

2025 Legislative Session Summary

Washington state's 105-day legislative session adjourned on Sunday, April 27, 2025. Occurring in odd-numbered years, the longer session kicks off the first half of the state's biennial legislative session. This year was a challenging session for lawmakers as they grappled with a projected budget shortfall between \$12 billion and \$15 billion over the next 4 years. The 2025 legislative session was described by many legislators as one of the most difficult in recent years due to the significant budget shortfall, many new taxes and fee increases, intense debates on key issues like education and public safety, and an increase in civic engagement and opposition to bills. Despite these hurdles, lawmakers managed to pass 431 bills this legislative session.

WSDA advocated in support of as well as in opposition to several bills concerning dental-related issues, workforce challenges, insurance matters, small business issues, employer-employee matters, and other related topics. The following is a summary of legislation that may impact you as a provider, business owner, or employee.

Legislation Summarized

Insurance-Related Legislation

- Prohibiting Unfair and Deceptive Dental Insurance Practices.
- Setting Health Carrier Requirements for "Good Faith" Contract Negotiation

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- Creating an Oral Preventive Assistant
- Creating a Health Care Entity Registry
- Medical Debt Reporting
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- Eastern Washington University Dental Therapy Lab and Clinic
- New Health Medical Dental Behavioral Workforce

2025 Session Highlights – Insurance-Related Legislation

> Prohibiting Unfair and Deceptive Dental Insurance Practices (Senate Bill 5351)

This session, WSDA was pleased to introduce for the first time Senate Bill 5351, a comprehensive dental benefits and patient-focused reform bill. Earlier this year, WSDA launched the most comprehensive and aggressive dental benefits reform campaign in the Association's history to support SB 5351. This effort resulted in a significant win for dentists and patients. Though we faced aggressive lobbying by the dental benefits industry, after several meetings with stakeholders and legislators in Olympia, our bill was ultimately passed unanimously by the Senate and House with strong bipartisan support.

SB 5351 makes meaningful progress on addressing several issues, from same day denials to fees associated with virtual credit cards, and it established a process to address dental loss ratio and non-network reimbursement fairness in Washington.

SB 5351 prohibits same-day denials, the practice that some insurance companies have engaged in to deny claims for multiple procedures just because they were performed during a single appointment when they would otherwise be covered. The bill also restricts insurance companies from requiring dental offices to accept payment through virtual credit cards that carry processing fees.

On the issues of establishing a dental loss ratio and addressing non-network reimbursement fairness, WSDA's bill requires stakeholders to undergo a mediation process, directed by the impartial William D. Ruckelshaus Center, a well-respected joint effort of the University of Washington and Washington State University. The mediation will begin July 1, 2025, and the process will be conducted in a fact-based and data-driven manner. The Ruckelshaus Center will then report back to the Legislature with a recommendation based on its findings.

This legislation forces the dental benefits industry to the negotiating table on these issues and provides a clear path forward towards their resolution. WSDA believes this process will ultimately present a compelling case to legislators for why these dental benefits reforms are necessary to better serve the patients of Washington state.

Setting Health Carrier Requirements for "Good Faith" Contract Negotiation (House Bill 1589)

This policy concept was first introduced in the 2023 legislative session, originally requiring annual inflationary adjustments to provider-carrier contracts for providers not affiliated with a hospital, such as dental providers. During the 2023 session, WDSA joined a coalition to advocate for its passage and over the subsequent two sessions, this policy concept has been revised and reintroduced.

This year's version, House Bill 1589, would have, among other things, required carriers to negotiate in "good faith" with providers on the terms of their provider contract, establishing several instances that would constitute a violation of this "good faith," including:

- Failure to furnish the provider with the name and contact information of the primary negotiation contact.
- Failure to furnish the provider with a copy of the new contract showing all changes (strikeouts for deletions and underlining for additions), along with a clean copy of the revised contract.
- Including in the contract a stand-alone amendatory exhibit or addendum that requires the provider to perform their own analysis to identify contract changes.
- Requiring a group of providers with the same employer or the same federal tax ID number to negotiate contracts individually if the group of providers prefers to negotiate as a group.
- Failure to provide a fee schedule within 60 days of contract execution in a manner accessible without a secure website or portal.

Further, the bill also would have allowed the Office of the Insurance Commissioner (OIC) to recommend additional actions by carriers that should be deemed a violation of "good faith" negotiation, and to impose fees on carriers that violate the requirements. Finally, HB 1589 would have allowed the OIC to reject a health carrier's provider contracts if the contract did not include a signed attestation by both the provider and carrier that the contract was negotiated in "good faith."

This year, House Bill 1589 passed out of the House of Representatives, but WSDA was disappointed to see the bill die in the Senate Health and Long Term Care Committee.

2025 Session Highlights – Health Care & Workforce-Related Legislation

Creating an Oral Preventive Assistant (House Bill 1680)

As Washington is facing an extreme shortage of dental hygienists in our state, WSDA introduced legislation this past session that would have created an "Oral Preventive Assistant" license. This role would empower dental assistants to obtain additional training to provide basic preventive care under the supervision of a licensed dentist. Under the bill language, in order to be licensed, all applicants would need to complete training and demonstrate competency as determined by the Dental Quality Assurance Commission in consultation with the Dental Hygiene Examining Committee. Similar models are already successfully in place in other states, the Army National Guard, the Indian Health Service, and Alaska Native Tribal Health Consortium.

Although WSDA attended stakeholdering meetings with both the prime sponsor of the bill and the Washington State Dental Hygienists' Association, ultimately, the House Health Care and Wellness Committee decided against hearing any "scope" bills this session. As a result, WSDA was disappointed that HB 1680 did not receive a hearing in the House Health Care and Wellness Committee this year, and the bill did not move forward. It will be automatically reintroduced in the 2026 legislative session.

Creating a Health Care Entity Registry (House Bill 1686)

The intent of this bill is to increase transparency of the health care delivery system and foster an improved understanding of market dynamics such as private equity involvement in health care. HB 1686 requires the Department of Health (DOH), in consultation with relevant stakeholders, to develop a plan and provide recommendations to the Legislature on how to create a complete and interactive registry of the health care landscape in Washington.

The plan and recommendations must identify which health care entities, including providers, must report information to the health care registry, along with the information each entity must report and the fee that may be charged to registering entities. The fee is intended to support the registration process and creation of the registry itself.

The DOH must provide a progress update to the relevant health and fiscal committees of the Legislature by December 21, 2027, and a final report by November 1, 2028.

Medical Debt Reporting (Senate Bill 5480)

While supportive of the broader idea in certain health care scenarios, WSDA had concerns with SB 5480, which makes medical debt unenforceable if a person, health care provider, health care facility, or licensed collection agency reports it to a consumer credit reporting agency. Additionally, a violation of this law is deemed a violation of the law governing the license of the hospital, physician group, or professional.

The bill defines "medical debt," in this case, to mean "a debt owed by a consumer to a person whose primary business is providing medical services, products, or devices, or to such person's agent or assignee, for the provision of such medical services, products, or devices. Medical debt includes medical bills that are not past due or that have been paid. Medical service, product, or device includes any service, drug, medication, product, or device sold, offered, or provided to a patient by a health care provider or health care facility. Cosmetic surgery, except for certain reconstructive surgery after injury or disease, is not considered a medical service, product, or device."

➤ Limiting Health Care Nondisclosure Agreements (HB 1507)

House Bill 1507 relates to nondisclosure agreements (NDAs) between providers and patients. The bill would have prohibited NDAs between health care providers and patients that restrict the patient from disclosing an act, error, or omission by the provider (or the existence of a settlement agreement regarding the same), which the patient reasonably believes to constitute medical malpractice, or a tort or crime, void and unenforceable. Additionally, a violation of this by a health care provider would have allowed a patient to bring a private right of action against the provider.

WSDA expressed concerns with the bill as introduced, and ultimately HB 1507 did not move forward.

Health Care Mergers and Acquisitions (HB 1881)

House Bill 1881 would have required, among other things, health care entities to submit written notice and various organizational information to the Attorney General and Health Care Authority at least 90 days prior to the effective date of any merger, acquisition, or contracting affiliation. It would have also given the Attorney General the authority to reject such a proposed transaction if it is determined the transaction would negatively affect access to affordable health care for at least 5 years in Washington.

Under HB 1881, this would have included a merger, acquisition, or contracting affiliation between hospitals and providers, such as dentists, or provider organizations.

WSDA, in conjunction with several other provider groups, expressed concerns with the bill and WSDA Advocacy Director Kevin Schilling submitted written testimony opposing the legislation. Ultimately, HB 1881 did not move forward.

Session Highlights – Business-Related Legislation

Concerning Access to Personnel Records (HB 1308)

House Bill 1308 relates to employee access to personnel records and codifies the timeframe an employer must furnish an employee their personnel record upon employee request. Additionally, the legislation clarifies what that record must contain. Currently, an employer must make an employee's personnel file available locally and "within a reasonable period of time" after the employee's request. The Department of Labor and Industries interprets "reasonable period of time" to generally mean within 10 business days unless good cause is shown that more time is needed. For payroll purposes, by law this record currently must include an employee's name, address, occupation, dates of employment, rates of pay, hours worked, and other related information.

Under HB 1308, a private employer now has calendar 21 days from the date of written employee request to make available a copy of the employee's personnel file at no charge to the employee. It also specifies that a personnel file includes the following records, if the employer has created such records:

- All job application records;
- All performance evaluations;
- All nonactive and closed disciplinary records;
- All leave and reasonable accommodation records;
- All payroll records; and
- All employment agreements.

Regulating Anesthetic Greenhouse Gases (SB 5236)

Senate Bill 5236 sought to regulate the use of anesthetic greenhouse gases, including nitrous oxide, in health care settings. Specifically, the bill would have commissioned the Department of Ecology (Ecology) to study and report on anesthetic gases like nitrous oxide to determine how these gases are used in Washington, the quantity of emissions from these gases, recommend both potential points of regulation for these gases as well as measures for reducing or eliminating emissions of these gases.

Ultimately, the bill would have directed Ecology to develop a guidance document for the use of anesthetic gases, including nitrous oxide, to reduce or eliminate greenhouse gas emissions associated with them. By January 2028, facilities using anesthetic gases, including dental facilities, would only be able to administer such gases consistent with the guidance document.

Although understanding of the intent of this legislation, WSDA retained concerns from previous sessions on how this may inadvertently impact access to nitrous oxide in patient care. WSDA participated in limited stakeholder discussions on this legislation and the bill did not move forward this session.

➤ B&O Tax Modification (HB 2081)

As originally introduced, House Bill 2081 would have subjected all independent health care providers, including dentists, to an increase in B&O tax from 1.75% to 2.1%. Upon the bill's introduction, WSDA immediately engaged in a call-to-action campaign. WSDA worked as a member of a health care provider coalition to communicate with lawmakers about the bill's impact on practice owners statewide, and WSDA President Dr. Chris Dorow submitted written public testimony expressing Association concerns about the proposal.

As a result of these efforts, HB 2081 was amended. Instead of an across-the-board tax increase on independent health care providers, only those with a gross income equal to or greater than \$5 million will be subject to the increased rate.

2025-27 Supplemental Operating Budget Highlights

Below are budget items of note that were included in the 2025-27 Supplemental Operating Budget.

Adult Dental Medicaid Reimbursement Reduction (\$10.7 million) from the General Fund-State and (\$38 million) Total

The 2021-23 budget increased reimbursement rates for adult dental services of up to 100% of the rates that were in effect January 1, 2019. During this session, WSDA was disappointed to see the Legislature lower the previous increase from up to 100 percent to up to 50 percent of the rates in effect January 1, 2019. It is our understanding that FQHC encounter rates will not be impacted by these reductions. These changes take effect on July 1, 2025.

Pediatric Dental Medicaid Reimbursement Reduction – (\$13.6 million) from the General Fund-State and (\$27.9 million) Total

The 2022 supplemental budget had increased reimbursement rates for children's dental services. However, similar to the adult dental Medicaid rollback, lawmakers removed 50% of the increases provided in the 2022 increase for all procedure codes except those under the Access to Baby and Child Dentistry program. These changes take effect on July 1, 2025.

Regional Initiatives in Dental Education (RIDE) Program – \$5 million

WSDA was pleased to see \$5.01 million in funding to continue the expansion of the University of Washington School of Dentistry RIDE program. This funding will be used to support the increase in the number of DDS students trained from 32 to 64 and add a second year of curriculum to the educational program in Spokane by securing a centralized space to support a Regional Simulation Training lab and interprofessional programming.

University of Washington School of Dentistry – \$2 million

The University of Washington School of Dentistry will receive \$2 million in funding to provide services for individuals covered by Medicaid and the uninsured.

DentistLink - \$100.000

Funding is provided to continue DentistLink, the public-private partnership with Arcora, to connect Medicaid patients to dental services and reduce barriers to accessing care.

Skagit Valley College Dental Therapy Program - \$2.2 million

Skagit Valley College will receive \$2.2 million in funding to support its dental therapy program. The first cohort is expected to graduate in 2025.

Public Employee Benefits Board/School Employee Benefits Board (PEBB/SEBB) Dental Coverage Expansion

Effective January 2026, funding is provided to expand coverage of the PEBB/SEBB uniform dental plan in the following way:

- Increasing the temporomandibular joint benefit to \$1,000 annually and \$5,000 per lifetime.
- Eliminating the deductible for children up to age 15.

2025-27 Supplemental Capital Budget Highlights

Below are budget items of note that were included in the 2025-27 Supplemental Capital Budget.

Dental Capacity Grant: Community Health Association of Spokane (CHAS) - \$510,000

In February 2024, Spokane Pediatrics joined CHAS and became a CHAS Health pediatric clinic. To address the need for more comprehensive pediatric care and to provide access to a higher number of underserved patients, Spokane Pediatrics is expanding to include pediatric dental care. The \$510,000 capital grant will fund renovations of the current Spokane Pediatrics clinic, creating 8 new dental operatories and enabling care for approximately 4,887 additional pediatric patients. Dental services will be fully integrated with on-site primary medical care for children ages 0-18.

Dental Capacity Grant: Columbia Basin Health Association - \$1 million

The Columbia Basin Health Association will receive \$1.03 million to build a new healthcare clinic in West Pasco, WA. The clinic, scheduled to open in Fall of 2025, will include 11 dental operatories, including a lab with digital crown milling and 3D printing capabilities as well as a sterilization center. With approximately 4,530 sq ft of new patient care space, this will allow Colombia Basin to serve an additional 10,000 new patients.

Dental Capacity Grant: HealthPoint (Tukwila) - \$1 million

HealthPoint (Tukwila) will receive \$1.03 million in funding, which will allow them to add five more dental chairs and expand care to approximately 3,000 additional patients.

Dental Capacity Grant: Peninsula Community Health Services - \$927,000

Peninsula Community Health Services will receive \$927 thousand in funding, which will allow them to expand services to approximately 2,760 additional patients.

Dental Capacity Grant: Tri-Cities Community Health – \$88,000

Tri-Cities Community Health will receive \$88 thousand in funding to replace and upgrade imaging equipment with newer technology. With this funding, Tri-Cities Community Health will be able to add 2,500 new appointments to their patient capacity.

Dental Capacity Grant: Yakima Neighborhood Health Services (YNHS) - \$1.9 million

Yakima Neighborhood Health Services was awarded \$1,898,000 in funding. WSDA was pleased to support this investment, which allows YNHS to continue its collaboration with the Pacific Northwest University of Health Sciences (PNWU) - School of Dental Medicine in training their second, third and fourth year dental students who are recruited from rural and underserved communities. The PNWU dental program partners with 3 FQHCs to place students in rural and underserved community settings after the first year of instruction. This funding will equip 22 new dental operatories and is the final leg of the joint PNWU capital construction project.

Eastern Washington University – \$10.5 million

Eastern Washington University will receive \$10,498,000 to support the construction of a dental therapy lab and clinic.

NEW Health Medical Dental Behavioral Workforce Clinic (Chewelah) - \$5.05 million

NEW Health will receive funding for the development of the Regional Workforce Development Center and expanded healthcare services in Chewelah, Washington. This new Regional Workforce Development Center will expand the current medical clinic and pharmacy by adding behavioral health, dental, and workforce development services. It is designed to provide accessible healthcare for all patients, including the uninsured and underinsured individuals. In addition to health care services, the Regional Workforce Development Center will house workforce training in healthcare and other fields. Its planned facilities include:

- Medical exam rooms and behavioral health rooms;
- Dental operatories;
- In-house pharmacy;
- Office space for administrative positions;
- · Workforce training facilities; and
- Classrooms and clinical training simulation rooms.