



HAYS COMPANIES

Washington State Partnership Access Line Fund (“WAPAL Fund”) Assessment

For several years, Washington State has had a “Partnership Access Line” (PAL) consisting of four state-organized psychiatric referral programs operated by the University of Washington and Seattle Children’s Hospital.

In 2020, the Washington State Legislature passed [House Bill 2728](#) to create a fund (The “WAPAL fund”) to support its PAL programs through imposing an assessment on certain entities, including health insurance carriers, employers, or other entities that provide health care in the state of Washington (e.g., through self-insured group health plans including level-funded plans), and self-funded multi-employer welfare programs. It remains to be seen whether single employer self-insured plans will challenge the fee under ERISA preemption and, if there is a challenge, what the outcome will be.

Out-of-state employers who provide health care to Washington residents **will** be required to pay the assessment. Self-funded tribal member-only plans are not subject to the assessment (however, tribal governments may be if they are funded by an arrangement other than contract health services or purchased/referred care funds).

The assessment will be based on quarterly numbers of covered lives. Accordingly, under the new law, plans will be required to submit covered life reports within 45 days after the end of each quarter, with the first reported quarter being the third quarter of 2021 (the period of July 1 to September 30, 2021). The first payment is due on or before November 14, 2021 (which represents 45 calendar days after the end of the third quarter).

The rate has not yet been determined, but the 2021-2022 fiscal year funding target for the WAPAL Fund is expected to be \$3,663,300. The cost per covered life under each assessed entity has been estimated to be approximately \$0.65.

Prior to the first required payment, assessed entities were required to register and submit a baseline covered lives report for the second quarter of 2021 by August 30, 2021, which resulted in a \$0 assessment. Assessed entities should have been contacted by KidsVax, which has been chosen to act as the third-party administrator to calculate and administer the assessments prior to the August 30 due date.

Additionally, KidsVax has established a [website](#) to provide important information for assessed entities and payers, including an overview and FAQ of the assessment program, training materials, instructions regarding how to register and how to complete the covered lives reports, email alert registration, and contact information. After the baseline report, subsequent covered lives reports will generate assessments which can be paid via check or ACH by the assessed entity or payer.

For fully-insured health plans, the carrier will be responsible for compliance with the PAL assessment. For self-insured health plans, the employer will be responsible for compliance with the PAL assessment. Employers sponsoring self-insured plans should coordinate with their TPAs to determine whether they will provide any assistance in handling the WAPAL Fund assessment. We understand that Aetna, Premera, and FCHN will complete the reporting and submit advance payment for all of their assessed groups (to be paid later by individual groups). Regence and RGA/HMA have reportedly not provided much support regarding the WAPAL Fund assessment requirements, while KPWA and TPSC have provided some support regarding headcounts.

Read the WAPAL Fund's [official commencement notice and summary of compliance obligations](#). Additional information can be found on the following websites:

- + [Washington State website for PAL assessment](#)
- + [Washington State website FAQs](#)
- + [WAPAL Fund website](#)
- + [WAPAL Fund resources for assessed entities and payers](#)

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