

PAL Assessment

HCA agency request legislation

Allows the state to move the cost of contracting with a third-party administrator (TPA) for the PAL assessment away from general funds and to the PAL assessment itself. This is expected to result in a \$0.01 per-member-per-month increase in the assessment.

What we're proposing

Currently, four telephone-based Provider Access Line (PAL) programs and the First Approach Skills Training (FAST) program are funded through a covered-lives assessment on health insurance plans. HCA bears the cost of contracting with a third-party administrator (TPA) to calculate and administer the assessment.

[RCW 71.24.064](#), currently provides that HCA's costs to contract with the TPA may not be included in the assessment rate. This proposed legislation removes this prohibition and instead permits the contracted TPA to be funded through a minimal increase in the carrier assessment. The legislation is estimated to reduce GF-S costs by around \$282k per year.

Background

In 2020, the legislature passed [House Bill 2728](#) directing HCA to collect an assessment, known as the PAL carrier assessment, to fund the PAL lines.

The assessment applies to self-insured and fully insured health plans and includes health carriers, self-funded multiple employer welfare arrangements, and employers or other entities that provide health care in Washington.

The term "covered life" means any individual residing in Washington with respect to whom the assessed entity administers, provides, pays for, insures, or covers health care services, unless excepted by Washington statute.

Fiscal impact

This legislation is expected to save ~\$282,000 (GF-S) annually. The estimated impact to the assessment rate would be an increase of about \$0.01 per covered life. The assessment rate for SFY26 was \$0.07 per covered life.