

INITIATIVE 972

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. 972 to the People is a true and correct copy as it was received by this office.

1 AN ACT Relating to the creation of a universal health care system;
2 amending RCW 43.17.010, 43.17.020, and 42.17.2401; adding a new section
3 to chapter 41.06 RCW; adding a new chapter to Title 43 RCW; and
4 prescribing penalties.

5 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The definitions in this section apply
7 throughout this chapter unless the context clearly requires otherwise.

8 (1) "Universal health care" means a publicly funded and
9 administered single-payer system that provides and guarantees health
10 coverage without premiums, copays, or deductibles to all citizens.

11 (2) "Premium" means a periodic fee, typically monthly, that is paid
12 in exchange for some type of insurance coverage.

13 (3) "Deductible" means a required out-of-pocket expenditure that
14 must be paid by an insured individual before the insurer pays towards
15 the allowable charges for a covered service.

16 (4) "Copay" means the amount an insured individual is expected to
17 pay for a medical expense at the time of the visit or purchase.

18 (5) "Department" means the department of universal health care.

19 (6) "Director" means the director of universal health care.

1 NEW SECTION. **Sec. 2.** Every legal resident of the state of
2 Washington is entitled to the basic human right of receiving necessary,
3 quality health care regardless of his or her financial or social
4 status.

5 NEW SECTION. **Sec. 3.** A system of universal health care is hereby
6 established in the state of Washington. This system is designed to
7 provide full access to health care for all legal residents of the state
8 of Washington. Financial status, including an inability to pay, shall
9 not be used as a means of denying access to this basic human right.
10 This applies to medical services as well as prescription drugs. Anyone
11 who is a legal resident of the state of Washington is eligible,
12 provided that the service or product is medically necessary for the
13 individual to remain healthy and reasonably free from pain and
14 suffering, both mental and physical, and provided that the service or
15 product is being provided to the patient within the state of
16 Washington. All medical service providers in the state of Washington
17 are required to participate in universal health care billing for any
18 patient who requests it and they must keep an adequate number of
19 universal health care application forms on hand. A patient cannot be
20 denied service if a medical service provider fails to provide a
21 universal health care application in a timely fashion.

22 NEW SECTION. **Sec. 4.** There is created a department of state
23 government to be known as the department of universal health care. The
24 department is vested with all powers and duties granted it under this
25 chapter and such other powers and duties as may be authorized by law.

26 NEW SECTION. **Sec. 5.** The system of universal health care shall be
27 managed by the department. The department is responsible for
28 processing and verifying all universal health care application forms,
29 sending payment to medical service providers and pharmacies for
30 services rendered, coordinating with medical service providers and
31 other state agencies in preventing and investigating fraudulent
32 universal health care applications, and any other tasks related to the
33 administration of the universal health care system.

34 NEW SECTION. **Sec. 6.** Access to the universal health care system
35 is guaranteed to all legal residents of the state of Washington without

1 condition or exception. The department may not, under any
2 circumstances, deny coverage to any legal resident provided that the
3 conditions set forth in this chapter are met. Under extenuating
4 circumstances, an individual currently in the state of Washington who
5 is not a legal resident of the state may file a universal health care
6 application as a nonresident if the following conditions are met: The
7 medical care being received is either of an emergency or otherwise
8 pressing nature, the individual is residing in or visiting the state of
9 Washington for a primary purpose other than to receive medical coverage
10 not necessarily offered in his or her state of origin, and sufficient
11 funding exists in the department's budget to facilitate this without
12 jeopardizing the department's ability to continue providing coverage to
13 legal residents of the state without undue additional cost to the
14 taxpayers.

15 NEW SECTION. **Sec. 7.** All products and services that are medically
16 necessary as determined by doctors and nurses in the medical community
17 at large are covered by universal health care. These include, but are
18 not necessarily limited to: Rehabilitative, long-term, and home care;
19 prenatal care; mental health care; prescription drugs including, but
20 not limited to, pain medications, birth control, antibiotics,
21 psychiatric medications, and long-term and ongoing prescription
22 therapies; necessary surgery; over-the-counter medications that are
23 prescribed by a doctor and purchased at a pharmacy within the state of
24 Washington; medical supplies; drug and alcohol treatment; ambulance
25 transport; reconstructive surgery; preventive care; hospice care;
26 diagnostic procedures; organ transplantation; cosmetic surgery
27 performed to repair malformed or damaged tissue; dental care; laser eye
28 surgery and other optometric care; all recognized forms of treatment
29 for cancer and other diseases; nutritional care; and public health
30 measures. The department is responsible for determining whether or not
31 a product or service is deemed medically necessary by the medical
32 community at large. In the event of conflict or uncertainty as to
33 whether or not a product or service is deemed medically necessary by
34 the medical community at large resulting in disagreement between the
35 patient, medical service provider, and the department, regarding
36 whether or not the medical product or service should be covered by
37 universal health care, a judge in the county of jurisdiction shall make
38 that determination. Either party may appeal the decision within thirty

1 days of the decision to the superior court of Thurston county by
2 petition setting forth the medical product or service, any statements
3 from doctors or nurses involved, and the nature of and grounds for the
4 objection or objections to the judge's ruling. In the event that a
5 medical product or service has been provided prior to eligibility being
6 denied, the medical service provider is still guaranteed full payment
7 from the department, provided that the ineligibility is not due to any
8 billing errors, unintentional or deliberate, on the part of the medical
9 service provider. In the event that a medical service provider is paid
10 for a service that a patient does not qualify to be covered for, the
11 patient shall be responsible for repaying the department one hundred
12 percent of the amount billed, plus twenty-five percent annual interest
13 if the patient is determined to be at fault for the error. If the
14 medical service provider is deemed to be at fault and the patient was
15 misled, intentionally or otherwise, into believing that he or she would
16 qualify for universal health care coverage by the medical service
17 provider, then the medical service provider is liable for the amount
18 billed plus interest instead of the patient. If fraud is suspected on
19 the part of the patient or the medical service provider resulting in
20 denial of eligibility, the matter shall be fully investigated and
21 potentially forwarded to the attorney general's office for prosecution.

22 NEW SECTION. **Sec. 8.** The following medical products and services
23 are among those not covered by universal health care: Elective
24 nonreconstructive surgery, herbal supplements whose stated benefits are
25 not sufficiently supported by two or more reliable, independent medical
26 studies or other similar data, drugs neither approved by the federal
27 food and drug administration nor the state of Washington, care that is
28 primarily religious or spiritual in nature, and any other product or
29 service that is not medically necessary for the patient to be
30 reasonably healthy and free of mental and physical pain or discomfort.

31 NEW SECTION. **Sec. 9.** Patients who opt to bill the universal
32 health care system must provide the following information on a single
33 form: Full legal name, address where the patient is registered to
34 vote, or if the patient is homeless "no address," state driver's
35 license number or social security number, whether the patient is a
36 legal resident of the state or applying for nonresident coverage,
37 estimated annual income (for statistical purposes only), date of birth,

1 phone number if patient has one, name of employer, occupation,
2 patient's signature, and type of medical service, such as cardiac,
3 dental, ocular, or prescription drugs from a pharmacy, or procedure,
4 such as surgery, CT scan, X-ray, blood test, or examination, being
5 sought. On the same form, the medical service provider must clearly
6 identify itself, the name of the individual filling out that part of
7 the form on behalf of the medical service provider along with a
8 signature from that individual, and any applicable details relating to
9 the patient's visit. When the patient returns the completed form to
10 the medical service provider, she or he is required to provide photo
11 identification with it. The medical service provider is then
12 responsible for copying or digitally scanning the photo identification
13 and including the copy with the form. If the patient does not have
14 valid photo identification, the medical service provider must take a
15 clearly identifiable color photo of the patient and include that with
16 the form in place of photo identification. This is designed to assist
17 the department in deterring and investigating fraudulent applications.
18 The medical service provider is responsible for providing this signed
19 and completed form to the department within thirty days of the visit.
20 If the application is missing any required information, including photo
21 and signature, payment to the medical service provider shall be denied.
22 If the form is not filled out completely or correctly by the patient in
23 a manner that could result in denial of payment from the department,
24 the medical service provider is not obligated to accept the application
25 and may require the patient to fill it out correctly before being
26 granted service, unless it is a medical emergency. In the event of a
27 medical emergency, the application may be filled out later by the
28 patient or by someone legally acting on behalf of the patient at the
29 earliest reasonable time. All universal health care applications must
30 be randomly verified in a timely manner by the department. This
31 verification process must be completed without requesting additional
32 documentation from the medical service provider or the patient unless
33 there is a suspicious discrepancy that needs to be investigated in more
34 detail. In addition, all first-time applications must undergo this
35 verification process to ensure that correct information is being
36 provided, such as name and address. Once verification is complete, the
37 department must send to the patient via United States mail a universal
38 health card if the patient is applying as a legal resident. This card
39 must contain the following patient information: Photo, full legal

1 name, card expiration date of one year from the date that the universal
2 health care application was filled out by the patient, address, phone
3 number, a unique universal health care patient identification number,
4 and date of birth. The patient is required to sign the back of this
5 card for it to be considered valid. This card may be supplied to any
6 medical service provider for any medically necessary products,
7 services, and prescription drugs in place of a universal health care
8 application. The medical service provider is then responsible for
9 filling out a separate universal health care card billing form with the
10 information on the universal health card. If a patient notices an
11 error on his or her universal health card, or if the card is lost or
12 stolen, then she or he is responsible for contacting the department as
13 soon as possible to request a replacement card. There is no limit to
14 the amount of medically necessary coverage a patient may have billed to
15 the department. If a patient fills a prescription to be billed to
16 universal health care with generic substitution allowed by the
17 patient's doctor, the pharmacy is required to fill that prescription
18 with the least expensive equivalent generic available in order to
19 minimize the cost to the taxpayers. If a generic substitution is not
20 authorized by the patient's doctor on the prescription, the pharmacy
21 must include, with the universal health care billing request, universal
22 health care application, or universal health care card billing form,
23 the brand name and price of the least expensive available generic
24 equivalent stocked by the pharmacy. The department shall bill the
25 company that produces the more expensive brand name drug that was
26 filled for the difference between the cost of the more expensive drug
27 and the least expensive available generic on hand. The department may
28 sue the drug company if this bill is not paid in full within one year.

29 NEW SECTION. **Sec. 10.** Medical products and services not already
30 paid for during the period of January 1, 2004, to January 1, 2008, may
31 be billed to the department by a patient filling out a special
32 universal health care grandfather clause form prior to January 1, 2009.
33 This form must contain all the same information as the standard
34 universal health care application form, including information from the
35 medical service provider. In order to qualify, the patient must be
36 able to verify that he or she was a legal resident of the state of
37 Washington at the time. Nonresidents are not eligible for this
38 grandfather clause provision. All medical service providers in the

1 state of Washington are responsible for supplying this form and
2 forwarding it to the department until January 1, 2009. All universal
3 health care grandfather clause forms must be verified by the
4 department. If a medical expense has already been partially paid, the
5 department shall pay only the remaining balance. If a medical expense
6 has been forwarded to a collection agency, the department shall assume
7 the debt upon verification of the application form including
8 information from the medical service provider and the collection
9 agency. If a collection agency fails to provide information necessary
10 to verification in a timely fashion, the department shall make payment
11 directly to the medical service provider and the patient will no longer
12 be liable for any debt relating to this expense.

13 NEW SECTION. **Sec. 11.** The department is responsible for
14 coordinating with other state agencies in investigating universal
15 health care application fraud, including but not limited to: Providing
16 a false name, social security number, or state identification number;
17 submitting a universal health care application by a patient who is not
18 a legal resident of the state of Washington and not applying for
19 nonresident coverage; deliberately providing false information on a
20 universal health care application, including registered address;
21 reselling medical products or services paid for by universal health
22 care by a patient; deliberately billing the department for products or
23 services not provided to the patient or for monetary amounts exceeding
24 the universal health care price structure as outlined in this chapter;
25 and attempting to use the name of a legal resident of the state of
26 Washington in order to obtain universal health care-covered medical
27 products or services to someone who is not a legal resident of the
28 state of Washington. Universal health care fraud by an individual or
29 medical service provider is a felony punishable by up to three years in
30 prison and up to a two hundred fifty thousand dollar fine.

31 NEW SECTION. **Sec. 12.** When billing the department, the medical
32 service provider must adhere to a specific price structure for any
33 service provided to the patient. This price schedule shall be
34 equivalent to that developed by the state department of social and
35 health services. If the department of social and health services does
36 not have a set price for a particular product or service, the price
37 shall be set to whatever the federal Medicare program specifies. Any

1 medical service provider in the state of Washington may optionally bill
2 the department for services covered by a patient's private insurance
3 company. The department is then responsible for billing the private
4 insurance company. If coverage is denied by the private insurer, the
5 department shall pay fifty percent of the billed amount to the medical
6 service provider. If the insurer does pay, the department shall pay
7 ninety-five percent of that payment to the medical service provider.
8 Medical service providers may bill private insurers directly if they
9 prefer, but will not be eligible for any guaranteed payment if they do
10 and the private insurer decides to deny coverage.

11 NEW SECTION. **Sec. 13.** The state legislature is solely responsible
12 for providing adequate funding to the department. In the event that
13 the department's budget is insufficient to provide the full range of
14 services outlined in this chapter to every single legal resident of the
15 state of Washington who requests them, the department can and must use
16 money from the state general fund or other source or sources in
17 accordance with state law once their department funds have been
18 exhausted, then provide a detailed public report explaining why they
19 were unable to operate within their specified budget.

20 NEW SECTION. **Sec. 14.** In order to reduce the various costs
21 associated with excessive paperwork, all universal health care forms
22 must be sent to and processed by the department electronically by
23 January 1, 2010. Paper forms must still be provided to the patients.

24 NEW SECTION. **Sec. 15.** All health services provided by the
25 department of social and health services that are now covered by the
26 universal health care system shall be discontinued. Other health
27 services may be folded into the department of universal health care
28 where appropriate. These determinations shall be made at the
29 discretion of the governor. All consolidations authorized and required
30 by this section must be completed by no later than January 1, 2012.

31 NEW SECTION. **Sec. 16.** The executive head and appointing authority
32 of the department is the director. The director shall be appointed by
33 the governor, with the consent of the senate, and shall serve at the
34 pleasure of the governor. The director shall be paid a salary to be
35 fixed by the governor in accordance with RCW 43.03.040. If a vacancy

1 occurs in the position while the senate is not in session, the governor
2 shall make a temporary appointment until the next meeting of the
3 senate.

4 NEW SECTION. **Sec. 17.** It is the intent of the legislature
5 wherever possible to place the internal affairs of the department under
6 the control of the director in order that the director may institute
7 therein the flexible, alert, and intelligent management of its business
8 that changing contemporary circumstances require. Therefore, whenever
9 the director's authority is not specifically limited by law, the
10 director has complete charge and supervisory powers over the
11 department. The director may create such administrative structures as
12 the director considers appropriate, except as otherwise specified by
13 law. The director may employ such assistants and personnel as
14 necessary for the general administration of the department. This
15 employment shall be in accordance with the state civil service law,
16 chapter 41.06 RCW, except as otherwise provided.

17 NEW SECTION. **Sec. 18.** Except as otherwise specified or as federal
18 requirements may differently require, divisions may be established and
19 organized in accordance with plans to be prepared by the director and
20 approved by the governor. In preparing such plans, the director shall
21 endeavor to promote efficient public management, to improve programs,
22 and to take full advantage of the economies, both fiscal and
23 administrative, to be gained from the consolidation of functions and
24 agencies under this chapter.

25 NEW SECTION. **Sec. 19.** The director shall appoint a deputy
26 director, a department personnel director, and such assistant directors
27 as may be needed to administer the department. The deputy director
28 shall have charge and general supervision of the department in the
29 absence or disability of the director and, in case of a vacancy in the
30 office of director, shall continue in charge of the department until a
31 successor is appointed and qualified, or until the governor appoints an
32 acting director.

33 NEW SECTION. **Sec. 20.** Any power or duty vested in or transferred
34 to the director by law or executive order may be delegated by the
35 director to the deputy director or to any other assistant or

1 subordinate; but the director shall be responsible for the official
2 acts of the officers and employees of the department.

3 NEW SECTION. **Sec. 21.** The director may appoint such advisory
4 committees or councils as may be required by any federal legislation as
5 a condition to the receipt of federal funds by the department. The
6 director may also appoint statewide committees or councils on such
7 subject matters as are or come within the department's
8 responsibilities. The statewide committees and councils shall have
9 representation from all major political parties and shall have
10 substantial consumer representation. The committees or councils shall
11 be constituted as required by federal law or as the director may
12 determine. The members of the committees or councils shall hold office
13 as follows: One-third to serve one year; one-third to serve two years;
14 and one-third to serve three years. Upon expiration of the original
15 terms, subsequent appointments shall be for three years except in the
16 case of a vacancy, in which event appointment shall be only for the
17 remainder of the unexpired term for which the vacancy occurs. No
18 member may serve more than two consecutive terms.

19 Members of such state advisory committees or councils may be paid
20 their travel expenses in accordance with RCW 43.03.050 and 43.03.060.

21 NEW SECTION. **Sec. 22.** In furtherance of the policy of the state
22 to cooperate with the federal government in all of the programs under
23 the jurisdiction of the department, such rules as may become necessary
24 to entitle the state to participate in federal funds may be adopted,
25 unless expressly prohibited by law. Any internal reorganization
26 carried out under the terms of this chapter shall meet federal
27 requirements that are a necessary condition to state receipt of federal
28 funds. Any section or provision of law dealing with the department
29 that may be susceptible to more than one construction shall be
30 interpreted in favor of the construction most likely to comply with
31 federal laws entitling this state to receive federal funds for the
32 various programs of the department. If any law dealing with the
33 department is ruled to be in conflict with federal requirements that
34 are a prescribed condition of the allocation of federal funds to the
35 state, or to any departments or agencies thereof, the conflicting part
36 is declared to be inoperative solely to the extent of the conflict.

1 NEW SECTION. **Sec. 23.** A new section is added to chapter 41.06 RCW
2 to read as follows:

3 In addition to the exemptions under RCW 41.06.070, the provisions
4 of this chapter shall not apply in the universal health care to the
5 director, the director's personal secretary, the deputy director, all
6 division directors and assistant directors, and one confidential
7 secretary for each of these officers.

8 **Sec. 24.** RCW 43.17.010 and 2006 c 265 s 111 are each amended to
9 read as follows:

10 There shall be departments of the state government which shall be
11 known as (1) the department of social and health services, (2) the
12 department of ecology, (3) the department of labor and industries, (4)
13 the department of agriculture, (5) the department of fish and wildlife,
14 (6) the department of transportation, (7) the department of licensing,
15 (8) the department of general administration, (9) the department of
16 community, trade, and economic development, (10) the department of
17 veterans affairs, (11) the department of revenue, (12) the department
18 of retirement systems, (13) the department of corrections, (14) the
19 department of health, (15) the department of financial institutions,
20 (16) the department of archaeology and historic preservation, ((and))
21 (17) the department of early learning , and (18) the department of
22 universal health care, which shall be charged with the execution,
23 enforcement, and administration of such laws, and invested with such
24 powers and required to perform such duties, as the legislature may
25 provide.

26 **Sec. 25.** RCW 43.17.020 and 2006 c 265 s 112 are each amended to
27 read as follows:

28 There shall be a chief executive officer of each department to be
29 known as: (1) The secretary of social and health services, (2) the
30 director of ecology, (3) the director of labor and industries, (4) the
31 director of agriculture, (5) the director of fish and wildlife, (6) the
32 secretary of transportation, (7) the director of licensing, (8) the
33 director of general administration, (9) the director of community,
34 trade, and economic development, (10) the director of veterans affairs,
35 (11) the director of revenue, (12) the director of retirement systems,
36 (13) the secretary of corrections, (14) the secretary of health, (15)
37 the director of financial institutions, (16) the director of the

1 department of archaeology and historic preservation, (~~and~~) (17) the
2 director of early learning, and (18) the director of universal health
3 care.

4 Such officers, except the director of fish and wildlife, shall be
5 appointed by the governor, with the consent of the senate, and hold
6 office at the pleasure of the governor. The director of fish and
7 wildlife shall be appointed by the fish and wildlife commission as
8 prescribed by RCW 77.04.055.

9 **Sec. 26.** RCW 42.17.2401 and 2006 c 265 s 113 are each amended to
10 read as follows:

11 For the purposes of RCW 42.17.240, the term "executive state
12 officer" includes:

13 (1) The chief administrative law judge, the director of
14 agriculture, the administrator of the Washington basic health plan, the
15 director of the department of services for the blind, the director of
16 the state system of community and technical colleges, the director of
17 community, trade, and economic development, the secretary of
18 corrections, the director of early learning, the director of ecology,
19 the commissioner of employment security, the chair of the energy
20 facility site evaluation council, the secretary of the state finance
21 committee, the director of financial management, the director of fish
22 and wildlife, the executive secretary of the forest practices appeals
23 board, the director of the gambling commission, the director of general
24 administration, the secretary of health, the administrator of the
25 Washington state health care authority, the executive secretary of the
26 health care facilities authority, the executive secretary of the higher
27 education facilities authority, the executive secretary of the horse
28 racing commission, the executive secretary of the human rights
29 commission, the executive secretary of the indeterminate sentence
30 review board, the director of the department of information services,
31 the director of the interagency committee for outdoor recreation, the
32 executive director of the state investment board, the director of labor
33 and industries, the director of licensing, the director of the lottery
34 commission, the director of the office of minority and women's business
35 enterprises, the director of parks and recreation, the director of
36 personnel, the executive director of the public disclosure commission,
37 the director of retirement systems, the director of revenue, the
38 secretary of social and health services, the chief of the Washington

1 state patrol, the executive secretary of the board of tax appeals, the
2 secretary of transportation, the secretary of the utilities and
3 transportation commission, the director of veterans affairs, the
4 president of each of the regional and state universities and the
5 president of The Evergreen State College, each district and each campus
6 president of each state community college, the director of universal
7 health care;

8 (2) Each professional staff member of the office of the governor;

9 (3) Each professional staff member of the legislature; and

10 (4) Central Washington University board of trustees, board of
11 trustees of each community college, each member of the state board for
12 community and technical colleges, state convention and trade center
13 board of directors, committee for deferred compensation, Eastern
14 Washington University board of trustees, Washington economic
15 development finance authority, The Evergreen State College board of
16 trustees, executive ethics board, forest practices appeals board,
17 forest practices board, gambling commission, life sciences discovery
18 fund authority board of trustees, Washington health care facilities
19 authority, each member of the Washington health services commission,
20 higher education coordinating board, higher education facilities
21 authority, horse racing commission, state housing finance commission,
22 human rights commission, indeterminate sentence review board, board of
23 industrial insurance appeals, information services board, interagency
24 committee for outdoor recreation, state investment board, commission on
25 judicial conduct, legislative ethics board, liquor control board,
26 lottery commission, marine oversight board, Pacific Northwest electric
27 power and conservation planning council, parks and recreation
28 commission, personnel appeals board, board of pilotage commissioners,
29 pollution control hearings board, public disclosure commission, public
30 pension commission, shorelines hearing board, public employees'
31 benefits board, salmon recovery funding board, board of tax appeals,
32 transportation commission, University of Washington board of regents,
33 utilities and transportation commission, Washington state maritime
34 commission, Washington personnel resources board, Washington public
35 power supply system executive board, Washington State University board
36 of regents, Western Washington University board of trustees, and fish
37 and wildlife commission.

1 NEW SECTION. **Sec. 27.** Sections 1 through 22 of this act
2 constitute a new chapter in Title 43 RCW.

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