

Individual State Agency Fiscal Note

Bill Number: 2674 2S HB	Title: Counselor credentialing	Agency: 303-Department of Health
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
Health Professions Account-State 02G-1				2,060,500	2,060,500
Total \$				2,060,500	2,060,500

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.0	4.6	2.3	19.0	12.9
Fund					
Health Professions Account-State 02G-1	0	558,000	558,000	2,279,000	1,284,000
Total \$	0	558,000	558,000	2,279,000	1,284,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/13/2008
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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill abolishes the current registered counselor credential effective July 1, 2010, and creates seven new credentials for individuals with a minimum of a four-year degree in therapeutic counseling or the equivalent in education and supervised experience; who work in state approved facilities, under supervision; or who are working as trainees toward meeting requirements for a specialty or master level counseling license. This proposed legislation clarifies counselor scope of practice, increases disclosure requirements and information that must be provided to counseling patients, and allows continuing education.

Section 2: Creates a new agency affiliated counselor credential for individuals that are employed by a state agency and practice therapeutic counseling. The Department of Health (DOH) will need to establish rules describing the standards for agency affiliated counselors.

Section 6: Requires DOH to educate the public about the new responsibilities of therapeutic counselors, the types of counselors, and the rights and responsibilities of client.

Section 7: Requires limited professional counselors to provide a disclosure statement that informs clients of the counselor's supervisory or consultation arrangement as defined in rules established by the Secretary. The disclosure statement must inform the client of any disciplinary action taken against the counselor by the Department, other agency, or other jurisdiction.

Section 8: Transfer of existing registered counselors to one of the new categories. DOH will need to create registration forms for agency affiliated counselor, limited professional counselor, or hypnotherapists to meet the new qualifications for credential.

Section 10: Requires DOH to establish continuing education requirements.

Section 13: Requires DOH to issue an associate license to any applicant for social work, mental health or marriage and family therapy who demonstrates that they have: 1) graduated from an accredited master's or doctoral level educational program in that applicant's area of practice; and 2) submitted a declaration that the licensee is working toward full licensure.

Section 14: Requires DOH to establish rules for the associate license. Requires DOH to verify an updated declaration, should the associate license lapse.

Section 18: Requires DOH to certify qualified applicants as chemical dependency professional trainees. They will be required to obtain a trainee certification. Trainees will require a declaration from a recognized educational program or a declaration that they are working toward certification.

Section 19: Requires DOH to appoint members to a new limited professional counselor, and hypnotherapist advisory committee. DOH assumes that it will also establish and provide support to the committee.

Section 20: Requires all registered counselors to obtain another health profession credential by July 1, 2010. The registered counselor credential is abolished July 1, 2010.

Section 21: Sections 1 through 2, 7 through 9, and 11 through 19 take effect July 1, 2009.

Section 22: DOH will not issue any new registered counselor credentials after July 1, 2009.

Section 23: DOH may not issue any initial limited professional counselor credentials after July 1, 2010. After July 1, 2010, DOH may only issue limited professional counselor credential renewals to individuals who held a limited professional counselor credential on or before July 1, 2010, without interruption.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Fees will be set once the new categories have been established and a detailed fee analysis has been completed, to ensure that each profession is fully self-supporting as required by law. Revenue will be collected starting in fiscal year (FY) 2010.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Sections 2, 6-8, 10, 13, 14, 18, 19, and 23: The current registered counselor credential will be eliminated and rules will need to be developed to create seven new categories for existing registered counselors and future applicants.

Assumptions:

The rulemaking process will begin July 1, 2008. Because this bill creates seven new credentials, HSQA, Office of Health Professions Quality Assurance (HPQA) is expecting the rulemaking process will be lengthy, complex, and need to begin as early as possible to be ready for program implementation by July 1, 2009. Forms and procedures will need to be developed, along with education equivalency, examination, supervisory, consultation, and continuing education requirements.

HPQA assumes that 38 percent of the 18,300 current counselors or 6,954 individuals will become an Affiliated Counselor, 28 percent or 5,124 individuals will become Limited Professional Counselor, 28 percent or 5,124 individuals will become Associates, working toward licensure as Social Workers (advanced and independent clinical), Mental Health Counselors, or Marriage and Family Counselors. An additional six percent or 1,098 individuals will become Certified Chemical Dependency Professional Trainees. HPQA is anticipating that most of the current licensed registered counselors have the necessary experience or education and will apply for one of the new credentials. These assumptions are based on the findings of a random survey conducted by the Gilmore Research Group.

Rules and program startup costs:

There will be one-time rulemaking costs in FY 2009 that include nine workshops and four stakeholder meetings. There will be a mass mailing to all 18,300 registered counselors informing them of the changes. There will also be costs to finalize rules, develop exams and create the new credential categories. HPQA will contract with an external facilitator given the contentious nature of the rulemaking and will also require security personnel during stakeholder meetings at the cost of \$2,000. HPQA anticipates the exam development will be accomplished through a contract with an entity experienced in exam preparation. HPQA will establish continuing education requirements.

There will be three rules hearings as this change will affect three different statutes. Staff time will include the creation of applications, declarations; model self assessment tools, and model written consultation agreements. Creation of new categories in the licensing and disciplinary tracking computer system will be required. Costs in FY 2009 include staff and associated costs, committee member time, a contracted facilitator estimated at \$10,000, a contracted entity for exam development estimated at \$50,000, Office of Attorney General (AGO) time estimated at \$56,160, travel, meeting room rentals, printing and postage.

In FY 2009, staff includes 0.22 FTE Executive Director (WMS, Band 3), 0.26 FTE Health Services Consultant (HSC) 4, 0.81 FTE Health Services Consultant 3, 1.7 FTE Office Assistant 3, 0.06 FTE Information Technology Specialist 4, and 0.4 FTE Committee time. Total staff equals 3.45 FTE.

New Program Costs:

It is assumed that no registered counselor applications will be processed in FY 2009 and no new limited professional counselor applications will be processed in FY 2010. Based on findings of the same Gilmore Research Group random survey, HPQA is estimating that in FY 2010 they will receive 17,800 applications for new licensure under the new rules: 6,954 applications for affiliated counselors, 4,624 applications for limited professional counselors, 5,124 applications for associates, and 1,098 applications for chemical dependency trainees. It is further assumed that processing time per application will vary from as high as 6.7 hours per new application for certified counselor to 1.25 hour for Affiliated Counselors.

A new limited professional counselor and hypnotherapist advisory committee is established. The new committee will consist of seven members representing limited professional counselors, hypnotherapists and consumers. The committee will have at least four annual meetings, plus other meetings deemed necessary throughout the year.

Based on these estimates and program support required in other like professions, costs include staff and associated costs, Committee time, travel, printing and postage. Staff in FY 2010 will include 16.66 FTE Office Assistant 3, 1.57 FTE HSC 1, 4.1 FTE HSC 4, 0.16 FTE Executive Director (WMS, Band 3), and 0.1 FTE Committee Member time. Total staff equals 22.59 FTE.

Starting FY 2011, ongoing staff includes 8.41 FTE Office Assistant 3, 0.8 FTE HSC 1, and 2.15 FTE HSC 4, 0.16 FTE Executive Director (WMS, Band 3), 1.65 FTE Customer Service Specialists 2 and 0.1 FTE Committee Member time. Total ongoing staff equals 13.27 FTE.

Unlicensed Practice Costs:

On July 1, 2010, the registered counselor credential will be abolished and, based on experience with similar programs, it is assumed that 500 former registered counselors will continue to practice without a credential. There will also be an increase in unlicensed practice due to the elimination of new application to the certified counselor category. It is estimated that in FY 2011 DOH will receive complaints on about 23 percent of those former registered counselors practicing without a license. It is further estimated that the number of former registered counselors engaging in unlicensed practice will decline in subsequent years, reaching levels typical for similar professions within four years. Costs associated with investigations of unlicensed practice will include staff and associated costs, AGO time, travel, printing and postage.

In FY 2011, staff includes 0.66 FTE Health Care Investigator 2, 0.08 FTE Health Care Investigator 4, 0.39 FTE Hearings Examiner 3, 0.04 FTE Senior Staff Attorney (WMS, Band 2), 0.11 FTE Legal Secretary 2, 0.01 FTE Legal Secretary 1, 0.01 FTE Legal Secretary 3, 0.02 FTE Office Assistant 3, 0.06 FTE Paralegal 2, and 0.04 FTE Hearings Scheduler. Total staff equals 1.42 FTE.

In FY 2012, staff includes 0.29 FTE Health Care Investigator 2, 0.04 FTE Health Care Investigator 4, 0.18 FTE Hearings Examiner 3, 0.02 FTE Senior Staff Attorney (WMS, Band 2), 0.06 FTE Legal Secretary 2, 0.01 FTE Office Assistant 3, 0.03 FTE Paralegal 2, and 0.02 FTE Hearings Scheduler. Total staff equals 0.65 FTE.

In FY 2013, staff includes 0.15 FTE Health Care Investigator 2, 0.02 FTE Health Care Investigator 4, 0.09 FTE Hearings Examiner 3, 0.01 FTE Senior Staff Attorney (WMS, Band 2), 0.03 FTE Legal Secretary 2, 0.01 FTE Paralegal 2, and 0.01 FTE Hearings Scheduler. Total staff equals 0.32 FTE.

Registered Counselors Program Reduction:

Cost reductions due to the elimination of the current registered counselors credential will include staff time and associated costs and travel. Starting in FY 2010, ongoing staff reductions will include (0.48) FTE HSC 3, (0.64) FTE HSC 1, (0.92) FTE Office Assistant 3, (0.16) FTE Executive Director (WMS, Band 2), (0.1) FTE HSC 4, (0.12) FTE AA2, (0.1) FTE AA3. Total ongoing staff reduction equals (2.52) FTE.

In FY 2009, estimated expenditures include salary, benefit, and related staff costs for a 0.4 FTE Health Services Consultant 1 and 0.7 FTE Fiscal Analyst 2 to assist with increased administrative workload.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years		4.6	2.3	19.0	12.9
A-Salaries & Wages		203,000	203,000	1,550,000	1,037,000
B-Employee Benefits		52,000	52,000	401,000	269,000
C-Personal Serv Contr		60,000	60,000	(18,000)	(18,000)
E-Goods and Services		193,000	193,000	85,000	(53,000)
G-Travel		11,000	11,000	17,000	16,000
J-Capital Outlays		34,000	34,000	196,000	
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimburesement					
T-Intra-Agency Reimbursement		5,000	5,000	48,000	33,000
Total:	\$0	\$558,000	\$558,000	\$2,279,000	\$1,284,000

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2008	FY 2009	2007-09	2009-11	2011-13
Administrative Assistant 2	36,036				(0.1)	(0.1)
Administrative Assistant 3	39,732				(0.1)	(0.1)
Committee Member	13,000		0.4	0.2	0.1	0.1
Customer Services Specialist 2	36,036				0.8	1.7
Executive Director (WMS3)	99,024		0.2	0.1		
Fiscal Analyst 2	45,828		0.7	0.4	1.7	1.0
Hearings Examiner 3	77,352				0.2	0.1
Hearings Scheduler	36,036				0.0	0.0
Hlth Care Investigator 2	56,112				0.3	0.2
Hlth Care Investigator 4	61,956				0.0	0.0
Hlth Services Consultant 1	43,836		0.4	0.2	0.6	0.2
Hlth Services Consultant 2	53,148				1.2	0.7
Hlth Services Consultant 3	60,420		0.8	0.4	(0.5)	(0.5)
Hlth Services Consultant 4	66,684		0.3	0.1	3.0	2.1
Info Technology Specialist 4	70,092		0.1	0.0		
Legal Secretary 1	38,736				0.0	
Legal Secretary 2	41,748				0.1	0.1
Legal Secretary 3	44,928				0.0	
Office Assistant 3	32,808		1.7	0.9	11.6	7.5
Paralegal 2	57,504				0.0	0.0
Senior Staff Attorney (WMS2)	83,316				0.0	0.0
Total FTE's			4.6	2.3	19.1	12.9

III. C - Expenditures By Program (optional)

Program	FY 2008	FY 2009	2007-09	2009-11	2011-13
Hlth Systems Quality Assurance (060)		501,000	501,000	2,019,000	1,135,000
Administration (090)		57,000	57,000	260,000	149,000
Total \$		558,000	558,000	2,279,000	1,284,000

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Sections 2-23: Rules will need to be developed to create new categories for existing registered counselors and future applicants.

OFM Notes:

Because this bill was identified as a proposal governed by the requirements of Initiative 960, this fiscal note has an attachment showing the ten-year cost to taxpayers of the proposed taxes or fees.

Ten-Year Analysis

Bill Number: 2SHB 2674	Title: Modifying credentialing standards for counselors
Agency: Department of Health	

NOTE: This ten-year analysis is limited to the estimated cash receipts associated with the tax or fee increases proposed in this bill and the associated administrative costs of those increased taxes or fees.

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Account, Major Source and Source Code, Title of Fee or Tax	Fiscal Year 08	Fiscal Year 09	2007-09 Total	Fiscal Year 10	Fiscal Year 11	2009-11 Total
Professions			0			0
New			0	1,030,250	1,030,250	2,060,500
			0			0
			0			0
			0			0
Total	0	0	0	1,030,250	1,030,250	2,060,500

Estimated Expenditures from:

	Fiscal Year 08	Fiscal Year 09	2007-09 Total	Fiscal Year 10	Fiscal Year 11	2009-11 Total
FTE Staff Years			0.0			0.0
Fund						
GF-State			0			0
GF-Federal			0			0
Other (specify)			0			0
02G Health Profession		10,500	10,500			0
			0			0
Total	0	10,500	10,500	0	0	0

Ten-Year Analysis

Bill Number: 2SHB 2674

Agency: Department of Health

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts

Account, Major Source and Source Code, Title of Fee or Tax	Fiscal Year 12	Fiscal Year 13	2011-13 Total	Fiscal Year 14	Fiscal Year 15	2013-15 Total
Professions			0			0
New	1,030,250	1,030,250	2,060,500	621,000	621,000	1,242,000
			0			0
			0			0
			0			0
Total	1,030,250	1,030,250	2,060,500	621,000	621,000	1,242,000

Estimated Expenditures 1

	Fiscal Year 12	Fiscal Year 13	2011-13 Total	Fiscal Year 14	Fiscal Year 15	2013-15 Total
FTE Staff Years			0.0			0.0
Fund						
GF-State			0			0
GF-Federal			0			0
Other (specify)			0			0
02G Health Profession			0			0
			0			0
Total	0	0	0	0	0	0

Ten-Year Analysis

Bill Number: 2SHB 2674

Agency: Department of Health

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts

Account, Major Source and Source Code, Title of Fee or Tax	Fiscal Year 16	Fiscal Year 17	2015-17 Total	2008-17 TOTAL
Professions			0	0
New	621,000	621,000	1,242,000	6,605,000
			0	0
			0	0
			0	0
Total	621,000	621,000	1,242,000	6,605,000

Estimated Expenditures 1

	Fiscal Year 16	Fiscal Year 17	2015-17 Total	2008-17 TOTAL
FTE Staff Years			0.0	
Fund				
GF-State			0	0
GF-Federal			0	0
Other (specify)			0	0
02G Health Profession			0	10,500
			0	0
Total	0	0	0	10,500