

Multiple Agency Fiscal Note Summary

Bill Number: 2229 S HB	Title: Hospital employees
-------------------------------	----------------------------------

Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Health	.1	11,000	11,000	.1	10,000	10,000	.1	10,000	10,000
Total	0.1	\$11,000	\$11,000	0.1	\$10,000	\$10,000	0.1	\$10,000	\$10,000

Local Gov. Courts *									
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Impact

NONE

Prepared by: Ryan Black, OFM	Phone: 360-902-0417	Date Published: Final 2/ 6/2012
-------------------------------------	-------------------------------	---

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 2229 S HB	Title: Hospital employees	Agency: 303-Department of Health
-------------------------------	----------------------------------	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	0.1	0.1	0.1	0.1
Account					
General Fund-State 001-1	0	11,000	11,000	10,000	10,000
Total \$	0	11,000	11,000	10,000	10,000

Estimated Capital Budget Impact:

NONE

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: Amy Skei	Phone: (360) 786-7109	Date: 01/26/2012
Agency Preparation: Loan Nguyen	Phone: 360-236-4537	Date: 01/31/2012
Agency Approval: Wendi Gunther	Phone: 360-236-4530	Date: 01/31/2012
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 01/31/2012

Request # 12-087-1

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.

Section 1: Amends RCW 43.70.052 to add employee compensation to the financial information the Department of Health (DOH) currently requires hospitals to submit. Starting in 2012, the department shall require that each nonprofit or public hospital district report the compensation paid to certain hospital employees within sixty days following the end of each hospital fiscal year (FY). Hospitals have two options for reporting employee compensation. They may submit relevant portions of internal revenue service form 990 or they may submit the names and compensation of the five highest paid employees who do not have direct patient responsibility on a form created by DOH. The compensation of the lead administrator for the hospital must also be reported. The department shall create a form and make it available no later than August 1, 2012.

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.

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.

Section 1: Requires hospitals, other than for-profit, to annually submit employee compensation information to the department. Within sixty days following the end of each hospital's fiscal year, the hospital shall file the appropriate portion of the federal internal revenue service form 990 that identifies the employee compensation information or the names and compensation of the five highest compensated employees of the hospital who do not have any direct patient responsibilities with the department. Hospitals are required to submit annual reports to DOH, using either the federal internal revenue service form 990 or the form created by DOH. The form created by DOH must be made available to hospitals by August 1, 2012.

Beginning in FY 2013, the department will incur one-time costs to create a reporting form, gather feedback from state hospitals on the reporting form, provide technical assistance to hospitals on the reporting requirements, review reports for compliance, follow an iterative process to get compliant reports, and make the compensation data available to the public on the web. One-time costs in FY 2013 include salaries, benefits, and associated staff costs of 0.1 FTE Health Services Consultant 4 (HSC 4) and \$11,000.

In FY 2014 and ongoing, DOH will incur costs to collect employee compensation reports from hospitals; provide technical assistance to hospitals on the reporting requirements; and post the compensation reports submitted by hospitals to the DOH web site. Total costs in FY 2014 and ongoing include salaries, benefits, and associated staff costs for 0.1 FTE HSC 4 and \$5,000. This fiscal impact assumes that DOH will perform no statistical analysis of the compensation data reported by hospitals and produce no reports based on the data received.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		0.1	0.1	0.1	0.1
A-Salaries and Wages		7,000	7,000	6,000	6,000
B-Employee Benefits		2,000	2,000	2,000	2,000
E-Goods and Services		2,000	2,000	2,000	2,000
Total:	\$0	\$11,000	\$11,000	\$10,000	\$10,000

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 2012	FY 2013	2011-13	2013-15	2015-17
HEALTH SVCS CONSLT 4	68,016		0.1	0.1	0.1	0.1
Total FTE's	68,016		0.1	0.1	0.1	0.1

Part IV: Capital Budget Impact

NONE

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 2229 S HB	Title: Hospital employees
-------------------------------	----------------------------------

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☒ Special Districts: New reporting requirements resulting in staff costs of approximately \$20,000 per year for the 41 public hospital districts with hospitals
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: Staff time to complete reporting requirements

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 02/01/2012
Leg. Committee Contact: Amy Skei	Phone: (360) 786-7109	Date: 01/26/2012
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/01/2012
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 02/06/2012

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

DIFFERENCES BETWEEN THIS VERSION AND PREVIOUS VERSION OF THE BILL

The substitute bill establishes two options for reporting hospital compensation information. Nonprofit and public hospital district hospitals must file either the portion of their Form 990 that contains compensation information or the name and compensation information for the five highest compensated employees of the hospital who do not have any direct patient responsibilities. Hospitals must report this information to the Department of Health (DOH) within 60 days of the end of their fiscal year. If the lead administrator responsible for the hospital or the lead administrator's compensation is not identified within the employee compensation information, the hospital shall also submit the compensation information for the lead administrator.

SUMMARY OF THE BILL

The bill amends RCW 43.70.052 to add employee compensation to the data elements that nonprofit and public hospitals must submit to the Department of Health. Each nonprofit or public hospital district hospital must annually report the compensation paid to the five highest paid hospital employees who do not have any direct patient responsibilities.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

The bill would have an indeterminate but likely minimal (\$20,000 a year or less) impact on the 41 public hospital districts with hospitals.

Public hospitals are currently required to submit annual budgets to the Department of Health. According to the Association of Washington Public Hospital Districts, the added requirement would result in a minimal amount of additional work for a hospital district's human resources employee, budget analyst, and senior manager. These staff costs would total approximately \$400-500 per year, or between \$16,400 and \$20,500 for all of the public hospital districts.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

The bill would have no revenue impact.

SOURCES:

Association of Washington Public Hospital Districts
Department of Health