverage managed by the either the Health Care Authority, an entity within the Health Care Authority, or the Washington Health Trust Board. At such time, the HCA would be required to submit a waiver suspending Exchange operations.

II. B - Cash Receipts Impact

Indeterminate. If the Exchange suspended operations, The Health Benefit Exchange Account (Fund 17T) would no longer collect revenue from Qualified Health Plans (QHP) and Qualified Dental Plans (QDP). This revenue is made up of the 2 percent premium tax and the carrier assessment collected on all QHP and QDP currently offered on the Exchange. Actual revenue impacts would be dependent on

HBE Fiscal Note

Bill Number: 5233 SB

HBE Request #: 25-03-01

when the Exchange suspended operations and when Qualified Health Plans and Qualified Dental Plans were no longer offered on the Exchange's Healthplanfinder platform.

II. C - Expenditures

Indeterminate. As specified in section 403, at the earlier of April 1, 2029 or at such time that sixty percent of Washington residents are enrolled in coverage managed by the either the Health Care Authority, an entity within the Health Care Authority, or the Washington Health Trust Board, section 115 of this bill would take effect.

If the Health Care Authority receives approval for the required waiver identified in section 115, the Exchange would suspend operations resulting in costs for an organization and systems shutdown. The actual cost to suspend operations would be dependent on the waiver approval date, the final suspension of activities schedule, and identifying which Exchange resources would continue to be utilized by the Trust or HCA for ongoing enrollment and eligibility activities in Washington State.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 5233 SB	Title: Washington health trust	Agency: 160-Office of Insurance Commissioner
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/14/2025
Agency Preparation: Nico Janssen	Phone: 360-725-7056	Date: 02/18/2025
Agency Approval: Stacey Warick	Phone: (360) 725-0000	Date: 02/18/2025
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/19/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 103 establishes the Washington Health Trust. The purpose of the trust is to provide coverage for a set of essential health benefits package to all Washington residents.

Section 108(3) requires the Board of Trustees (Board), subject to a financial analysis demonstrating ongoing sufficient funds in the trust, to offer a long-term care benefit on January 1, 2029.

Section 112(5) requires the Board, by October 1, 2026, to take all steps necessary, including seeking appropriate approvals from federal entities, to ensure the essential benefits package qualifies as an essential health benefits-benchmark plan.

Section 112(7) requires the Board to begin offering the essential health benefits package coverage by November 1, 2027.

Section 115(2) requires the Health Care Authority (HCA), within one year of the effective date of Section 115, to apply for a waiver of the federal Patient Protection and Affordable Care Act in order to suspend the operation of the Washington Health Benefit Exchange (WHBE) and enable the state to receive appropriate federal funding in lieu of federal premium tax credits, cost-sharing subsidies, and other federal payments and tax credits that will no longer be necessary due to the suspension of the operations of the WHBE.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Under the bill, the Office of Insurance Commissioner (OIC) assumes that the individual health insurance will migrate to the Washington Health Trust. This would result in a reduction to the OIC’s regulatory and enforcement workload beginning in FY2027.

Due to the complexity of the bill and significant uncertainty about how it would be implemented, including whether and when federal waivers would be obtained, at this time OIC is unable to determine the fiscal impact of the bill. Therefore, the fiscal impact is being submitted as indeterminate.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Under the bill, the Office of Insurance Commissioner (OIC) assumes that the individual health insurance will migrate to the Washington Health Trust. This would result in a reduction to the OIC’s regulatory and enforcement workload beginning in FY2027.

Due to the complexity of the bill and significant uncertainty about how it would be implemented, including whether and when federal waivers would be obtained, at this time OIC is unable to determine the fiscal impact of the bill. Therefore, the fiscal impact is being submitted as indeterminate.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.
NONE

III. D - Expenditures By Program (optional)
NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures
NONE

IV. B - Expenditures by Object Or Purpose
NONE

IV. C - Capital Budget Breakout
Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.
NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.
NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5233 SB	Title: Washington health trust	Agency: 235-Department of Labor and Industries
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
Account					
Accident Account-State 608-1	0	0	0	355,000	0
Medical Aid Account-State 609-1	0	0	0	355,000	0
Total \$	0	0	0	710,000	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/14/2025
Agency Preparation: Crystal Van Boven	Phone: 000-000-0000	Date: 01/17/2025
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/17/2025
OFM Review: Courtney Kinney	Phone: 360 584 5705	Date: 01/22/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill would expand and consolidate public health plans in Washington under a unified financing system in order to: Universalize eligibility for all Washington residents, ensure comprehensive medical coverage including primary care, dental, vision, and prescription drug benefits, and Achieve cost savings through administrative efficiency, bulk pricing, and cost controls.

Sec. 129: By January 1, 2029, the board, in coordination with the department of labor and industries, shall study and make a report to the governor and appropriate committees of the legislature on the coordination of essential health benefits for injured workers under the trust.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

This proposed bill increases expenditures to the Accident Account, 608, and the Medical Aid Account, 609. The following assumptions were used to estimate the resources requested to implement this bill.

L&I estimates \$710,000 for a third-party vendor contract to conduct the study and complete the report, as required in section 129. This funding would be needed in the 2027-29 Biennium.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
608-1	Accident Account	State	0	0	0	355,000	0
609-1	Medical Aid Account	State	0	0	0	355,000	0
Total \$			0	0	0	710,000	0

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts				710,000	
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	0	0	710,000	0

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

None.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5233 SB	Title: Washington health trust	Agency: 300-Department of Social and Health Services
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/14/2025
Agency Preparation: Cassi Postma	Phone: 3609999999	Date: 01/21/2025
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 01/21/2025
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/21/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Senate Bill 5233 creates a single, primary nonprofit health financing entity called the Washington Health Trust. The development of the Washington Health Trust is to ensure that all Washington residents can enroll in nonprofit health insurance coverage providing an essential set of health benefits, including medical, dental, vision, and prescription drug benefits.

Section 108(3) states that subject to a financial analysis demonstrating ongoing sufficient funds in the Washington Health Trust, long-term care shall be a covered benefit on January 1, 2029. Long-term care coverage shall include a uniform initial assessment and coordination between home health, adult day care, and nursing home services, and other treatment alternatives. The board may establish a co-payment for long-term nursing home care, to cover some costs of room and board for residents with household income above 150 percent.

Section 108(5) states the board must establish:

- a) A long-term care benefits package, and
- b) Eligibility requirements at least as inclusive as the Medicaid standards in Washington on the effective date of the section.

Section 109(5)(e) states the board shall make appropriate considerations/recommendations during negotiations with community health providers including provider coordination with DSHS on delivery of needs-based assistance for which residents are eligible.

Enacting SB 5233 into law will create an indeterminate fiscal impact to the Department of Social Health Services (DSHS), assumed to be greater than \$50,000 per fiscal year.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

There may be an opportunity for additional services to be covered and, therefore, reimbursed by the Washington Health Trust but the cash receipts are indeterminate.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

SB 5233 creates the Washington Health Trust within the Department of Health to provide essential healthcare coverage for Washington residents including primary care, dental, vision, and prescription drug benefits, and achieve cost savings through administrative efficiency, bulk pricing, and cost controls.

Depending on the impact of the Washington Health Trust on accessing LTSS and other Supplemental Security Income (SSI) related medical benefits, this could change how many people DSHS serves and have a direct impact on the workforce and current processes. It is also unclear how the Washington Health Trust will interface and impact agencywide information technology (IT) systems and processes.

Details on indeterminate costs by DSHS administration are as follows:

Behavioral Health Administration (BHA)

BHA will have an indeterminate fiscal impact from this legislation as the Residential Treatment Facilities within this administration are licensed under RCW 71.12 and as such are not excluded from the bill. There may be an opportunity for additional services to be covered and reimbursed by this program but it is unknown what the fiscal impact would be.

Aging and Long-Term Support Administration's (ALTSA)

ALTSA will have an indeterminate fiscal impact from this legislation. Enrollees in the Washington Health Trust would still have access to Medicaid and other insurance benefits to supplement the benefits available under the new program. Enrollees would also have access to Long-Term Services and Supports (LTSS) Trust benefits according to the established rules in RCW 50B – Long Term Care. Functional eligibility for existing LTSS Trust benefits require assistance with three activities of daily living, where eligibility for this program requires only two and appears similar to the private LTSS insurance eligibility standard that certifies need prospectively. Until rules are developed regarding the types of LTSS that can be accessed through the Washington Health Trust, it is uncertain as to the impact on LTSS Medicaid services or the LTSS Trust services. There will be a need for coordination of benefits that would be handled through the Health Care Authority including any LTSS services that can be accessed through the Washington Health Trust. If there is a LTSS benefit package created as part of the trust, it is likely that Washington state residents may choose to delay or avoid seeking LTSS through Medicaid due to the lower eligibility standards. It is assumed that ALTSA's Comprehensive Assessment Reporting and Evaluation System (WA CARES) will require an update including the development of at least two new data exchange interfaces estimated to cost \$400,000.

Economic Services Administration (ESA)

ESA will have an indeterminate fiscal impact from this legislation. Section 109 (5)(e) states the board shall make appropriate considerations/recommendations during negotiations with community health providers including provider coordination with DSHS on delivery of needs-based assistance for which residents are eligible. This could have a fiscal impact to ESA's Community Services Division (CSD) medical service delivery, but the impact is indeterminate at this time and would be based on how eligibility staff partner with providers.

Technology Innovation Administration (TIA)

TIA will have an indeterminate fiscal impact from this legislation. Without additional details on the implementation plan and how the Washington Health Trust will be administered, DSHS is unable to determine the impact related to updating various IT systems, which could have a significant agencywide fiscal impact likely over \$50,000.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.
--

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.
--

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

None.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

There are rules allowing for a reduction of Medicaid client cost of care by medical expenses. There will need to be an analysis as to whether rule amendments will be needed as to any out-of-pocket cost by the Washington residents.

Section 113 requires the Health Care Authority to determine which state and federal laws need to be repealed, amended, or waived to implement this chapter. Since LTSS eligibility rules fall under Title 182 WAC, this will have impacts to the Department of Social and Health Services, Developmental Disabilities Administration and the Aging & Long-Term Support Administration.

Individual State Agency Fiscal Note

Bill Number: 5233 SB	Title: Washington health trust	Agency: 303-Department of Health
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/14/2025
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 01/22/2025
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 01/22/2025
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/22/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill establishes the Washington Health Trust (WHT) within the Department of Health (department) to provide coverage for a set of essential health benefits to all Washington residents.

Section 104: Creates a board of trustees (board) consisting of 17 members with expertise in health care financing and delivery to govern the WHT. Members shall be paid a salary to be fixed by the governor in accordance with RCW 43.03.040 (Salaries of Certain Directors and Chief Executive Officers).

Section 105: Directs the board to establish advisory committees: A finance committee consisting of financial experts to recommend specific details for major budget decisions and for appropriations, taxes, and other funding legislation necessary to conduct the operations of the WHT; a citizen committee to hold public hearings on priorities for inclusion in the set of health services to be offered through the WHT, survey public satisfaction, investigate complaints, and identify and report on health care access and other priority issues for residents; and a provider committee to make recommendations to the board on issues related to scope of covered benefits, quality improvement, continuity of care, resource utilization, and other issues requested by the board. The board may appoint other committees and tasks as needed. Committee members shall receive compensation for their services and reimbursement for expenses in accordance with RCW 43.03.250 (Compensation of Members of Part-Time Boards and Commissions—Class Four Groups).

Section 107: Affirms the responsibilities of the board and directs it to establish a comprehensive benefits package covering essential health benefits and secure funding including waivers, and payments to the WHT from federal and state payments, and premiums to operate the WHT. This bill directs the board to contract or develop a health care data system; develop health care practice guidelines and standards; and develop rules and policies regarding premiums, eligible nonresidents, claims, appeals, and confidentiality policies for patient records within the health care delivery system and to ensure Washingtonians receive culturally competent care and address barriers to access. To the extent that the exercise of any of the powers and duties specified to the board are inconsistent with the powers and duties of other state agencies, offices or commissions, the authority of this board supersedes that of other state agencies, offices, or commissions.

Section 108: Establish a single comprehensive essential benefits package covering essential health benefits and to regularly evaluate whether the essential health benefits should be improved or adjusted. Subject to financial analysis demonstrating ongoing sufficient funds in the WHT, the board must establish long-term care benefits starting January 1, 2029. This bill directs the department to submit to the governor and legislature a report about the essential benefit package and an actuarial analysis of the cost of the package by December 1, 2026, and every year after.

Section 109: Directs the board to coordinate with the Health Care Authority (HCA) to adopt rules permitting qualified providers to collectively negotiate budgets, payments, schedules and conditions of WHT participation. It directs the board to ensure that payment schedules and procedures for mental health services are comparable to other health care services included in the benefits package and to create payment schedules for telehealth at parity levels to in-person services. It directs the board to develop payment methods that encourage integrated multispecialty approaches, reward education time spent with patients, and include all categories of providers pursuant to RCW 48.43.715 (Individual and Small Group Market...).

Section 110: Directs the board to establish a prescription drug formulary system.

Section 111: Directs the board to adopt mechanisms to reimburse residents with household incomes below 300% federal poverty level for all Medicare eligible residents who elect to enroll in the WHT until a federal waiver is granted allowing the integration of Medicare funds into the WHT.

Section 113: Directs the board, in consultation with HCA, to provide recommendations to the governor and legislature for integrating federally qualified trust funds into the WHT, including necessary revisions to RCW. Negotiate with federal agencies and request that the United States congress amend the Internal Revenue Service code.

Section 116: Directs the board to develop due processes for enforcing utilization standards and prosecute fraud.

Section 117: Directs the board to contract for an annual actuarial analysis of the WHT's funding needs beginning December 15, 2026, and report funding annually to the governor and legislature on all funding mechanisms starting May 15, 2027.

Sections 118-123: Directs the board to establish accounts which will be used to fund the WHT and spending requirements for each account. This bill directs the board to participate in a community needs assessment with the HCA to assess capital needs and apply for federal, public, and private funding to support those improvements.

Section 124: Directs the board to adopt an annual WHT budget and requires the board to conduct six public hearings in different regions of the state to seek public comment on adjustments recommended funding mechanisms.

Section 125: Directs the board to report annual changes in Washington health care costs to the governor, legislature, and employment security department at least once per year, seek audits, and create rules to assure accountability for operation of the WHT and coordination with OFM.

Section 128: Directs the board to submit a proposal to the legislature to integrate current and future federally qualified WHT funds that choose to participate in the WHT.

Section 129: Directs the board to submit a report to the governor and legislature on the coordination of essential health benefits for injured workers under the WHT in coordination with the Department of Labor and Industries.

Sections 201-222: Part II of the bill creates revenue for the WHT in the form of employment-based contributions. Revenue generated through Part II would go into the WHT accounts established in Part I of the bill to be managed by the board.

Sections 301-322: Part III of the bill creates revenue for the WHT in the form of adjustments to the capital gains tax. Revenue generated through Part III would go into the WHT accounts established in Part I of the bill to be managed by the board.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

The impact on cash receipts of this bill is indeterminate. Significant analysis would be required to provide financial estimates and would be dependent on waivers and payments from federal and state sources identified as eligible for the WHT, premiums and eligibility requirements, and negotiations conducted with state and federal sources.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The expenditure impact of this bill would have on the department is indeterminate. However, in the narrative below, the department identifies areas of costs to provide a magnitude of the effort and funding it would take to establish and maintain the WHT.

Healthcare insurance is not within the scope of DOH's existing portfolio, therefore, to implement this bill, the department will need to develop the infrastructure of a healthcare insurance organization, which includes clinical staff to establish

essential health and long-term care benefit packages. The department will also need to create capabilities such as, but not limited to, utilization management to control costs, coordination of benefits among external insurers and payers, call centers to support enrollees and providers, rate setting to establish and maintain fee-for-service provider payment rates, payment integrity systems to detect and investigate fraud, waste or abuse, and claims processing systems to adjudicate and pay providers for services rendered. Some of these costs may increase based on the number of individuals that enroll in the WHT.

This bill requires the development of an IT system(s) to develop a health care data system, and systems for claims and appeals. These systems must support the processing of information to inform the reports required of this bill while protecting patient confidentiality. IT systems this large will need to have WA Tech oversight and would require additional time and funding to become operational.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.
NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.
NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.



Multiple Agency Ten-Year Analysis Summary

Bill Number	Title
5233 SB	Washington health trust

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

Office of the Governor	0	0	0	0	0	0	0	0	0	0	0
Office of State Treasurer	0	0	0	0	0	0	0	0	0	0	0
Office of State Auditor	0	0	0	0	0	0	0	0	0	0	0
Washington State Health Care Authority	0	0	0	0	0	0	0	0	0	0	0
Office of Insurance Commissioner Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
Department of Labor and Industries	0	0	0	0	0	0	0	0	0	0	0
Department of Social and Health Services Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
Department of Health Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0



Ten-Year Analysis

Bill Number 5233 SB	Title Washington health trust	Agency 075 Office of the Governor
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 1/17/2025 3:46:14 pm
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 1/17/2025 3:46:14 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 5233 SB	Title Washington health trust	Agency 090 Office of State Treasurer
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 1/17/2025 9:54:25 am
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 1/17/2025 9:54:25 am
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 5233 SB	Title Washington health trust	Agency 095 Office of State Auditor
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Charleen Patten	Phone: 564-999-0941	Date: 1/17/2025 3:34:19 pm
Agency Approval: Charleen Patten	Phone: 564-999-0941	Date: 1/17/2025 3:34:19 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 5233 SB	Title Washington health trust	Agency 107 Washington State Health Care Authority
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Michael Grund	Phone: 360-725-1949	Date: 1/21/2025 2:59:52 pm
Agency Approval: Madina Cavendish	Phone: 360-725-0902	Date: 1/21/2025 2:59:52 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 5233 SB	Title Washington health trust	Agency 160 Office of Insurance Commissioner
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☒ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code											
Total												

Biennial Totals

Narrative Explanation (Required for Indeterminate Cash Receipts)

Under the bill, the Office of Insurance Commissioner (OIC) assumes that the individual health insurance will migrate to the Washington Health Trust. This would result in a reduction to the OIC's regulatory and enforcement workload beginning in FY2027.

Due to the complexity of the bill and significant uncertainty about how it would be implemented, including whether and when federal waivers would be obtained, at this time OIC is unable to determine the fiscal impact of the bill. Therefore, the fiscal impact is being submitted as indeterminate.

Agency Preparation: Nico Janssen	Phone: 360-725-7056	Date: 2/18/2025 11:52:55 am
Agency Approval: Stacey Warick	Phone: (360) 725-0000	Date: 2/18/2025 11:52:55 am
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 5233 SB	Title Washington health trust	Agency 235 Department of Labor and Industries
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Crystal Van Boven	Phone: 000-000-0000	Date: 1/17/2025 9:53:01 am
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 1/17/2025 9:53:01 am
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 5233 SB	Title Washington health trust	Agency 300 Department of Social and Health Services
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☒ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code											
Total												

Biennial Totals

Narrative Explanation (Required for Indeterminate Cash Receipts)

There may be an opportunity for additional services to be covered and, therefore, reimbursed by the Washington Health Trust but the cash receipts are indeterminate.

Agency Preparation: Cassi Postma	Phone: 3609999999	Date: 1/21/2025 11:08:02 an
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 1/21/2025 11:08:02 an
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 5233 SB	Title Washington health trust	Agency 303 Department of Health
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☒ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code											
Total												

Biennial Totals

Narrative Explanation (Required for Indeterminate Cash Receipts)

The impact on cash receipts of this bill is indeterminate. Significant analysis would be required to provide financial estimates and would be dependent on waivers and payments from federal and state sources identified as eligible for the WHT, premiums and eligibility requirements, and negotiations conducted with state and federal sources.

Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 1/22/2025 6:43:59 am
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 1/22/2025 6:43:59 am
OFM Review:	Phone:	Date: