

INITIATIVE 262

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 262 to the Legislature is a true and correct copy as it was received by this office.

1 AN ACT Relating to health care; adding a new chapter to Title 70
2 RCW; and making an appropriation.

3 NEW SECTION. **Sec. 1.** (1) There is a crisis in health care
4 access, affordability, and choice in Washington state. Health care
5 financing through insurance companies has failed to control costs,
6 increase access, or preserve choice. More than six hundred thousand
7 Washington residents have no health insurance. Many clinics,
8 physicians' practices and emergency departments, especially in rural
9 areas, are closing or operating at a loss. Employers, faced with
10 fewer choices and more expensive premiums, are reducing the health
11 coverage offered to employees. Simplifying health care financing and
12 eliminating administrative waste inherent in multiple insurance plans
13 can create sufficient savings to extend health care insurance to all
14 Washington residents and enhance fairness in the system.

15 (2) The people of the state of Washington declare their intent to
16 create a framework and process to involve the citizens of the state
17 in the creation of a unified system of health care financing.
18 Through public hearings, research and consensus building, a health
19 care finance commission will create a unified health care financing
20 system that will accomplish the following goals: (a) Provide fair,

1 simple and accountable health care financing for all Washington
2 residents; (b) define a comprehensive package of effective and
3 necessary personal health services; (c) allow health care insurance
4 to be independent from employment; (d) eliminate excessive
5 administrative costs resulting from the current fragmented system of
6 multiple insurers; (e) generate savings sufficient to provide health
7 insurance for all Washington residents; (f) integrate current
8 publicly sponsored health programs into the unified health care
9 financing system; (g) continue to support public health programs; (h)
10 preserve choice of providers for Washington residents; (i) protect
11 patient rights; (j) keep clinical decisions in the hands of health
12 professionals and patients, rather than administrative personnel; (k)
13 promote health care quality; and (l) develop effective, nonintrusive
14 methods to control health care costs.

15 NEW SECTION. **Sec. 2.** The definitions in this section apply
16 throughout this chapter unless the context clearly requires
17 otherwise.

18 (1) "Commission" means the Washington health care finance
19 commission, created in section 3 of this act.

20 (2) "Health care provider" or "provider" means any health care
21 facility, or health practitioner or group practice licensed or
22 certified under Washington state law to provide health or health-
23 related services in Washington state.

24 (3) "Long term care" includes institutional, residential,
25 outpatient, or community-based services that meet the individual
26 needs of persons of all ages who are limited in their functional
27 capacities or have disabilities and require assistance with
28 performing two or more activities of daily living for an extended or
29 indefinite period of time. These services include, but are not
30 limited to: Case management; protective supervision; in-home care;
31 nursing services; and convalescent, custodial, chronic, and terminal
32 care provided in a variety of settings.

33 (4) "Preventive care" means medically necessary health services
34 delivered by licensed or certified health care providers for the
35 purpose of promoting health and preventing disease.

36 (5) "Resident" means an individual who presents evidence of
37 established, permanent residency in the state of Washington. The
38 term includes individuals, with accompanying family members, who (1)

1 are living in the state for the purpose of engaging in employment for
2 more than one month and (2) do not enter the state for the primary
3 purpose of obtaining health services.

4 NEW SECTION. **Sec. 3.** (1) There is created an agency of state
5 government known as the Washington health care finance commission.
6 From eleven to seventeen commissioners must be appointed by the
7 governor within two months of the effective date of this section.
8 The commissioners are subject to confirmation by the senate. The
9 commissioners must be selected for their expertise in health care
10 financing and delivery, and to represent a variety of Washington
11 citizens, businesses, labor, and health professions. The Washington
12 state insurance commissioner must serve as an additional non-voting
13 member.

14 (2) Commissioners must devote sufficient time to the work of the
15 commission to complete the assigned tasks in the allotted time.

16 (3) The commission and its professional staff are subject to the
17 public disclosure provisions of chapter 42.17 RCW.

18 (4) The governor must designate one member of the commission as
19 chair of the commission.

20 (5) If convinced by a preponderance of evidence in a due process
21 hearing that a commissioner has failed to perform required duties or
22 has a conflict with the public interest, the governor may remove that
23 commissioner and appoint another.

24 (6) Commissioners shall be reimbursed for travel expenses as
25 provided in RCW 43.03.050 and 43.03.060.

26 NEW SECTION. **Sec. 4.** The chair is the presiding officer of the
27 commission and has the following powers and duties:

28 (1) With approval of the commission, to appoint an executive
29 director of the commission. The executive director, with the
30 approval of the chair, must employ staff in accordance with chapter
31 41.06 RCW as necessary to accomplish the commission's tasks;

32 (2) To enter into contracts on behalf of the commission. All
33 contracts are subject to review and binding legal opinions by the
34 attorney general's office if disputed in a due process hearing by a
35 party to such a contract;

1 (3) Subject to explicit approval of the commission, to request,
2 accept and expend gifts, donations, grants, and other funds received
3 by the commission; and

4 (4) To delegate administrative functions of the commission to the
5 executive director and staff as necessary to ensure efficient
6 functioning of the commission.

7 NEW SECTION. **Sec. 5.** The commission has the following powers
8 and duties:

9 (1) To create a detailed proposal for a unified financing system
10 for health services for all residents through a plan that emphasizes
11 comprehensive health care (including preventive, long-term, and
12 mental health care), quality of care, choice of provider, and cost
13 control;

14 (2) To complete a report, including a study of economic
15 feasibility, within twenty-four months of the effective date of this
16 section. The commission must prepare an interim progress report
17 within twelve months of the effective date of this section;

18 (3) To employ town hall meetings, the media, and other methods of
19 engaging citizens in discussions about health care financing issues
20 and choices;

21 (4) To demonstrate the economic feasibility of the proposal
22 compared with continuation of the current situation, taking into
23 account effects on individuals, workers, businesses, the viability of
24 health care providers' practices and institutions, and the overall
25 economy of Washington state;

26 (5) To devise a mechanism for financing health services that is
27 adequate, efficient, fair, and consistent with federal laws. The
28 funds should be dedicated to health care and kept separate from the
29 state's general fund; and

30 (6) To submit the proposal to the legislature within thirty
31 months following the effective date of this section. The
32 commission's proposal must be sufficiently detailed to enable
33 appropriate legislative staff to prepare proposed legislation for
34 enactment and implementation.

35 NEW SECTION. **Sec. 6.** The sum of nine hundred thousand dollars,
36 or as much thereof as may be necessary, is appropriated for the
37 fiscal year ending June 30, 2004, from the general fund to the

1 Washington health care finance commission for the purposes of this
2 act.

3 NEW SECTION. **Sec. 7.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

7 NEW SECTION. **Sec. 8.** If any part of this act is found to be in
8 conflict with federal requirements that are a prescribed condition to
9 the allocation of federal funds to the state, the conflicting part of
10 this act is inoperative solely to the extent of the conflict and with
11 respect to the agencies directly affected, and this finding does not
12 affect the operation of the remainder of this act in its application
13 to the agencies concerned. Rules adopted under this act must meet
14 federal requirements that are a necessary condition to the receipt of
15 federal funds by the state.

16 NEW SECTION. **Sec. 9.** Sections 1 through 5, 7, and 8 of this act
17 constitute a new chapter in Title 70 RCW.

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