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LEGISLATIVE MEMO

SJM 8004: Plea from Washington state lawmakers for taxpayer-funded health care system

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Key Findings

1. **Senate Joint Memorial 8004 asks the federal government to enact taxpayer-financed, government-run health care or help Washington state implement its own system of taxpayer-financed care.**

2. **In other government-run systems, affordability, access and quality do not go together. Individuals' health care doesn't benefit from taking away decisions made between doctors and patients. Citizens — not governments — are the best advocates for their health care needs.**

3. **Taxpayer-financed health care leads to the rationing of care when demand outstrips supply. In 2024, physicians across Canada reported a median wait time of 30 weeks between a referral from a general practitioner and receipt of treatment, much longer than wait times in the United States.**

4. **Vermont abandoned its plan for a taxpayer-financed system of health care after finding the cost would be "enormous" or provide residents skimpier health coverage than most insured Vermonters already had. Officials determined an 11.5% state payroll tax and 9.5% income tax would be necessary to pay for the new health care system.**

5. **Safety net programs rightly exist for people in need of health care services. Creating new taxes would add to the cost of living and hurt low-income workers, some of whom already benefit from taxpayer-funded health care.**

6. **Lawmakers should act to move personal decisions about health care away from the political process and closer to the patient. SJM 8004 asks the federal government to do the opposite.**

Introduction

Washington state's legislative leaders have devoted state resources toward finding a way to bring a taxpayer-financed, socialized system of health care to Washington state. Senate Joint Memorial 8004, urged along by activists hoping for such a system, and prime-sponsored by Sen. Bob Hasegawa, D-Seattle, asks the federal government to "create a universal health care program or allow Washington state to implement a universal health system by reducing barriers or granting appropriate waivers."[1]

Background

The Universal Health Care Commission,[2] created by legislation[3] in 2021, meets regularly and has several subcommittees studying necessary pieces of the universal, taxpayer-financed puzzle, including the need to recapture federal health care dollars currently flowing to the state. Absent a clear path for the implementation of, or funding for, a taxpayer-provided system, the commission is trying to advance transitional ideas that work toward so-called "universal," taxpayer-funded health care.

At least one of those transitional ideas has touched down in bill form in the 2025 legislative session. Agency-request legislation from the

1 Concerning universal health care, Senate Joint Memorial 8004. (2025-26).

2 Universal Health Care Commission. Retrieved at https://www.hca.wa.gov/about-hca/who-we-are/universal-health-care-commission.

3 Concerning the creation of a universal health care commission, Senate Bill 5399. (2021-22).

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Health Care Authority, HB 1223[4] and SB 5083,[5] would create price caps on services received by public employees the state insures. Saving the state and state employees' money in this way will come at the expense of people who are commercially insured, providers and hospitals.[6] These bills also provide a glimpse into how a government-dictated and taxpayer-funded system would work.

In addition to seeking waivers from the federal government and determining what kind of coverage would be included in a taxpayer-funded and government-run system (still unclear), the Universal Health Care Commission is working with the group Whole Washington[7] to make various recommendations to the Legislature.

Whole Washington is an activist group that has been seeking a taxpayer-financed system of health care in the state since 2017 and describes itself as a "grassroots coalition of healthcare professionals and volunteers across the state united by the dream of a just and universal healthcare system for Washington and the United States. Our signature statewide proposal is called the Washington Health Trust[8] and we endorse Medicare for All[9] as a national system."

Since 2018, Whole Washington has pursued three separate initiative attempts to establish government-run, taxpayer financed health care, calling it the Washington Health Trust. The group failed to gather enough signatures to qualify any of the initiatives on a ballot. Sen. Hasegawa has taken this Washington Health Trust proposal and made it into legislation to create a taxpayer-financed system without voter approval four times since 2019: SB 5222[10] SB 5204,[11] SB 5335[12] and this session's SB 5233[13] (companion bill House Bill 1445.)[14] This is the first year Whole Washington's Washington Health Trust idea was proposed as legislation in both chambers of the Washington state Legislature. Neither SB 5233 nor HB 1445 advanced out of the committees into which they were read.

For the past two years, Senate Joint Memorial (SJM) 8006, also prime-sponsored by Sen. Hasegawa, was proposed and would have, like this year's SJM 8004, called on the federal government to create a "universal" health care program or allow Washington state to establish its own taxpayer-funded system for all Washingtonians.[15] That proposal, however, failed to gain final approval both years.

Text of SJM 8004

Senate Joint Memorial 8004 has no binding force. It asks the federal government to enact a national, socialized, taxpayer-financed health care system or ease the ability for Washington state to implement its own single-payer health system. If the federal government does not enact socialized health care, the joint memorial urges Congress to pass "legislation similar to HR 6270 (by Rep. Ro Khanna, CA-17) that was introduced in the 118th Congress which will allow states to create their own universal health care programs."[16]

While the bill sponsors and legislative references have shifted slightly, SJM 8004 remains fundamentally the same as SJM 8006. It assumes, rather than offering proof, that a "national universal health care program is the most efficient and cost-effective means of providing access to health care for everyone and eliminating the economic, physical and mental health pain and suffering so many Americans are experiencing due to lack of timely access

4 Ensuring access to primary care, behavioral health, and affordable hospital services, House Bill 1123. (2025-26).

5 Ensuring access to primary care, behavioral health, and affordable hospital services, Senate bill 5083. (2025-26).

6 Clark County Today, "Opinion: Washington state is in a race to the bottom in health care," Elizabeth New, Feb. 6, 2025. Retrieved at https://www.clarkcountytoday.com/opinion/opinion-washington-state-is-in-a-race-to-the-bottom-in-health-care/.

7 Whole Washington. Retrieved at https://wholewashington.org/.

8 Whole Washington. Washington Health Trust proposal. Retrieved at https://wholewashington.org/proposal/.

9 Wikipedia. Medicare for All Act. Retrieved at https://en.wikipedia.org/wiki/Medicare_for_All_Act.

10 Creating the Whole Washington Health Trust, Senate Bill 5222. (2019-20).

11 Creating the Whole Washington Health Trust, Senate Bill 5204. (2021-22).

12 Developing the Washington Health Trust. Senate Bill 5335. (2023-24).

13 Developing the Washington Health Trust, Senate Bill 5233. (2025-26).

14 Developing the Washington Health Trust, House Bill 1445. (2025-26).

15 Requesting that the federal government create a universal health care program, Senate Joint Memorial 8006. (2023-24).

16 Concerning universal health care, Senate Joint Memorial 8004. (2025-26).

to health care and/or debt incurred." It says, "A state-run universal health care program, in the state of Washington, absent current barriers in federal law, could replace the state's current multipayer system in which individuals, private businesses, and government entities pay public and private insurers for health care coverage." This state system "would establish a state agency to finance all primary and medically necessary health care," the legislation reads.[17]

This year, the joint memorial is addressed to President Donald J. Trump, instead of Joseph R. Biden, Jr., and it leaves out this verbiage: "The failures of the current private health insurance system allow many opportunities to do better. Our health care problems are not inevitable, not the result of technology or 'consumers' insatiable greed. They are the result of bad institutions: Private health insurance and for-profit medicine whose financial incentives favor sickness and treatment over prevention and recovery. We have made mistakes in designing our health care system and we are paying for those mistakes."[18]

SJM 8004 also calls health care a human right and says a taxpayer-financed system of health care "would reduce financial barriers to access care and the growing number of residents with inadequate coverage. By reducing administrative and other waste, including health insurance company profits and excessive prices for drugs, hospitals, and medical devices, it would save money on health care…"[19]

Status of SJM 8004

SJM 8004 received a public hearing on Jan. 30 and then a do-pass, partisan, 7-3 vote out of the Senate Health and Long-Term Care Committee on Jan. 31. It reached the Senate floor, where it received another vote along partisan lines of 30-19. It now awaits House action. The bill advanced more quickly than its predecessor, despite having fewer sponsors. The joint memorial is scheduled for a public hearing in the House on March 21.

Policy analysis

SJM 8004 assumes much and is highly debatable in its ask and expectation that a government-run and taxpayer-financed health care system will be less expensive than our current health care system. Even if this reform could decrease overall health spending, which is uncertain, quality and access could also decrease.

In other government-run systems, experts find that affordability, access and quality do not go together. Lawmakers should be careful what they wish for and work on things they control right now that could bring more cost-containment in health care.

Great Britain and Canada have taxpayer-funded, universal programs that are often cited as successful. Studies, however, show dire problems with access to care in these countries.

The Fraser Institute in Canada writes that in 2024, physicians across Canada reported a median wait time of 30.0 weeks between a referral from a general practitioner and receipt of treatment. That's up from 27.7 in 2023. It's 222% longer than the 9.3-week wait Canadian patients could expect in 1993.[20] That is a much longer wait time than was found in the United States.[21, 22]

In Great Britain, a Wall Street Journal article reported that people who suffer heart attacks or strokes wait more than 1½ hours on average for an ambulance. The Royal College of Emergency Medicine estimated 300 to 500 people suffer premature deaths each week because of a lack of access to timely care. It added that more than one in 10 people are stuck on waiting lists for non-emergency hospital treatment for things like hip replacements.[23]

As for affordability, other states have tried to move forward with taxpayer-financed systems but failed. For example, Vermont, despite being a small and progressive state, found that the only way to set tax rates as low as Vermont officials wanted would mean giving residents skimpier health coverage than most insured Vermonters

17 ibid

18 ibid

19 ibid

20 The Fraser Institute, "Canada's median health-care wait time hits 30 weeks — longest ever recorded," Mackenzie Moir and Bacchus Barua, Dec.12, 2024, Retrieved at https://www.fraserinstitute.org/studies/waiting-your-turn-wait-times-for-health-care-in-canada-2024.

21 Ibid

22 "Survey of Physician Appointment Wait Times and Medicare and Medicaid Acceptance Rates," AMN/Merritt Hawkins, 2022. Retrieved at https://www.wsha.org/wp-content/uploads/mha2022waittimesurveyfinal.pdf.

23 The Wall Street Journal, "The U.K.'s Government-Run Healthcare Service Is in Crisis," David Luhnow and Max Colchester, Feb. 6, 2023. Retrieved at https://www.wsj.com/articles/nhs-uk-national-health-service-strike-costs-11675693883.

already had. The estimated cost of the new system in Vermont would have been over $5 billion in 2021. "For context, the entire budget for the state of Vermont was $5.01 billion for 2012-2013," notes Third Way, a national think tank championing center-left ideas.[24] Officials in Vermont determined that an 11.5% state payroll tax and a 9.5% income tax would be necessary to pay for the new health care system. The state's then-Democratic governor described the tax hikes needed to fund the plan as "enormous."[25]

In recent legislative sessions, California lawmakers have considered establishing a single-payer health care system; however, these efforts have consistently stalled, primarily due to concerns over the substantial costs involved. For instance, a 2017 proposal was estimated to cost approximately $400 billion annually, a figure that raised significant apprehension among legislators and stakeholders.[26]

Conclusion and solutions

If universal, taxpayer-financed healthcare worked well and reliably, it would be easier to understand asking the federal government to enact it or help Washington state go it alone. But we know from other countries that the goals of affordability, access and quality are not all achieved. In taxpayer-financed systems, demand always outstrips supply and then wait-listing and rations begin. Some patients are denied care to save money, and patient-centered health care is not the priority in taxpayer-financed systems.

With medical advances and an aging population, Washingtonians' actual health care costs will likely increase regardless of the system. State lawmakers should be focused on ways they could lower the cost of care provided or at least contain costs.

Decrease regulation

Regulations increase the cost of care and should be resisted. In a 2010 Washington Policy Center study, "How Mandates Increase Costs and Reduce Access to Health Care Coverage," we reported on the 57 mandates Washington state officials had imposed on health insurance.[27] The number of mandates on health benefits grew between 2002 and 2010, from 47 to 57. The number of mandates has grown since 2010, and we are seeing several insurance mandates proposed this session.

Over the same period, health insurance premiums in Washington and nationwide increased from an annual average of $3,080 for individuals and $8,000 for families, to $4,800 for individuals and $13,400 for families.[28] When lawmakers adopt a new mandate, proponents confidently predict the policy change will increase affordability. Research shows the opposite happens. While the incremental cost of each additional state-imposed mandate may seem small, the cumulative effect over time is substantial.

More informed consumers, price transparency, competition

Washington state's, and the nation's, third-party-payer health care system is a problem for cost-containment, lower prices, and health care savings and prioritizing.

With a third-party paying for most of the health care in our country, whether that is the government or an employer, many patients are separated from knowledge about — and fail to prioritize — health care costs. Costs will continue to increase as long as someone else is seen as paying the health care bills. We desperately need more informed consumers who have a stake in the game and an incentive to be healthier in the

24 Third Way, "Single-payer health care: A tale of 3 states," Katilin Hunter, July 17, 2019. Retrieved at https://www.thirdway.org/report/singlepayer-health-care-a-tale-of-3-states.

25 Albany Business Review, "Vermont governor abandons single-payer health care over 'enormous' costs," David Robinson, Dec. 19, 2014. Retrieved at https://www.bizjournals.com/albany/blog/healthcare/2014/12/vermont-governor-abandons-single-payerhealth-care.html?page=all.

26 The Source on Healthcare Price and Competition, California legislative beat, Kassie Williams, Sept. 10, 2024. Retrieved at https://sourceonhealthcare.org/most-recent-attempt-at-establishing-universal-single-payer-healthcare-in-california-fails-again/. Rose Institute of State and Local Government, Claremont McKenna College, "Single-Payer, Many Obstacles: Californian Health Care Reform," William Frankel, May 21, 2024. Retrieved at https://roseinstitute.org/single-payer-many-obstacles-californian-health-care-reform/?utm_source=chatgpt.com.

27 Washington Policy Center, "How Mandates Increase Costs and Reduce Access to Health Care Coverage," Paul Guppy, April 2010. Retrieved at https://www.washingtonpolicy.org/library/docLib/April_2010_Mandates.pdf.

28 The Kaiser Family Foundation and Health Research and Educational Trust, "Employer Health Benefits," Annual Survey 2009. Retrieved at https://www.kff.org/wp-content/uploads/2013/04/7936.pdf.

first place. Promising to supply "free" health care to all will not help with cost-containment. It will only shift who pays the ever-increasing health care bills and how.

Washington policymakers need to understand that while necessary, health care is not a right, just like food and housing. We shop for those things, and assistance is rightly available for people in need. Americans are smart shoppers. We need educated consumers shopping for health care and benefiting from more competition and innovation.

We need price transparency that helps consumers do this, and we need less regulation and fewer barriers attached to providing health care services in Washington state.

The state's Certificate of Need requirement is one of the outdated barriers to competition and innovation in Washington state. Innovations like the Surgery Center of Oklahoma, Health Savings Accounts and direct primary care models demonstrate the effectiveness of free-market approaches.

Lawmakers should focus on market-driven solutions that expand patient choice, improve affordability and maintain Washington's high-quality care.

Safety nets for the needly, not people with ample resources

Safety nets in Washington state, such as Apple Health and Medicaid long-term care services, should be reserved and protected for people in need, not provided to people with no need for taxpayer dependency. Creating new taxes would add to the cost of living and hurt low-income workers, some of whom already benefit from taxpayer-funded health care.

Payroll-funded social programs used by some workers in the state and not others, regardless of monetary need, harm workers by taking more of the wages they could be using for needs they do have — including those related to health and well-being.

A higher tax burden makes Washington state a less appealing place to live and work.

Wrong recommendation

SJM 8004 sends a misguided wish. Government-run systems reveal access and quality problems that Washingtonians would find unacceptable. Driving up the tax burden on workers and employers in Washington state, which a taxpayer-financed health care system would require, and increasing government dependency for health care will not lower the actual costs of care.

Trading one bad system for another isn't the way to go. Instead of adopting a flawed system, we should reduce more government intervention and embrace market-driven solutions that enhance quality and reduce costs.

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