



Washington State  
Hospital Association



# A Return to Normalcy? The 2022 Legislative Session

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# What is WSHA?

Trade association of member hospitals and their associated clinics and services (100+)

All Washington hospitals are members

What does WSHA do?

- Policy/advocacy, including legislative and regulatory issues
- Patient safety and quality
- Member services (Worker's comp, unemployment ins, CAH peer review)
- Data services

# Today's Objectives

- ✓ **Review legislative environment**
- ✓ **Share WSHA's priorities for session**
- ✓ **Results and impact of key bills and budget**



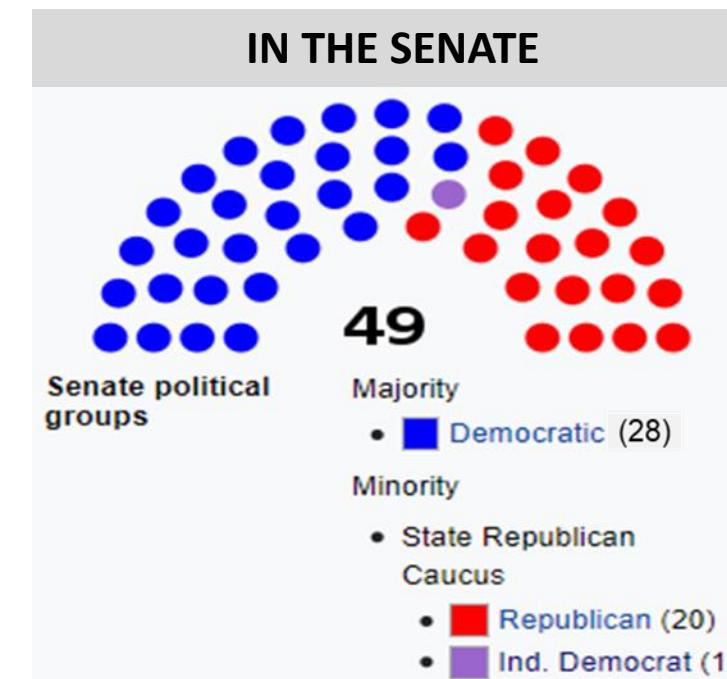
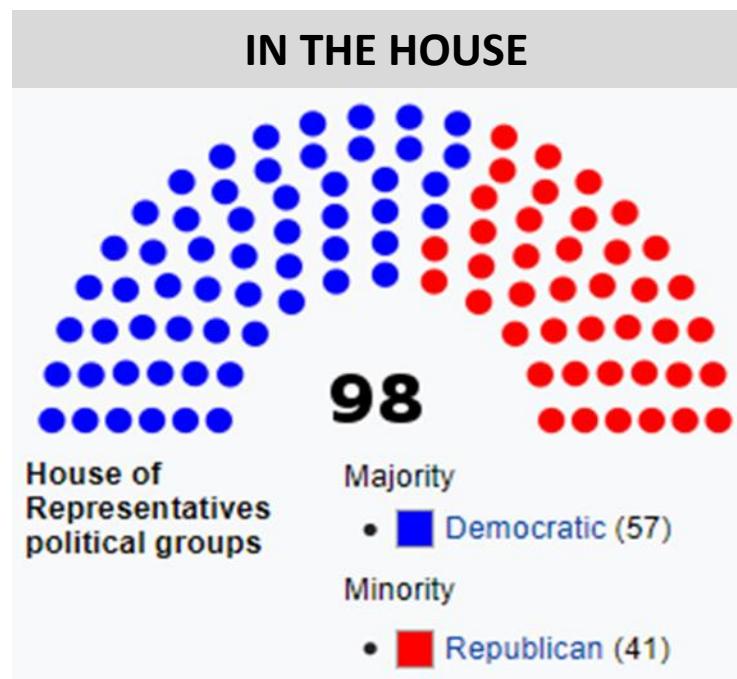
# Political Landscape



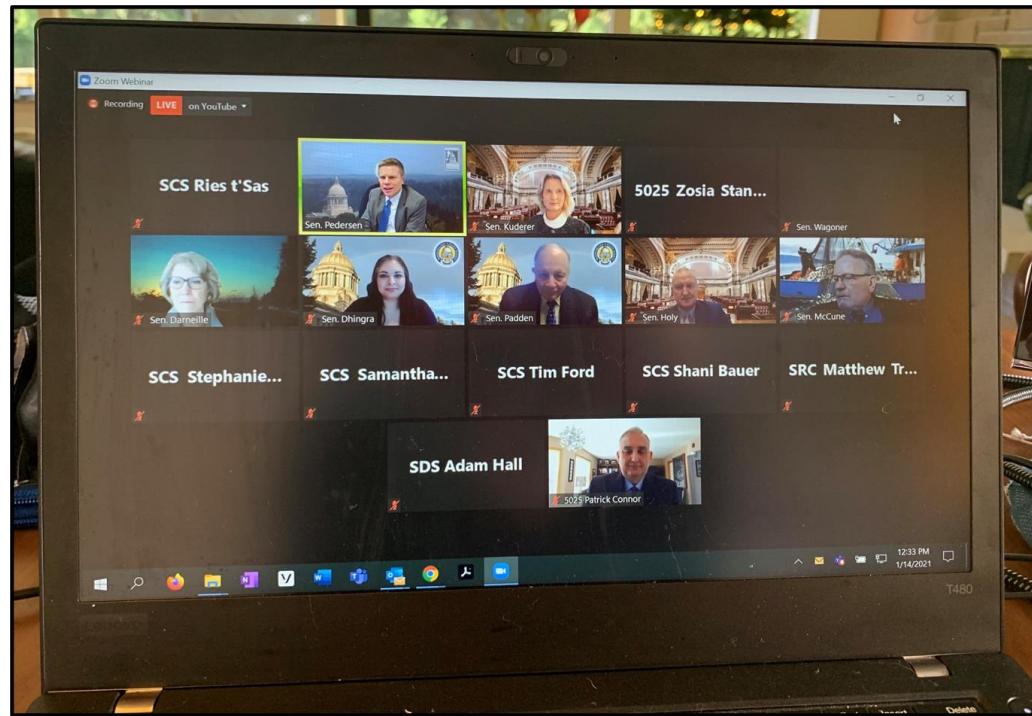
## Major Issues Entering Session:

- Concerns about cost of healthcare and impact on individuals, insurers, and employer groups
- Concerns regarding impact of mergers and affiliations on the cost and availability of services
- Concerns related to workforce and staffing issues

# Democratic Majorities in the House and Senate



# Virtual Session



# Policy Priorities

See full agenda at [wsha.org](http://wsha.org)

# Workforce

## The Problem:

- Our state and nation is facing a workforce shortage
- We are 6,100 RNs short in this state
- Average time to fill RN positions increased 54% from 2019-2021
- Washington ranks near the top in nursing compensation

## The Solution:

- Graduating more nurses to work in the state
- Increase RN training slots by 800 - 1,000
- Increases in funding for related programs
- Will be an ongoing area of work over multiple legislative sessions



## Difficult to Discharge

- Add HCS assessors
- Keep discharge incentives to LTC
- Keep COVID+ SNF units
- Expand COVID strike teams
- Add guardianship slots
- Expand presumptive eligibility



## Behavioral Health

- Create comprehensive behavioral health strategic plan
- Expand partial hospitalization/intensive outpatient treatment
- Expand in-state CLIP beds
- Expand the Washington Health Corps student loan repayment program to BH providers

# Hospital Staffing – HB 1868 Did Not Pass

## Proposed bill:

- Moves enforcement to Labor & Industries from Department of Health
- Requires uninterrupted meal/rest breaks with no exception for clinical circumstance
- Limits pre-scheduled on-call time to 20 hours a week
- Limits hospitals' ability to use mandatory overtime
- Requires strict nurse and CNA-to-patient ratios in 2 years; 4 years for rural hospitals
- Imposes hefty fines for non-compliance
- Creates a private right of action to sue for staffing violations

## WSHA's concerns:

- Hospitals are in an unprecedented time with severe staffing challenges
- The bill will have negative consequences to patient care
- Rigid quotas make it difficult to handle changes in patient volume
- Threatens ability of hospitals, hospitals departments and other health care providers to remain open

## Opioid Reversal Medication – HB 1761 Passed

### **The Problem:**

- SB 5195 eliminated a provision allowing nurses to distribute opioid-reversal medication
- Created barrier to discharge and emergency department backlog

### **The Solution:**

- Allow nurses to distribute this medication

## MRSA Modernization – HB 1739 Passed

### **The Problem:**

- State law to stop spread of MRSA overcommits hospital resources to one pathogen, but science has since identified other dangerous pathogens

### **The Solution:**

- Modernize state law in conjunction with new scientific understanding

# Charity Care – HB 1616 Passed

## Proposed Attorney General bill:

- Increases charity care to 400% of the federal poverty level
- Removes sliding fee scale, establishes discounts
- Prevents consideration of assets for higher FPL
- Expands the scope of charity care

## WSHA's concerns:

- WSHA supports affordable health care, but in a sustainable and equitable way
- Could disincentivize health insurance coverage
- Would impact viability of small rural hospitals



## Charity Care and Merger and Acquisition Outcomes

- **Charity Care (HB 1616) Passed**
  - Improvements achieved during negotiations
  - Sizeable expansion of charity care mandates
  - 2 tiers – large hospitals & systems; independent & small hospitals (next slide)
  - Asset consideration
  - Medicaid eligibility and obligation to assist
  - New law applies to care provided on/after July 1, 2022
- **Health Care Transactions Oversight (SB 5688) did not advance this session**
  - Substantial AGO interest in increased regulation of health care transactions
  - WSHA proactive counter proposal
  - This will be an issue in 2023

## Charity Care

Tier 1	Tier 2
Hospitals owned or operated by a health system that owns or operates 3+ acute hospitals, and other hospitals with more than 200 licensed beds	Hospitals not in Tier 1
Free up to 300% FPL	Free up to 200% FPL
	75% discount 201-250% FPL*
	50% discount 251-300% FPL*
75% discount 301-350% FPL*	
50% discount 351-400% FPL*	

\* Hospitals may consider existence, availability, and value of assets for patients qualifying for discounted care.

But these assets are excluded:

- First \$5,000 of monetary assets for individual, \$8k for family of 2, \$1,500 for each family member
- Retirement plans, other than 401(k)
- Equity in primary residence; Two motor vehicles; Prepaid burial contract/plot; Life insurance

# Off-Campus Hospital Departments – HB 1862 Did Not Pass

## Proposal:

- Would prohibit facility/institutional billing for off-campus hospital-based services and clinics

## WSHA's position:

- Hospital-based departments are certified by CMS, meet all hospital requirements and provide hospital-level services that would otherwise be unavailable
- These clinics enable Medicare and Medicaid patients to access specialized services not offered by independent providers



# Hospital Contracting with Insurers – HB 1741 Did Not Pass

## Background:

- Some believe hospitals/health systems have too much contracting leverage
- HB 1741 allows carriers to unilaterally determine which hospital entities to include in contracts through attestation process
- Bill originally included OIC review of hospital compensation arrangements for affordability, changed to study of how other states review insurance rates
- A late amendment would have subjected all multi-hospital contracts to AGO review

## WSHA's position:

- Hospitals/systems need the ability to contract to ensure financial viability and access to services, particularly for the vulnerable
- Integrated care and value-based models need complete, integrated networks
- Patient access and continuity of care will suffer from fragmented carrier contracts
- State needs to focus on all drivers of health care costs, not just hospitals

# Surrogate Decision Maker Bill – HB 2083 Did Not Pass

## The Problem:

- Only patient-appointed decision makers or court-appointed guardians can consent – friends and family cannot
- Guardianship process is burdensome, leaving patients in hospitals
- Hospitals are full and need space to treat acute illness

## The Solution:

- Allow family members & friends to consent
- State law lists a clear hierarchy of “surrogate decision makers” – let them consent



## Balance Billing Protection Act HB 1688 Passed

Aligns provisions of the states Balance Billing Protection Act with federal No Surprises Act

- Definition of emergency, expanded to include post-stabilization services
- Waiver of balance billing protections – not allowed
- Temporary continuation of BBPA payment and arbitration provisions for state-regulated insurance. NSA provisions apply to other insurers such as self-funded groups
- Addition of balance billing protections for emergency and crisis mental health services
- Study on potential addition of ground ambulance services
- WSHA successfully amended bill to extend post-stabilization notification period
- *Recent Texas Federal court decision (for now) improves NSA arbitration process*

# Budget Priorities



## Governor's Budget Forecast

- Gov. Inslee's 2022 supplemental budget calls for \$4.2 billion in new spending
- Focus on climate, salmon recovery and homelessness
- New health care spending is largely focused on transitioning out of federal pandemic programs



## WSHA Budget Priorities

- Funding for nurse education slots
- Funding for long-term care for patients stuck in the hospital
- Strategic investments in comprehensive behavioral health programs
- Maintain hospital stability during the COVID-19 pandemic



## Budget Results

- **Health care workforce education and pipeline** *\$47.8 million state, \$49.8 million total funds.*
- **Difficult to discharge and long length of stay** *\$269.3 million state, \$548.7 million total funds.*
- **Behavioral health** *\$206.8 million state and \$261.4 million total funds.*
- **Washington Medical Coordinating Center** *\$1.3 million state funds*

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

- **Health care workforce education and pipeline - \$49.8 million**
  - 220 new nurse education slots in 2023
  - Financial aid for students entering health care workforce
  - Student loan repayment for nurse educators/ grants for preceptors
  - Simulation labs
- **Difficult to Discharge and long LOS - \$548.7 million**
  - Acute care discharge incentives to LTC providers
  - Guardianship slots
- **Behavioral health - \$261.4 million**
  - PHP/IOT pilot expansion and Medicaid benefit expansion
  - Children/youth behavioral health strategic plan
  - Children's Long-term Inpatient Program (CLIP) beds expansion
  - 7% Medicaid increase for BH Organizations

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# Questions



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**<https://leg.wa.gov/>**