

# 2026 Legislative Lunch and Learn

---

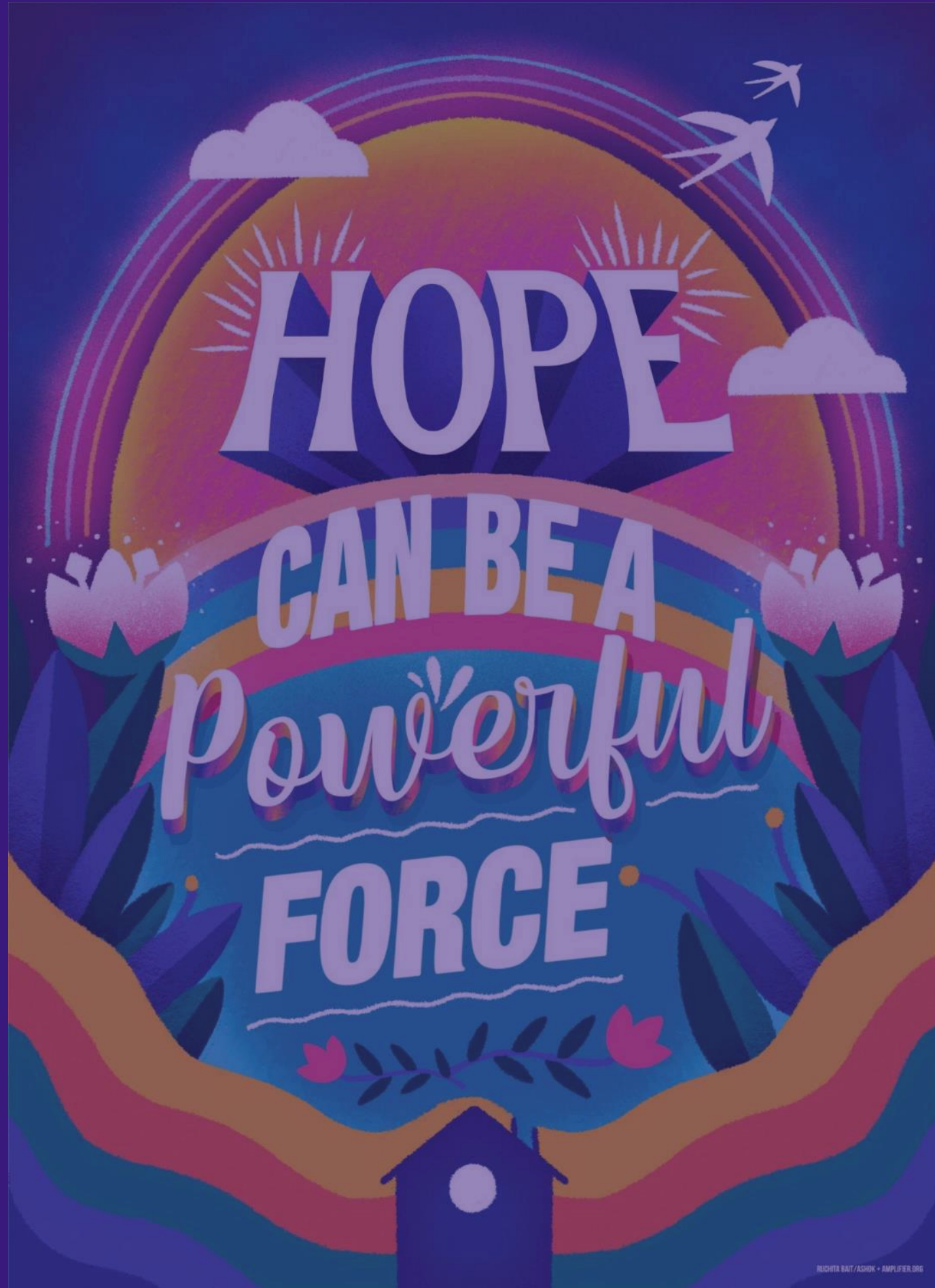
January 15, 2026

Vanessa R. Saavedra, Senior Attorney

Emily Brice, Co-Executive Director – Advocacy

Lee Che P. Leong, Senior Policy Advocate





Art by [@ruchita\\_bait](https://twitter.com/ruchita_bait) for [Amplifier.org](https://amplifier.org)

# Housekeeping

## Notes about this webinar

- This event is being recorded.
- Slides will be emailed.
- Questions? Enter in chat. Will also Q&A at the end, time permitting.
- Technical issues? Message Melissa privately in Zoom or email [melissa@nohla.org](mailto:melissa@nohla.org).



# Session Overview

- Short 60-day session
- Supplemental budget year
- \$2-5 Billion state deficit expected, over a 4-year outlook
- Federal cuts to health care, food assistance, and other programs
- Little appetite for revenue in an elections year



# Context: Federal Landscape

# Federal Funding Changes Affecting the State Budget

## Federal cuts: Washington is fighting for promised funds

Since the beginning of 2025, the federal administration has canceled, frozen, or redirected federal funds that Congress already appropriated to states. Washington's Office of the Attorney General, in partnership with other state agencies and local governments, has responded by joining or filing 48 lawsuits, protecting more than **\$15 billion** in promised federal investments that are at risk over the next decade. The cases below highlight some of the executive branch actions with significant financial impacts on Washington. This section illustrates the scale of federal funding cuts the state is challenging in court to preserve critical support programs.

### **48 lawsuits**

filed or joined to protect congressionally approved funds

### **\$15+ billion**

in federal funding at risk

### **\$165+ million**

in cost shifts to Washington's budget

### **Up to 1 million**

Washingtonians affected

Source: OFM [Proposed 2026 Supplemental Budget & Policy Highlights](#), December 2025

# Federal Health Policy Changes Impacting Washingtonians

Health coverage for 1 in 20 Washingtonians is at risk due to H.R. 1 and the failure to extend enhanced premium tax credits

What is happening?	How many Washingtonians affected?	When?
People with Exchange plans lost enhanced premium tax credits	216,000 (40-80K expected to be priced out)	Jan. 2026
Lawfully present immigrants under the poverty level lost Exchange federal premium tax credits & cost-sharing reductions	10,000	Jan. 2026
Lawfully present immigrants* lose Medicaid	30,000 (including 3,000 losing long-term care)	Oct. 2026
Lawfully present immigrants* lose Medicare	unknown	Now for would-be new eligibles; Jan. 2027 for existing eligibles
Lawfully present immigrants* over the poverty level lose Exchange federal premium tax credits & cost-sharing reductions	15,000	Jan. 2027
Medicaid Expansion community engagement (work reporting) requirements and other eligibility and enrollment requirements (e.g., semi-annual redeterminations; retroactive coverage reductions) go into effect	200,000-250,000	Jan. 2027
Medicaid cost-sharing requirements go into effect	78,000	Oct. 2028
In addition to these coverage losses, H.R. 1 is expected to result in billions of reduced revenue to WA health providers & systems.		

\*Naturalized citizens, green card holders, COFA migrants, and Cuban/Haitian entrants remain eligible

Source: [OFM, HR 1 Impacts on State People and Budget](#)

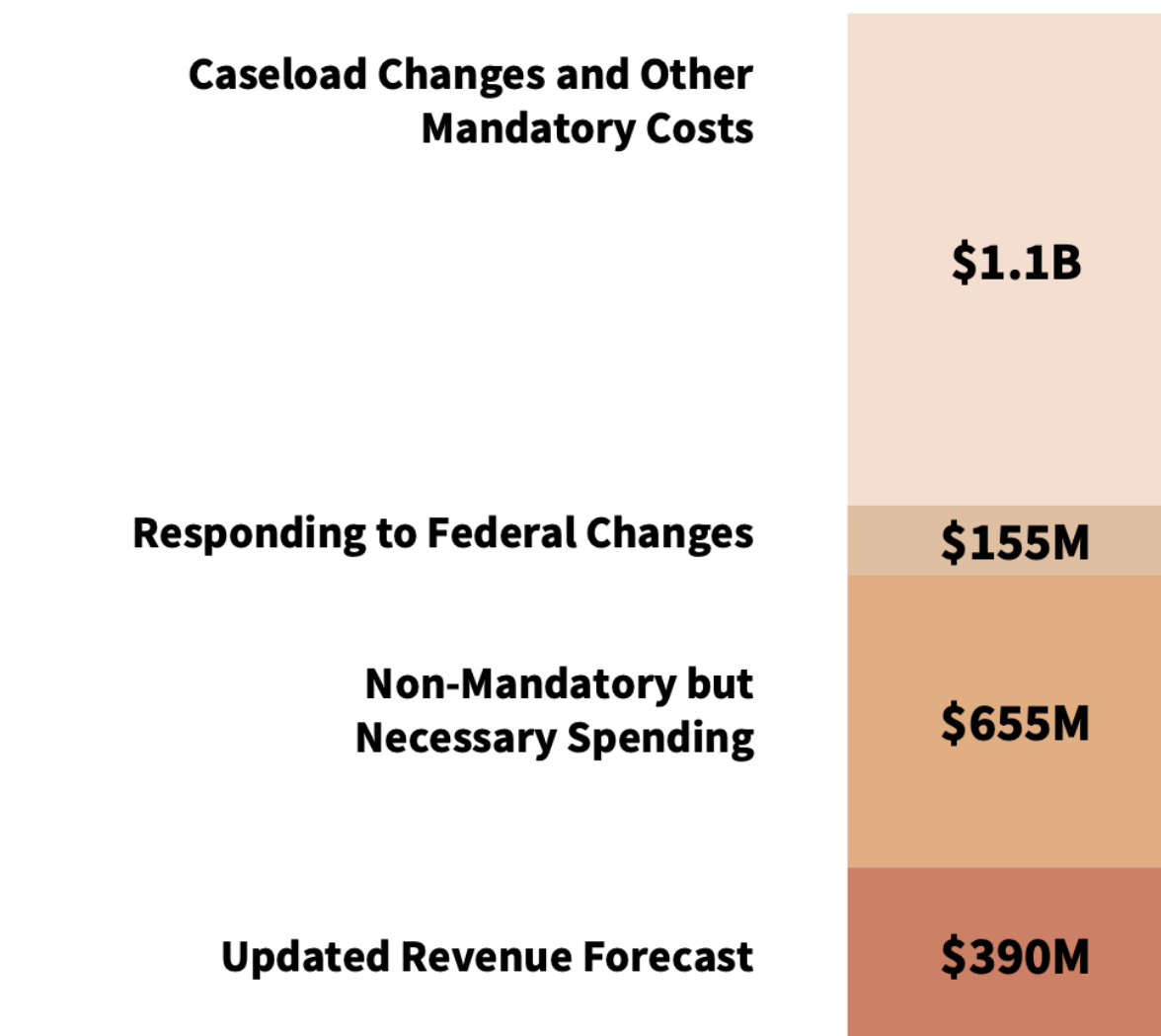
# Context: State Landscape



# State Legislature Dynamics

- Second year of the biennial legislative cycle is typically stable
- But this year:
  - Federal threats
  - Ongoing budget instability
  - New agency heads
- Governor's budget can set tone
  - Released later, Dec. 23rd
  - Balanced to 2-year instead of 4-year

**Budget Shortfall: \$2.3B in 2025–27**



Source: [OFM, House Appropriations Committee \(Jan. 12, 2026\)](#)



# Governor's Supplemental Budget: Select Health Cuts

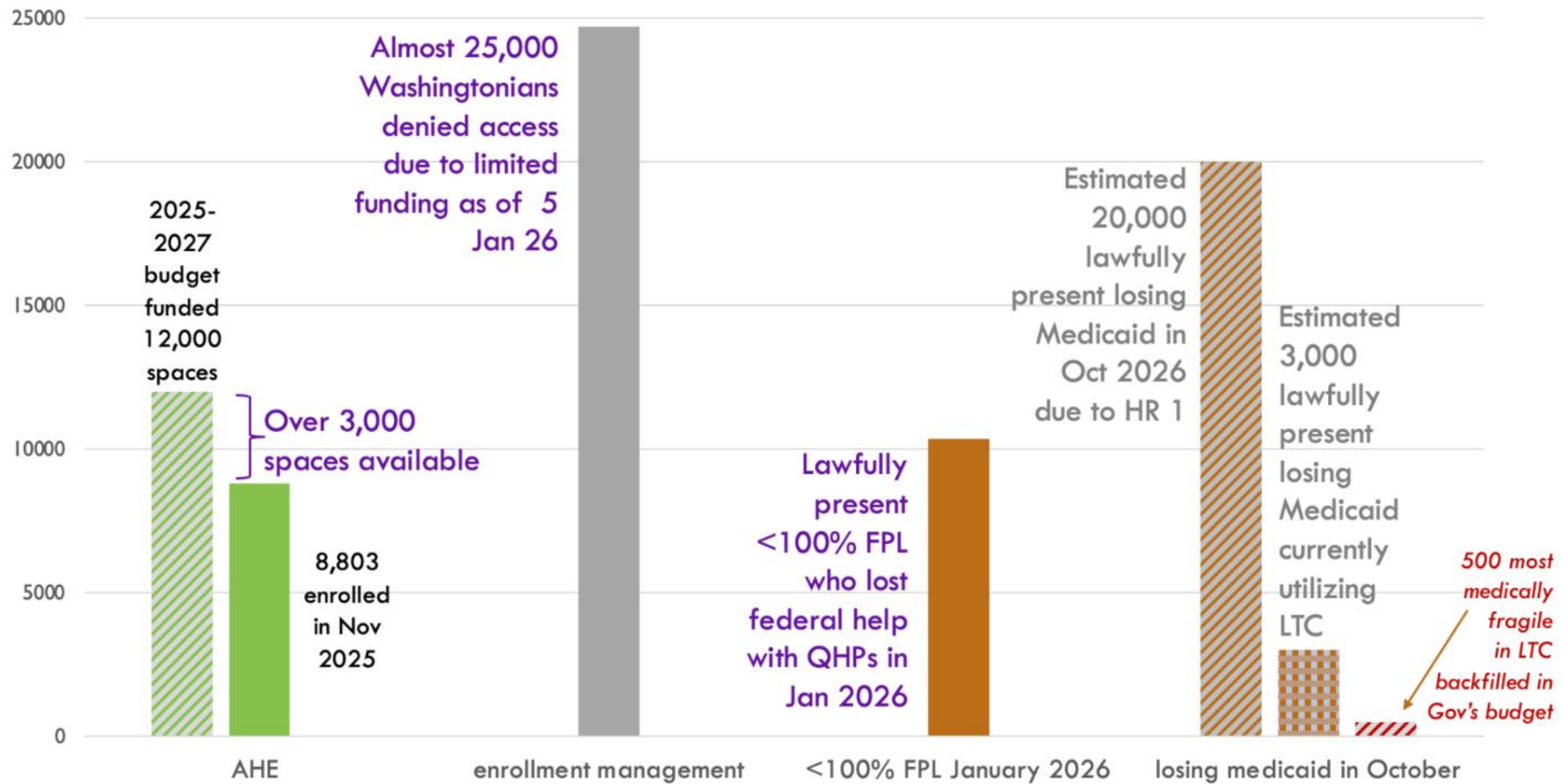


# Apple Health Expansion Cuts to Funding & Benefits

**Cuts \$61.8M from the state's program for low-income immigrants, while expanding the program to include those losing coverage under H.R. 1.**

- **2026:** Bars new enrollment and cuts previously-appropriated funds
- **2027:** Major reduction to benefits in AHE and significantly reduces funds
  - Ends current Medicaid-like program and replaces it with new limited coverage for the existing AHE enrollment (undocumented immigrants) and lawfully present immigrants losing coverage due to H.R. 1, as well as others barred from Medicaid Expansion by H.R. 1 “work requirements”
  - The new program must include “access to primary care, pharmacy, and outpatient behavioral health services and other services as determined by the [HCA] within available appropriations.”
  - Moves AHE enrollees out of managed care and into fee-for-service

# 2026 WA Immigrant Health Snapshot - Interest & Need

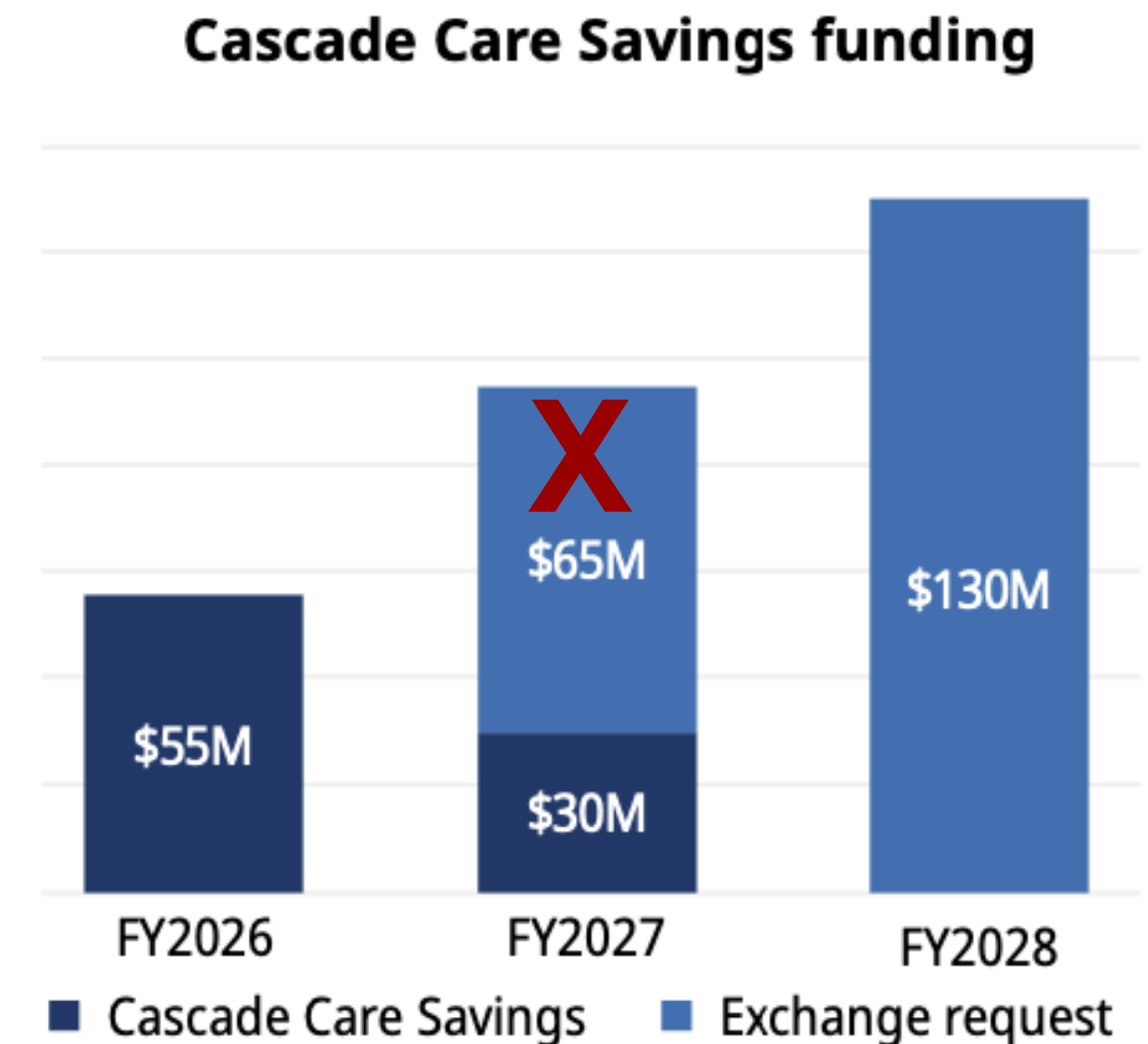




# Cascade Care Savings Underfund

**Underfunds the state's premium assistance program for lower-income people buying coverage through WA Healthplanfinder, even as federal affordability assistance dwindles.**

- Health Benefit Exchange requested \$65M in additional funds in FY 2027, but only received \$25M in additional funds
- Program funded at this level will not keep pace with current premiums and demand, let alone new demand due to H.R. 1



Source: [Health Benefit Exchange Cascade Care Savings Fact Sheet](#), 2026

# Other Notable Health Coverage Proposals

- No cuts to primary Apple Health eligibility or benefits
- Retains 12-month postpartum medical coverage for Medicaid clients
- Retain “health homes” care coordination program for Medicaid clients
- \$18.3M to fund only 500 (of 3K currently enrolled) additional personal care service slots for noncitizen clients currently receiving LTSS services who will lose access to Medicaid beginning in October 2026
- Funds a centralized “work requirements verification hub” for Medicaid and SNAP work requirements under H.R. 1 and additional Navigator support
- Does not propose any other backfill of lost H.R. 1 coverage

# Other Notable Medicaid Proposals

- Funds implementation of Biden-era Medicaid managed care rules, including improvements to Medicaid provider directories and quality rating
- Carves Medicaid pharmacy benefits out of Apple Health managed care and into fee for service (shifts AH MCO prescriptions from 340B to a different drug discount program)
- Assumes Medicaid savings from “site neutral payments” - requiring HCA to pay hospital-based clinics at the same rate as other clinics
- Potential cut to long-term care eligibility projected starting 2027 - *still analyzing*





# NoHLA 2026 Priorities

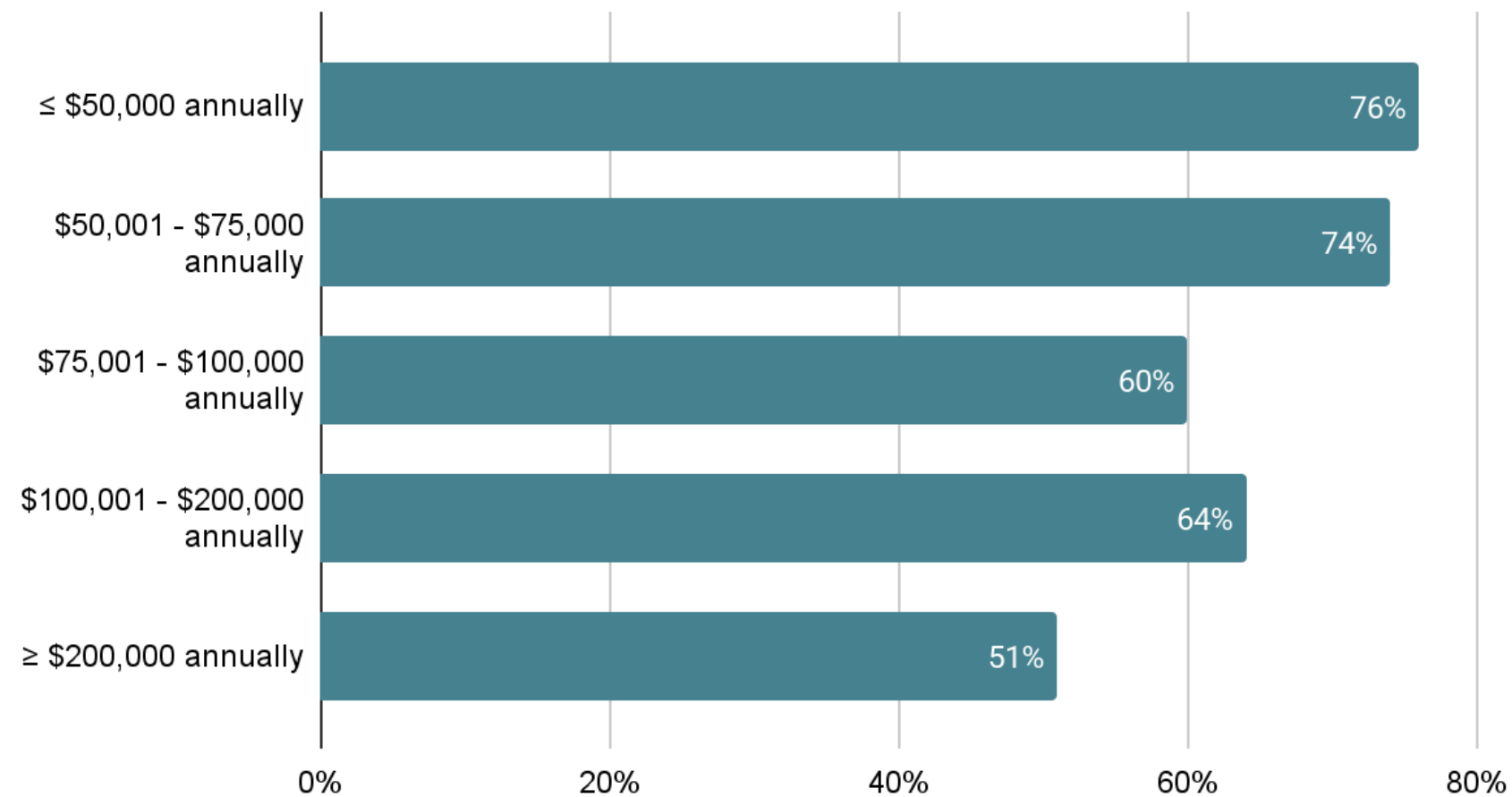
# Washingtonians Speak

- NoHLA & allies in [Fair Health Prices Washington](#) partnered with Altarum to survey 1,300+ Washingtonians in 2025 about their health priorities
- This data supplements priorities we gather from coalitions and partners
- Full results: <https://healthcarevaluehub.org>

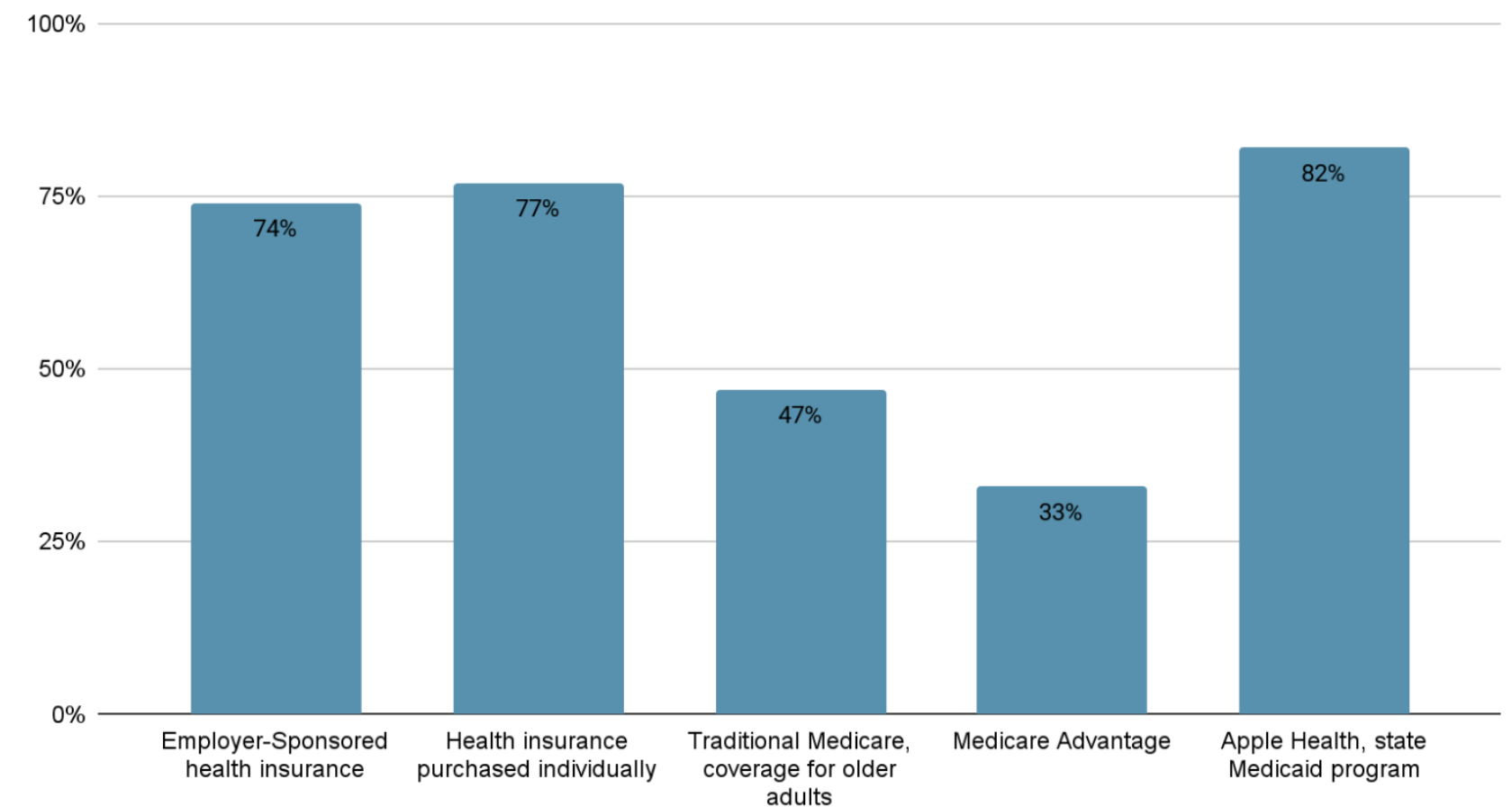


# 2 in 3 skipped needed care due to cost

Percentage impacted, by income bracket



Percentage impacted, by insurance type



Source: 2025 Health Care Affordability Survey



# 1 in 5 had outstanding medical bills

## 1 in 3 experienced a significant financial burden due to medical debt:

- Using up all or most of their savings to pay off medical bills
- Unable to pay for basic necessities like food, heat, or housing
- Contacted by a collections agency
- Borrowing money or taking out a loan
- Accumulating large amounts of credit card debt

*“If I could change one thing, it would be to cap out-of-pocket costs for everything. Hospital stays, prescriptions, specialist visits, you name it.*

*Even with good insurance, the fear of a massive, unexpected bill after a serious illness or accident is always there. No one should have to worry about going bankrupt just because they got sick.”*

# 1. Defend an equitable health care safety net

- **Safety net coverage.** Oppose cuts to Apple Health/Medicaid, the Exchange Marketplace, and Medicare that would reduce eligibility or limit benefits.
- **Immigrant health care.** Maintain the Apple Health Expansion, expand capacity to ensure basic care for 45,000+ lawfully present immigrants losing coverage this year due to H.R. 1, and enhance immigrant privacy protections.
- **Marketplace stabilization.** Maintain Cascade Care Savings premium assistance to help 75,000+ Washingtonians afford coverage, expand investment to offset rising premiums and expired federal enhanced premium tax credits, and set higher standards for Marketplace plans.
- **Progressive & targeted revenue.** Support new progressive revenue to protect the health safety net, including structural solutions to balance our tax code and targeted policies.

# Safety Net Revenue Bills

- **Balance Our Tax Code** progressive revenue priorities
- **SB 6173 & HB 2300** – **Apple Health Employer Assessment** (Alvarado) and Assessing employers for their workers' health care costs paid by the state (Reeves) – Two different approaches to imposing a fee on large employers for their workers receiving benefits through Apple Health.
- **HB 2073** – **Funding health insurance premium assistance** (Parshley) – Would require nonprofit health carriers to pay 3% of any excessive surplus, defined as amounts over 600% of the carrier's risk-based capital requirements, to the OIC to help fund premium assistance.
- **HB 2487** – **Insurer taxes** (Macri) – Would require formerly exempted insurers that do not already pay premium taxes to pay a business and occupations (B&O) tax.



## 2. Improve health care affordability

- **Stop unfair medical bills.** Support protecting patients from harsh billing practices, such as excessive interest rates and wage garnishment for medical debt.
- **Slow corporate influence.** Support addressing outsized profit incentives by enhancing state oversight of health system consolidations and codifying corporate practice of medicine protections.
- **Tackle high prices.** Support efforts to moderate rising premiums, including requiring insurers to devote a greater share of premiums to care instead of profit or administration.



# Affordability Bills

- **SB 5993 Medical debt interest** (Alvarado) – Would ban interest on new or unpaid medical debt and limit enforcement of judgments that include medical debt to 6 years from date of entry.
- **SB 6105 Raising the exemption from garnishment of earnings for judgments arising from medical debt** (Liias) – Would exempt from garnishment of medical debt 60 times the state minimum hourly wage or 80% of the disposable earnings of the debtor.
- **SB 5387/HB 1675 Corporate Practice of Health Care** (Robinson/Thai) – Restricts medical practice ownership and control to those with a license to practice medicine.
- **SB 5953/HB 2283** Establishing a medical loss ratio of at least 90% for health plans (Slatter/Rule) – Effective for commercial health plans starting 2027
- **Strengthening Market Standards** (Dhingra/Taylor) - *Forthcoming*
- **Exchange Certification Criteria** (Slatter/Stonier) - *Forthcoming*

### 3. Expand access to care

- **Preventive care, reproductive care, and vaccines.** Support efforts to shore up state vaccine infrastructure, preventive services, and reproductive care as federal public health systems erode.
- **Care denials.** Support eliminating unnecessary care delays and denials, such as excessive prior authorization requirements that stem from AI. Oppose additional care restrictions.



# Access Bills

- **SB 5395/HB 1566** – **Prior authorization transparency and accountability** (Orwall/Rule) - Would strengthen guardrails in the prior authorization process; would not apply to Medicaid.
- **HB 2242/SB 5967** – **Preventive health services** (Bronoske/Cleveland) – Would allow DOH, using evidence-based methods, to recommend preventive health services.
- **SB 5917/HB 2182** – **Improving access to abortion medications** (Thomas/Bateman) – Would require DOC to coordinate with DOH to identify appropriate recipients of abortion medication and prioritize bulk distribution to health care providers/entities, and establish a program to deliver, dispense, and distribute the medication, with discretion whether to charge a fee. (Women's Commission request legislation)
- **HB 2250/SB 5959** – **Charity care residency** (Engell/Short) - Would limit eligibility for charity care to Washington state residents, defined as individuals intending to reside in the state indefinitely, who entered the state looking for a job, or entered the state with a job commitment.



# Select Other Bills of Interest – Non- Exhaustive



# Medicaid Delivery System

- **SB 5955 Medicaid fee-for-service** (Hasegawa) – Medicaid Deprivatization Act would shift Medicaid from a largely MCO-based system to managed fee-for-service, to be fully implemented by January 1, 2027.
- **SB 5981 Protecting patient access to discounted medications and health care services through WA's health care safety net by preventing manufacturer limitations on the 340B drug pricing program** (Cleveland) – Would prohibit drug makers from limiting the distribution of 340B discounted drugs through contracted pharmacies.
- **SB 5881 Providing enhanced Medicaid payments to providers and hospitals** (Muzzall) – Would require that the difference in the state's annual Medicaid expenditures compared to pre-H.R. 1 be transferred from the general fund to a new Medicaid enhanced provider rate account, to pay increased Medicaid reimbursement rates.

# Universal Health Care

- SB 5948 Establishing deadlines for the universal health care commission (Hasegawa) – Would require the UHCC, after other specified steps, to draft legislation for a universal healthcare system by December 1, 2029.
- SJR 8206 Right to affordable health care (Hasegawa) –Would send to voters an amendment to the state constitution establishing cost-effective, clinically appropriate, and affordable health care as a fundamental right.
- SB 5946 Expanding medical assistance program income eligibility (Hasegawa) – Would require HCA to submit a State Plan Amendment to CMS to increase Apple Health income eligibility to 300% FPL (up from today's 138% FPL).
- SB 5947 Establishing the WA Health Care Board (Hasegawa) – Would require the state, upon federal authorization, to immediately begin implementation of a state-based universal single-payer healthcare system that fully integrates Medicare and ERISA-protected employers.
- SJM 8002 (Hasegawa) – Requests that the federal government make changes to Original Medicare, including that its copays be reduced and benefits increased, to make it more competitive with Medicare Advantage plans.

# Other Bills to Watch - AI

- **Artificial Intelligence**

- HB 2157 Regulating high-risk artificial intelligence system development, deployment, and use (Ryu) – Would require developers of high-risk AI systems, which include those used to make decisions regarding access to health care services, to use reasonable care to protect consumers from any known or foreseeable risks of their AI systems' discriminatory impact based on consumers' membership in protected classes (e.g., race, age, disability).
- SB 5984/HB 2225 Regulating artificial intelligence companion chatbots (Wellman/Callan) – would require AI companion chatbot developers to implement and publicly disclose protocols for detecting and responding to self-harm or suicidal ideation; includes additional protections for minors. (Governor request bill)



# Other Bills to Watch

- **Miscellaneous**

- HB 1496 Strengthening patients' rights regarding their health care information (Berry) – Would eliminate the per-page fee in favor of a flat fee not to exceed \$50 to provide a medical record copy; would require DOH to establish standards for an actual costs-based fee for providing access to or exchanging electronic health records. Would eliminate free copy of records for those appealing SSI or Social Security disability denials.
- SB 6159 Strengthening public hospitals (Dhingra) – Would create a new insurer tax to fund a public hospital infrastructure account, from which appropriations could be made to provide funding assistance to public district hospitals or any publicly owned or operated health care entity undertaking a major new construction or modernization project.

# Get Involved and Stay Informed



[nohla.org/contact-nohla](https://nohla.org/contact-nohla)

- Sign up for newsletter updates
- Look up a bill by number or topic
- Find budget documents
- Support NoHLA with a donation



# Thank you!

For questions or more info:

Vanessa R. Saavedra  
NoHLA Senior Attorney  
Email: [vanessa@nohla.org](mailto:vanessa@nohla.org)

