

NoHLA

2025 Legislative Session Review

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Session Overview

- The state's 2025 legislative session ended on time on April 27th
- This was a “long session” in the biennial cycle
- Legislature passed [423 bills](#)
- Legislature passed biennial budget that includes a mix of cuts, investments & new revenue
- Governor wrapped up bill & budget signings on May 20th



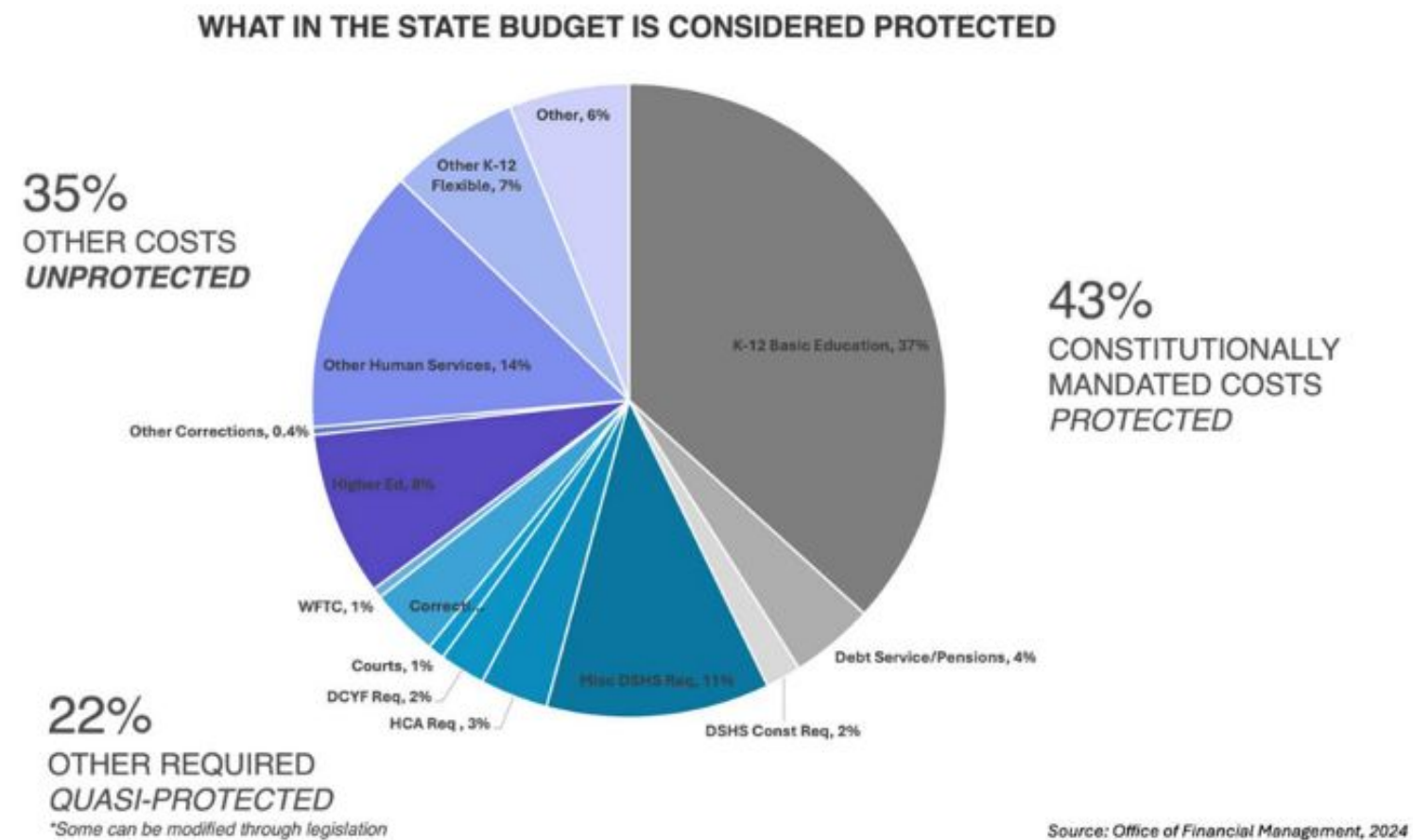
Political Dynamics

- New Governor, Insurance Commissioner & Attorney General
- Growing Democratic majorities in both chambers
- New House Health Committee Chair
- Interim agency leadership at HCA, DSHS & DOH
- Hot topics: housing, schools, public safety



Budget Dynamics

Chart 1: Breakdown of Protected vs Unprotected Costs in the Washington State Operating Budget



- **\$16** billion shortfall over the next 4 years
- Without new revenue, potential for deep cuts - up to **\$3.5B** in health cuts

Different approaches to the challenge:

- Gov. Inslee proposed **\$12B** in new revenue
- Gov. Ferguson proposed **\$4B** in cuts but did not propose a full budget
- Democratic Caucus proposed progressive revenue options - some were rejected by Gov. Ferguson

Budget Outcomes

The Legislature-passed \$77B budget for 2025-2027 ([SB 5167](#)) includes:

- **\$7.4B** increase in spending over **2 years**
- **\$5.9B** in cuts over **4 years**
- **\$9.3B** in new revenue over **4 years**

Notable features:

- Focus on maintaining services for people
- Preserves the “Rainy Day” fund
- Honors most collective bargaining, but includes 6% reductions for many agencies



Revenue Package Outcomes

The Legislature passed several new revenue bills that were signed by the Governor:

HB 2081 , B&O Tax Increase	Adds .5% B&O surcharge on taxable revenue above \$250M, from 2026-2029
SB 5813 , Capital Gains & Estate Tax	Starting in tax year 2025, increases capital gains tax 7% on gains up to \$1M and 9.9% on gains over \$1M
SB 5794 , Obsolete Tax Preferences	Starting 2026, repeals or sunsets various tax preferences, including B&O tax deductions, preferential rates, and exemptions (<i>partial veto for community banks</i>)
SB 5814 , Sales Tax on Services	Extends retail sales & use tax to specific services, adds nicotine & cigarette taxes, and requires a prepayment of sales tax for business with taxable retail sales over \$3M in 2026
HB 2077 , “Tesla Tax”	Excise tax on banking/sale of certain surplus zero-emission vehicle credits
SB 5801 , Gas Tax	Increases gas tax by \$0.06/gallon starting July 2025 and 2% in 2026

NoHLA 2025 Priorities

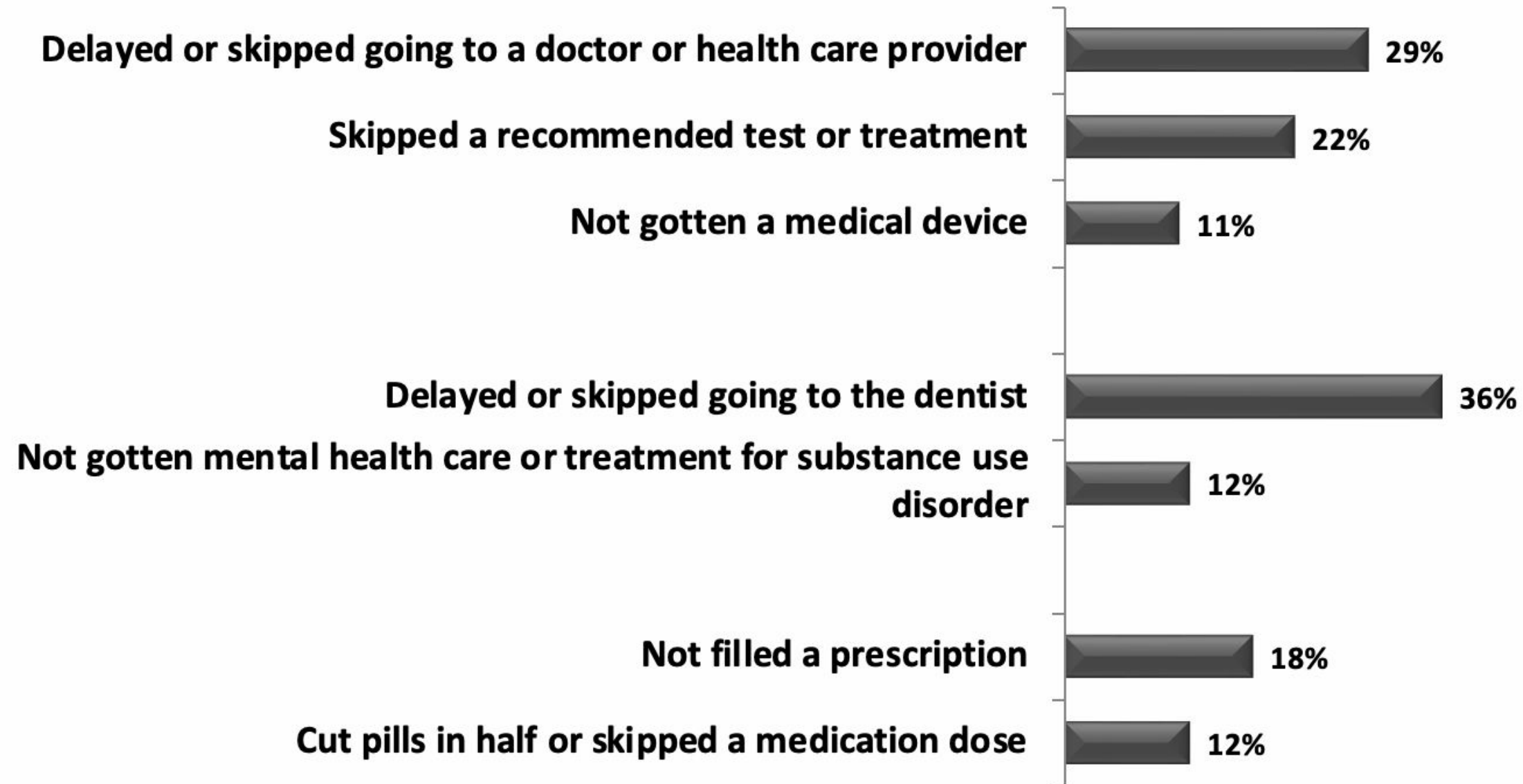
Context: Washingtonians Speak on Health Priorities

- 95% of Washingtonians are now insured
- But barriers continue to challenge access
- NoHLA & [Fair Health Prices Washington](#) partners surveyed 1,000+ Washingtonians in 2024 to understand priorities



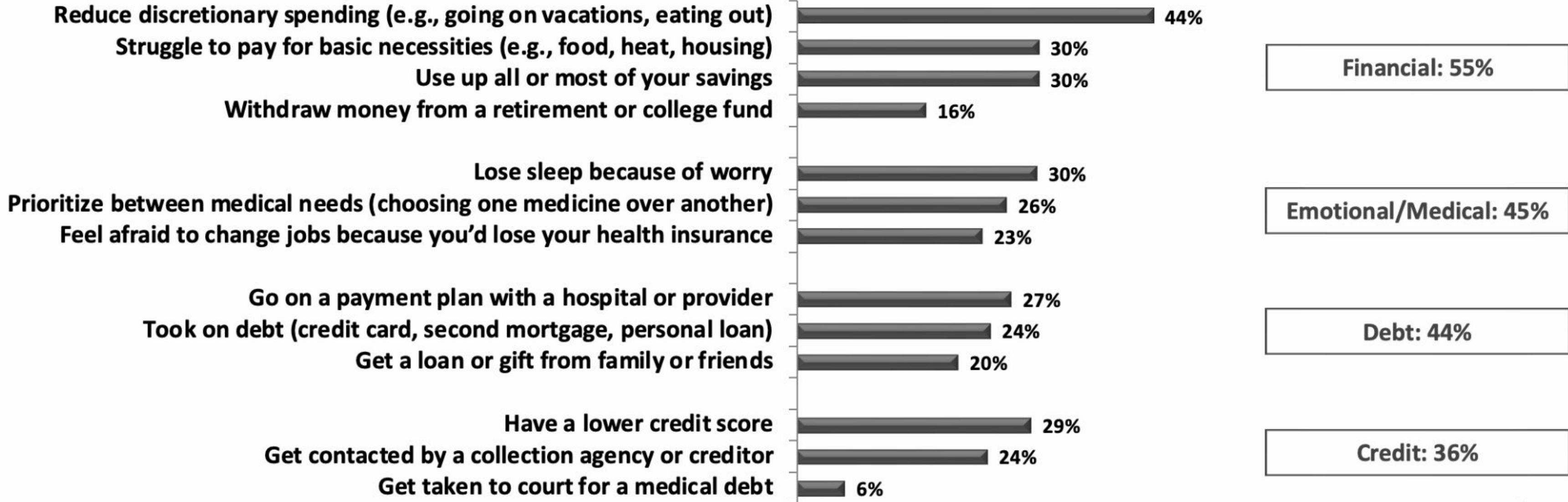
Cost Leads Many to Avoid Treatment

57% of respondents deferred or delayed seeking medical treatment or changed their use of prescription medications due to cost in the last year.



Impact of Costs on Washingtonians

Nearly 1/3 of respondents had household medical debt, and many more faced other serious hardship due to high costs.



Other Access Challenges

Recently, **3 out of 4** individuals have faced challenges in understanding, using, affording, or accessing care through their insurance.

“Make it easier to access mental health care. It’s extremely difficult to find insurance-covered care and there’s a long wait list for the options available.”

- **Survey respondent & Apple Health enrollee**

Percentage of households experiencing difficulty in past two years	Total
TOTAL EXPERIENCING ANY DIFFICULTY (Understanding, Using, Affording, Accessing)	75%
UNDERSTANDING	54%
Difficulty understanding what health insurance covers and pays for	43%
Difficulty understanding what providers are in insurance network	35%
Difficulty understanding/choosing health insurance plans/options	32%
USAGE	52%
Difficulty having insurance cover a medical service, prescription	41%
Difficulty finding a provider that takes specific insurance	33%
AFFORDING	52%
Difficulty using health insurance for prescription medications because the out-of-pocket costs for medicines are too high	34%
Difficulty using health insurance for medical services because the out-of-pocket costs for those services are too high	34%
Difficulty affording the monthly premiums of health insurance	29%
ACCESSING	51%
Difficulty finding health care providers in a timely manner	44%
Difficulty accessing mental or behavioral health care providers	27%



Priority: Defend an Equitable Safety Net

Recent improvements in coverage and affordability were at high risk of being cut, including:

- Apple Health After Pregnancy (postpartum)
- Apple Health Expansion for immigrants
- Cascade Care Savings premium assistance
- Medicare Savings Program expansion for elders & people with disabilities

Plus looming federal threats...



Outcome: Safety Net

Together with our allies, we successfully averted numerous devastating cuts, including:

Apple Health/ Medicaid	<ul style="list-style-type: none"><input checked="" type="checkbox"/> Apple Health Expansion for immigrants remains intact. But, unused 2024 supplemental funds mostly swept and AHE codification bill HB 1482 did not advance.<input checked="" type="checkbox"/> Medicare Savings program expansion for elders and people with disabilities remains intact.<input type="checkbox"/> Planned expansion of Apple Health acupuncture & chiropractic benefit did not go into effect.<input type="checkbox"/> HB 2041 - Would have rolled back 12-month postpartum coverage to 6 months. <i>Did not pass.</i> 12-month coverage remains, but funded at a lower amount.
Exchange	<ul style="list-style-type: none"><input type="checkbox"/> Cascade Care Savings premium assistance funded through 2026, but not 2027. Funded at a lower amount.<input checked="" type="checkbox"/> Dedicated funding for immigrant premium assistance remains intact. Contingency plan for 1332 waiver.

Priority: Improve Health Care Affordability

Fixing our health care affordability challenges isn't about finding a single solution—it's about embracing a multi-pronged approach. [Click here to download our 2025 Policy Priorities fact sheet.](#)



Tackle Unfair Prices



Slow Corporate Influence



Improve Transparency



Stop Unfair Medical Bills





Outcome: Affordability

We supported 7 affordability bills that passed.

Stop unfair medical billing	<input checked="" type="checkbox"/> SB 5480 - Prohibits entities from reporting medical debt on consumer credit scores. <i>Passed, Gov signed</i> <input checked="" type="checkbox"/> SB 5651 - Permanently exempts \$2K in household savings from garnishment due to debt. <i>Passed, Gov signed</i>
Improve transparency	<input checked="" type="checkbox"/> HB 1382 - Allows state's all-payer claims database to publish negotiated health prices. <i>Passed, Gov signed</i> <input checked="" type="checkbox"/> HB 1686 - Requires DOH to plan toward a comprehensive provider & facility registry. <i>Passed, Gov signed</i> <input checked="" type="checkbox"/> SB 5493 - Codifies federal hospital price transparency rules & gives DOH oversight. <i>Passed, Gov signed</i> <input checked="" type="checkbox"/> SB 5568 - Requires OFM to update the statewide health resources strategy. <i>Passed, Gov signed</i>
Slow corporate influence	<input type="checkbox"/> HB 1881 - Keep Our Care Act, giving AGO oversight over health entity consolidation. <i>Did not pass</i> <input type="checkbox"/> SB 5387 - Codifies the corporate practice of medicine doctrine preventing corporate interference with provider care decisions. <i>Did not pass</i>
Tackle high prices	<input checked="" type="checkbox"/> SB 5083 - Caps excess hospital prices in public & school worker plans, saving state over \$400M per biennium, and reinvests some savings in behavioral health access. <i>Passed, Gov signed</i>

Priority: Expand Access to Care

We worked to address health care barriers, including:

- Preventing denials of needed care
- Maintaining health care rights in a volatile landscape
- Expanding universal access



Outcome: Access



We supported or improved many bills that could expand access, such as:

Care denials	<input checked="" type="checkbox"/> HB 1432 - Improves access to mental health & substance use services in private plans. <i>Passed, Gov signed</i> <input type="checkbox"/> SB 5395 - Adds safeguards to prevent excessive prior authorization in Medicaid and private plans. <i>Did not pass</i>
Universal access	<input checked="" type="checkbox"/> SJM 8004 - Legislative petition to Congress for a universal health system. <i>Passed, filed with Secretary of State</i>

Select Other Health Bill Highlights*

*Non-exhaustive, see [here](#) for all passed bills

HCA = Health Care Authority
OIC = Office of the Insurance
Commissioner
DSHS = Dept. of Social and
Health Services
DOH = Dept. of Health
OFM = Office of Financial
Management

Public Coverage & Safety Net Programs

HB 1392 , Medicaid Access Program	Creates insurer assessment to draw down federal funds to increase Medicaid professional services reimbursement. <i>Passed, Gov signed, fed. approval required</i>
HB 2040 - ABD recovery	Delays the elimination of Aged, Blind, or Disabled program payment recoveries by the state from Oct. 2025 to Oct. 2028. <i>Passed, Gov signed</i>
SB 5128 , Juv. detention medical services	Clarifies that Medicaid reentry initiative applies to juveniles exiting detention. <i>Passed, Gov signed</i>
SB 5232 , HEN updates	Expands access to Housing & Essential Needs Referral Program & Medical Care Services. <i>Passed, with partial veto of section that expands access to noncitizens</i>
SB 5577 , Medicaid HIV antiretroviral drugs	Requires HCA/MCOs to cover FDA-approved HIV antiretroviral drugs without prior auth or step therapy. <i>Passed, Gov signed with partial veto of emergency clause</i>

Private Health Coverage

HB 1669 , Prosthetics & Orthotics	Effective 2026, requires group insurance plans to cover limb prosthesis and custom orthotic limb braces when medically necessary to participate in activities of daily living and certain physical activities. <i>Passed, Gov signed</i>
HB 1971 , 12-month hormone therapy	Requires state-regulated private health plans to provide 12-month fills of prescription hormone therapy. <i>Passed, Gov signed</i>
SB 5084 , Carrier primary care reporting	Permits OIC to require health insurers to report on their primary care expenditures. <i>Passed, Gov signed</i>
SB 5262 , OIC statutes	Technical “clean-up” that revises a number of references & studies in statutes administered by the insurance commissioner. <i>Passed, Gov signed</i>
SB 5498 , 12-month contraception	Requires state-regulated private health plans to provide 12-month fills of contraception, rather than just refills. <i>Passed, Gov signed</i>

Long Term Care

HB 1142 , LTC training	Aligns training & certification requirements for different kinds of long-term care workers providing in-home care for family members (related to WA Cares). <i>Passed, Gov signed</i>
SB 5200 , Vets med. foster homes	Exempts certain medical foster homes for veterans that are under VA oversight from adult family home licensure. <i>Passed, Gov signed</i>
SB 5291 , LTSS recommendations	Implements technical improvements to WA Cares related to recommendations of the long-term services and supports trust commission. <i>Passed, Gov signed</i>
SB 5337 , Memory care certification	Requires adult family homes to meet certification requirements in order to have a memory care unit. <i>Passed, Gov signed</i>
SB 5672 , Home care certification	Requires DOH to adopt rules to delay I-1163 home care aide certification requirements. <i>Passed, Gov signed</i>
SJR 8201 , LTSS investment	Sends an initiative to voters to amend the Constitution to allow the state to invest WA Cares funds. <i>Passed, filed with Secretary of State</i>

Disability Care

HB 1130 , DDA waivers	Requires DSHS Developmental Disabilities Administration (DDA) to prioritize specified populations when enrolling clients in open home & community-based waiver slots. <i>Passed, Gov signed</i>
SB 5394 , DDA no-paid caseload	Reduces DSHS DDA no-paid services caseload services, making them optional and more limited. <i>Passed, Gov signed</i>
SB 5680 , Right to repair	Establishes a right to repair for mobility equipment for persons with physical disabilities. <i>Passed, Gov signed</i>
SB 5393 , Closing Rainier School	Prohibits new admissions to the Rainier School after June 2027 and takes other steps to phase down the facility. <i>Passed, Gov signed</i>

Behavioral Health

HB 1287 , BH disclosure	Allows the disclosure of certain health information by certain behavioral health providers for care coordination. <i>Passed, Gov signed</i>
HB 1427 , Peer support specialists	Expands peer support specialists infrastructure, including changes to HCA and Medicaid managed care. <i>Passed, Gov signed</i>
HB 1811 , Co-responders	Enhances crisis response services through co-response integration and support. <i>Passed, Gov signed</i>
HB 1813 , Medicaid BH crisis	Changes the way that HCA & Medicaid managed care organizations interact with behavioral health crisis infrastructure. <i>Passed, Gov signed</i>
SB 5388 , DOC BH certification	Requires DOC and DOH to jointly adopt standards for behavioral health provided to individuals in correctional facilities. <i>Passed, Gov signed</i>
SB 5361 , ASAM criteria	Delays the requirement that MCOs and carriers use ASAM 4 criteria as the utilization management standard until Jan. 2028. <i>Passed, Gov signed</i>
SB 5696 , MH Tax	Expands uses of the mental health & chem. dependency sales & use tax. <i>Passed, Gov signed</i>

Health Care Delivery System

HB 1186 , Medication dispensing	Expands the situations in which medications can be dispensed or delivered from hospitals and health care entities. <i>Passed, Gov signed</i>
HB 1706 , Prior auth API timelines	Delays the implementation of application programming interfaces for prior authorization to align with federal guidelines. <i>Passed, Gov signed</i>
SB 5122 , Merger notification	Requires entities filing Hart-Scott-Rodino pre-merger antitrust paperwork with the federal government to file with the state in certain circumstances. <i>Passed, Gov signed</i>
SB 5118 , International medical graduates	Updates the requirements for the clinical experience license for international medical graduates. <i>Passed, Gov signed</i>
SB 5579 , Contract negotiations	Prohibits health insurers, facilities, and providers from making public statements of potential or planned contract terminations unless it satisfies a legal obligation. <i>Passed, Gov signed</i>

Public Health

HB 1531 , Evidence-based public health	Preserving the ability of public officials to address communicable diseases by requiring public health responses to be guided by science. <i>Passed, Gov signed</i>
HB 1720 , Community medication assistance	Expanding the authority of non-practitioners to assist people with prefilled insulin syringes and other self-injectables. <i>Passed, Gov signed</i>
SB 5244 , WIC blood screening	Allows Women, infants, and Children (WIC) program staff to perform certain hematological screening tests related to iron deficiency. <i>Passed, Gov signed</i>
SB 5455 , Cancer research endowment	Makes technical changes to the administration of the Andy Hill cancer research endowment. <i>Passed, Gov signed</i>

Reproductive Health

HB 1215 , Pregnancy advance directive	Removes pregnancy exception from the model advance health care directive form under the natural death act. <i>Passed, Gov signed</i>
HB 1296 , Public education	Makes changes to the parental rights initiative (I-2081) for children in public schools, including conforming to previous mature minor doctrine. <i>Passed, Gov signed</i>
SB 5093 , Dignity in pregnancy loss	Repeals the crime of concealed birth and makes related changes. <i>Passed, Gov signed</i>
SB 5632 , Shield law refinements	Clarifies the previous “Shield Law,” related to protecting confidentiality of records & information from another state's reproductive enforcement laws. <i>Passed, Gov signed</i>
SB 5557 , EMTALA	Aims to codify federal protections for pregnant people seeking emergency treatment. <i>Passed, Gov signed</i>

Notable Bills That Did Not Pass

[HB 1291](#) - Concerning cost sharing for maternity services.

[HB 1445/SB 5233](#) - Washington Health Trust, related to single payer/universal health care.

[HB 1743](#), Enhancing opportunities for community-based providers to provide health care services in carceral settings.

[HB 2073/SB 5808](#) - Funding Cascade Care Savings by assessing insurers' excess accumulated surplus funds.

[SB 5124](#) - Establishing network adequacy standards for skilled nursing facilities and rehabilitation hospitals.

[SB 5331](#) - Strengthening consumer protection through increased insurer accountability for violations of the insurance code.

[SB 5258](#) - Implementing state auditor recommendations for reducing improper Medicaid concurrent enrollment payments. (*concerning bill*)

[SJM 8002](#) - Joint memorial to Congress regarding concerns with Medicare Advantage plans.

Select Other Health Budget Highlights*

*Non-exhaustive, with a focus on the operating budget.

Governor vetoed a number of funding earmarks for small health-related programs & specific organizations, veto message [here](#).

Apple Health Reimbursement Changes

The Legislature's budget reduced some reimbursement rates in Apple Health, which could impact access:

- Reduces managed care organization capitation rates for physical & behavioral health services by 1%, starting in 2026.
- Partially rolls back recent adult & pediatric dental rate increases, except for Access to Baby and Child Dentistry services for certain children, starting in 2025.
- Sets fee-for-service lab rates at 80% of Medicare rates starting in 2026, and requires managed care organizations to use this schedule as a ceiling.
- Eliminates reimbursement for hospital ancillary services (labs, therapy, etc.) for hospital patients in administrative day stays.
- Reduces previous funding to increase the number & payment rate of children's long-term inpatient (CLIP) beds.
- Assumes savings from purchasing incontinence & urinary supplies through a value-based purchasing contract.

Other Notable Health Reductions

- Reduces Abortion Access Project enhanced funding to retain reproductive health providers by 55%. *(DOH)*
- Reduces funding to Rainier School, related to planned wind-down - but also increases funding to community placement alternatives such as State-Operated Living Alternatives. *(DSHS)*
- Assumes delay in implementing application for a Katie Beckett 1115 waiver. *(HCA/DSHS)*
- Reduces funding for behavioral health in a number of areas, including BH housing & eliminating homeless respite care. *(multiple)*
- Reduces funding to Area Agencies on Aging case management & nursing. *(DSHS)*
- Reduces funding to the Health Care Cost Transparency Board and Universal Health Care Commission, though the UHCC received some transfer funds from OIC. *(HCA)*
- Reduces some funding to Office of Equity. *(GOV)*

Other Notable Health Investments & Provisos

- Directs entities that contract with the state to notify agencies of federal agency/law enforcement requests related to private health data for non-citizens or sensitive reproductive health services. *(multiple)*
- Funds application for a federal waiver to allow Apple Health payment for tribal traditional healing practices. *(HCA)*
- Funds to defray the cost of services in Exchange plans if federal law prohibits the inclusion of certain services, such as gender-affirming care, in the Essential Health Benefits package. *(OIC)*
- Funds eligibility & enrollment infrastructure, including:
 - Automated solution to streamline coverage transitions between Apple Health & Healthplanfinder. *(HBE)*
 - Medicaid Asset Verification System improvements. *(HCA)*
 - Transition of Apple Health Classic population to Healthplanfinder instead of Washington Connection. *(multiple)*
 - Implementation of federal eligibility & enrollment and home & community-based services rules. *(Multiple)*
- Behavioral health investments, such as start-up costs & operational support for 3 Crisis Relief Centers. *(multiple)*
- Investments in long-term care, such as some rate increases for home care, some assisted living facilities, & community residential services. *(DSHS)*
- Funds items from the opioid settlement account, such as the tele-buprenorphine hotline. *(DOH)*

On the Horizon

- Federal changes to Medicaid, Medicaid & Affordable Care Act programs
- Federal changes to public health & health research funding
- State legislator changes



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For any questions or further information, please feel free to contact us:

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