

Multiple Agency Fiscal Note Summary

Bill Number: 1947 E S HB AMS BECK S2990.3	Title: WA health benefit exchange
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Estimated Cash Receipts

Agency Name	2013-15		2015-17		2017-19	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Office of State Auditor	0	0	0	735,180	0	0
Washington State Health Care Authority	0	33,000	0	38,000	0	38,000
Department of Revenue	(1,586,000)	(1,586,000)	(360,000)	(360,000)	0	0
Office of Insurance Commissioner	(20,838,000)	0	(65,146,000)	0	(67,730,000)	0
SWF Statewide Fiscal Note - OFM	0	0	0	16,417,000	0	14,617,000
Total \$	(22,424,000)	(1,553,000)	(65,506,000)	16,830,180	(67,730,000)	14,655,000

Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of State Auditor	.0	0	0	1.7	0	735,180	.0	0	0
Washington State Health Care Authority	.4	34,000	67,000	.5	38,000	76,000	.5	38,000	76,000
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Office of Insurance Commissioner	2.6	0	676,211	.0	0	0	.0	0	0
SWF Statewide Fiscal Note - OFM	.0	0	0	.0	0	0	.0	0	0
Total	3.0	\$34,000	\$743,211	2.2	\$38,000	\$811,180	0.5	\$38,000	\$76,000

Estimated Capital Budget Impact

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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

** See local government fiscal note

FNPID 35812

FNS029 Multi Agency rollup

Prepared by: Richard Pannkuk, OFM	Phone: (360) 902-0539	Date Published: Final 9/16/2013
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 35812

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1947 E S HB AMS BECK S2990.3	Title: WA health benefit exchange	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: 07/01/2013
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 07/01/2013
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 07/01/2013
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 07/02/2013

Request # 146-1

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.

ESHB 1947 AMS BECK S2990.3 modifies the health benefit exchange account from a treasury trust fund to a treasury fund. Earnings from investments will continue to be credited to the general fund.

Earnings from investments:

Estimated earnings from investments are indeterminable because projected cash flows are needed to make the estimate and are currently unavailable. Earnings for an account are a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period under review. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings.

For illustrative purposes, assume based on the June 2013 revenue forecast that approximately \$1,600 in FY 14, \$1,600 in FY 15, \$2,800 in FY 16, and \$15,700 in FY 17 in net earnings would be gained or lost annually for every \$1 million shift in average daily cash balances.

Debt Limit:

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

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.

ESHB 1947 AMS BECK S2990.3 modifies the health benefit exchange account from a treasury trust fund to a treasury fund. Earnings from investments will continue to be credited to the general fund.

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.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

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.

Individual State Agency Fiscal Note

Bill Number: 1947 E S HB AMS BECK S2990.3	Title: WA health benefit exchange	Agency: 095-Office of State Auditor
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2014	FY 2015	2013-15	2015-17	2017-19
All Other Funds-State 000-1				735,180	
Total \$				735,180	

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.0	0.0	0.0	1.7	0.0
Account					
All Other Funds-State 000-1	0	0	0	735,180	0
Total \$	0	0	0	735,180	0

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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:

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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: 07/01/2013
Agency Preparation: Janel Roper	Phone: 360-725-5600	Date: 07/22/2013
Agency Approval: Janel Roper	Phone: 360-725-5600	Date: 07/22/2013
OFM Review: Kathy Cody	Phone: (360) 902-9822	Date: 07/29/2013

Request # 2013-026-1

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 2 Creates an appropriated account in the state treasury entitled the Health Benefit Exchange Account

Section 3 (8) Requires the State Auditor to perform a performance review and make recommendations relating to the cost of exchange operations. The State Auditor is further responsible for evaluating the potential cost and/or service benefits of reorganizing with other states or entering into partnership with the federal government.

Section 3 (8) Requires that the cost of the performance review is paid for by the newly created Health Benefit Exchange Account

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.

As outlined in the bill, the Health Benefit Exchange Account will bear the costs of this performance review. The State Auditor's Office will bill for this work accordingly.

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.

Based on the bill, the performance review would be required by July 1, 2016. This review would be completed using a combination of SAO audit staff and a contract with subject matter expertise. Objects A and B include salaries and benefits based on the additional SAO staff required. The FTE detail below identifies the breakdown of staff needed between audit staff and support / management staff. Object C is related to subject matter expertise in this area. Using knowledge from similar contracts in the past, we are estimating the contract to be \$400,000 for this performance review. Goods and services include expenditures for space, office supplies and other in house staff related costs. These expenses are based on average usage.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years				1.7	
A-Salaries and Wages				233,170	
B-Employee Benefits				58,290	
C-Professional Service Contracts				400,000	
E-Goods and Other Services				43,720	
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$0	\$0	\$735,180	\$0

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 2014	FY 2015	2013-15	2015-17	2017-19
Clerical / Mgmt / Overhead staff	75,000				0.5	
Performance Auditor 1	51,552				0.2	
Performance Auditor 2	59,784				0.5	
Principal Performance Auditor	91,500				0.2	
Sr Performance Auditor	83,856				0.3	
Total FTE's	361,692				1.7	0.0

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.

Individual State Agency Fiscal Note

Bill Number: 1947 E S HB AMS BECK S2990.3	Title: WA health benefit exchange	Agency: 107-Wash State Health Care Authority
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2014	FY 2015	2013-15	2015-17	2017-19
General Fund-Federal 001-2	14,000	19,000	33,000	38,000	38,000
Total \$	14,000	19,000	33,000	38,000	38,000

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.3	0.5	0.4	0.5	0.5
Account					
General Fund-State 001-1	15,000	19,000	34,000	38,000	38,000
General Fund-Federal 001-2	14,000	19,000	33,000	38,000	38,000
Total \$	29,000	38,000	67,000	76,000	76,000

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 07/01/2013
Agency Preparation: Marcia Wendling	Phone: 360-725-1836	Date: 07/17/2013
Agency Approval: Janice Baumgardt	Phone: 360-725-9817	Date: 07/17/2013
OFM Review: Richard Pannkuk	Phone: (360) 902-0539	Date: 07/30/2013

Request # 13-106-1

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.

See attached narrative.

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.

See attached narrative.

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.

See attached narrative.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.3	0.5	0.4	0.5	0.5
A-Salaries and Wages	14,000	28,000	42,000	56,000	56,000
B-Employee Benefits	4,000	9,000	13,000	18,000	18,000
C-Professional Service Contracts					
E-Goods and Other Services	1,000	1,000	2,000	2,000	2,000
G-Travel	10,000		10,000		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$29,000	\$38,000	\$67,000	\$76,000	\$76,000

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 2014	FY 2015	2013-15	2015-17	2017-19
Fiscal Analyst 4	558,360	0.3	0.5	0.4	0.5	0.5
Total FTE's	558,360	0.3	0.5	0.4	0.5	0.5

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.

HCA Fiscal Note

Bill Number: 1947 ESHB AMS BECK S2990.3

HCA Request #: 13-106-1

Part II: Narrative Explanation

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

This bill allows the Health Benefit Exchange (Exchange) to impose an assessment on health and dental plans sold through the Exchange in an amount necessary to fund the operations of the exchange beginning January 1, 2015.

The Exchange Board, in collaboration with insurance issuers, the Health Care Authority (HCA), and the Insurance Commission (OIC), must establish a fair and transparent process for calculating the assessment

Assessments:

- Must only be applied to issuers that offer coverage in the Exchange
- Must be based on the number of enrollees
- Must be established on a flat dollar and cents amount per member per month
- Must have a reconciliation process
- Must be remitted quarterly
- Must have a grievance process
- Must have a process for enforcement
- Must be deposited in the Health Benefit Exchange Account (HBEA)
- May not be applied by issuers to vary premium rates

The Exchange shall monitor enrollment and provide periodic reports that must be available on their web site.

The State Auditor shall conduct a performance review by July 1, 2016.

The legislature is allowed to transfer excess fund balance from HBEA to the state general fund.

Assessments for the high risk pool are to continue, limited to the 2013 level, to assist with the transition of enrollees into the Exchange.

II. B – Cash Receipts Impact

Assumes work would be eligible for federal match at 50%.

II. C – Expenditures – Indeterminate, however, for fiscal note purposes, Scenario 2 has been used.

As HCA does not collect assessments, there is no impact to HCA for the continued collection of assessments for the high risk pool to assist with the transition of enrollees into the Exchange. HCA further assumes that

The bill is silent on the role HCA will have in implementing this bill in regards to the HBEA. HCA provides three possible scenarios below and used the second scenario for the likely impact related to this bill.

HCA Fiscal Note

Bill Number: 1947 ESHB AMS BECK S2990.3

HCA Request #: 13-106-1

Scenario 1

If the Exchange will be the fund administrator and is granted full access to state systems for budget and accounting purposes, there should be no impact to HCA beyond participation in the development of the assessments.

Scenario 2 - .5 FTE and \$38,000 per year

If the Exchange is not granted full access and HCA is the fund administrator and receives the spending appropriation on behalf of the Exchange, an additional .5 FTE is needed. HCA anticipates increased coordination with the Exchange to implement and provide the necessary assistance to account for the activities related to the HBEA.

Functions that HCA anticipates providing include:

- Pulling data and providing reports on an ad-hoc/monthly/quarterly/annual basis
- Review monthly billings to provide payment/pass-thru of funds from the HBEA to the Exchange
- Annual fund reconciliation
- Develop/input/monitor allotments to reflect appropriations
- Respond to questions from the Exchange/OFM/Legislature on the HBEA
- Update AFRS coding

FTEs							
Job Classification (Use Drop Down provided)	Range	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
Fiscal Analyst 4	52	0.3	0.5	0.5	0.5	0.5	0.5
Total FTE		0.3	0.5	0.5	0.5	0.5	0.5
Number of Positions Needed		1.0	1.0	1.0	1.0	1.0	1.0

FY 14 assumes a start date of January 1, 2014.

Total Objects						
	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
A - Salaries And Wages	14,000	28,000	28,000	28,000	28,000	28,000
B - Employee Benefits	4,000	9,000	9,000	9,000	9,000	9,000
E - Goods And Services	1,000	1,000	1,000	1,000	1,000	1,000
J - Capital Outlays (one-time)	10,000	0	0	0	0	0
Total	29,000	38,000	38,000	38,000	38,000	38,000

Funding Distribution						
	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
001-1 GF-State	15,000	19,000	19,000	19,000	19,000	19,000
001-2 GF-Federal	14,000	19,000	19,000	19,000	19,000	19,000
Total	29,000	38,000	38,000	38,000	38,000	38,000

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Assumes work would be eligible for federal match at 50%

Scenario 3 – 1 FTE and \$77,000 per year

If the Exchange is not granted full access and HCA is the fund administrator, receives the spending appropriation, and is responsible for revenue transactions on behalf of the Exchange,

HCA Fiscal Note

Bill Number: 1947 ESHB AMS BECK S2990.3

HCA Request #: 13-106-1

one FTE is needed. HCA anticipates increased coordination with the Exchange to implement and provide the necessary assistance to account for the activities related to the HBEA.

Additional workload beyond Scenario 2 for revenue transactions:

- Create and enter revenue codes in AFRS
- Receipt checks and make deposits
- Reconcile account with the State Treasures Office

FTEs							
Job Classification (Use Drop Down provided)	Range	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
Fiscal Analyst 4	52	0.5	1.0	1.0	1.0	1.0	1.0
Total FTE		0.5	1.0	1.0	1.0	1.0	1.0
<i>Number of Positions Needed</i>		<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>

FY 14 assumes a start date of January 1, 2014.

Total Objects						
	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
A - Salaries And Wages	28,000	56,000	56,000	56,000	56,000	56,000
B - Employee Benefits	9,000	19,000	19,000	19,000	19,000	19,000
E - Goods And Services	1,000	2,000	2,000	2,000	2,000	2,000
J - Capital Outlays (one-time)	10,000	0	0	0	0	0
Total	48,000	77,000	77,000	77,000	77,000	77,000

Funding Distribution						
	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
001-1 GF-State	24,000	39,000	39,000	39,000	39,000	39,000
001-2 GF-Federal	24,000	38,000	38,000	38,000	38,000	38,000
Total	48,000	77,000	77,000	77,000	77,000	77,000

Check

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Assumes work would be eligible for federal match at 50%

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Department of Revenue Fiscal Note

Bill Number: 1947 E S HB AMS BECK S2990.3	Title: WA health benefit exchange	Agency: 140-Department of Revenue
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2014	FY 2015	2013-15	2015-17	2017-19
GF-STATE-State 01 - Taxes 05 - Bus and Occup Tax	(764,000)	(822,000)	(1,586,000)	(360,000)	
Total \$	(764,000)	(822,000)	(1,586,000)	(360,000)	

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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:

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☐

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: 07/01/2013
Agency Preparation: Erin Valz	Phone: 360-534-1522	Date: 07/03/2013
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 07/03/2013
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 07/08/2013

Request # 1947-6-1

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.

Note: This fiscal note reflects language in draft legislation 1947 ESHB AMS BECK S2990.3, 2013 Legislative Session.

This bill creates a business and occupation (B&O) tax exemption for amounts received by the Washington Health Benefit Exchange (WHBE). This exemption would apply prospectively and retroactively and would expire July 1, 2023.

To pay for the operational costs of the WHBE, this bill also authorizes the WHBE, beginning January 1, 2015, to collect an assessment from issuers writing premiums for qualified health benefit plans or stand-alone dental plans offered through the WHBE.

The bill would take effect 90 days after the close of the legislative session in which it is enacted.

BACKGROUND

The federal Patient Protection and Affordable Care Act allows states to establish health insurance exchanges, which are designed to make buying health insurance easier and more affordable. Washington's health insurance exchange, the WHBE, was created by 2011 legislation. The WHBE is a public-private partnership "separate and distinct from the state."

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.

ASSUMPTIONS

The WHBE will receive funds from the state and federal government. However, it is unknown how much revenue the WHBE might receive from the state or generate through assessments imposed on health and dental plans sold through the WHBE. As a result, the fiscal impact of the B&O tax exemption as applied to these revenue sources is unknown. The impacts shown in this estimate are for exempting amounts received from the federal government only.

DATA SOURCES

All data has been supplied by the WHBE as follows:

- The WHBE estimates it will assume \$7,751,250 from the Health Care Authority for the Level 1 grant from the federal government, effective November 3, 2012.

- Currently, the WHBE is able to estimate the amount of funds it will receive from the federal government through Calendar Year 2014. These funds will not be received all at once and will instead be drawn down from the federal government in increments, estimated as follows:

- Calendar Year 2012 - \$40,269,200;
 - Calendar Year 2013 - \$61,536,062; and
 - Calendar Year 2014 - \$48,016,740.

The Department of Revenue estimated fiscal year impacts using the calendar year data provided by the WHBE.

The impact includes Fiscal Year 2013, because the business and occupation tax exemptions applies retroactively.

REVENUE ESTIMATES

Request # 1947-6-1

This legislation will decrease state revenues by an estimated \$700,000 in the 2011-13 Biennium, \$1,586,000 in the 2013-15 Biennium, \$360,000 in the 2015-17 Biennium.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2013 - \$ (700)
FY 2014 - \$ (764)
FY 2015 - \$ (822)
FY 2016 - \$ (360)
FY 2017 - \$ 0
FY 2018 - \$ 0
FY 2019 - \$ 0

Local Government, if applicable (cash basis, \$000): none

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

The Department of Revenue will not incur any costs with the implementation of this legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

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.

No rule-making required.

Individual State Agency Fiscal Note

Bill Number: 1947 E S HB AMS BECK S2990.3	Title: WA health benefit exchange	Agency: 160-Office of Insurance Commissioner
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2014	FY 2015	2013-15	2015-17	2017-19
General Fund-State 001-1		(20,838,000)	(20,838,000)	(65,146,000)	(67,730,000)
Health Benefit Exchange Account-State 17T-1		20,838,000	20,838,000	65,146,000	67,730,000
Total \$					

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	5.1	0.0	2.6	0.0	0.0
Account					
Health Benefit Exchange Account-State 17T-1	676,211	0	676,211	0	0
Total \$	676,211	0	676,211	0	0

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: 07/01/2013
Agency Preparation: Stacey Warick	Phone: (360) 725-7030	Date: 07/11/2013
Agency Approval: Jim Odiorne	Phone: (360) 725-7106	Date: 07/11/2013
OFM Review: Jay Balasbas	Phone: (360) 902-0633	Date: 07/17/2013

Request # 79-2

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 5(5)(b) requires, beginning January 1, 2014, monies, collected from taxpayers for premiums written on qualified health benefit plans and stand-alone dental plans offered through the health benefit exchange, be deposited in the Health Benefit Exchange Account. This subsection will result in a revenue decrease to the General Fund and a corresponding increase to the Health Benefit Exchange Account. Additional expenditures will be required related to modifying the commissioner's electronic tax and cash receipts systems in order to differentiate, identify and report the premiums and tax revenue for these two types of health plans.

Section 6(2)(b) requires that, beginning January 1, 2014, monies, collected from life and disability insurers for premiums written on qualified health benefit plans and stand-alone dental plans offered through the health benefit exchange, be deposited in the Health Benefit Exchange Account. This subsection will result in a revenue decrease to the General Fund and a corresponding increase to the Health Benefit Exchange Account.

This fiscal note assumes the following:

- Section 3 will not require resources from the Office of Insurance Commissioner. Assessing, depositing, tracking and enforcing payment of the assessment is not the responsibility of the Office of the Insurance Commissioner, but, based on the assignments in section 3, the responsibility of the WA Health Benefit Exchange.
- For insurance premium tax reporting purposes, taxpayers and insurers are able to identify qualified health benefit and stand-alone dental premiums offered through the health benefit exchange.

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.

Section 5(5)(b) requires, beginning January 1, 2014, monies, collected from taxpayers for premiums written on qualified health benefit plans and stand-alone dental plans offered through the health benefit exchange, be deposited in the Health Benefit Exchange Account. This subsection will result in a revenue decrease to the General Fund and a corresponding increase to the Health Benefit Exchange Account.

Section 6(2)(b) requires that, beginning January 1, 2014, monies, collected from life and disability insurers for premiums written on qualified health benefit plans and stand-alone dental plans offered through the health benefit exchange, be deposited in the Health Benefit Exchange Account. This subsection will result in a revenue decrease to the General Fund and a corresponding increase to the Health Benefit Exchange Account.

STAND-ALONE DENTAL PLANS: The OIC is not able to determine the cash receipt impact; therefore, this fiscal note does not reflect a shift in revenue between the General Fund and the Health Benefit Exchange Account for stand-alone dental plans. Although the OIC does anticipate some revenue shift, we do not anticipate the impact to be material in nature.

QUALIFIED HEALTH BENEFIT PLANS:

Assumption:

- The estimated amount of premium volume written on qualified health benefit plans offered through the health benefit exchange for calendar years 2014, 2015, and 2016 is based on data received from the WA Health Benefit Exchange. Premium volume for calendar year 2017 and forward assumes a 4% per year increase to premium volume as is consistent with the estimated increase reported as part of the commissioner's November 2012 revenue forecast.

Fiscal Year 2015 - Calendar year 2014 revenue: \$350 per member per month x 2,053,000 member months = \$718,550,000 premium volume x 2% insurance premium tax = \$14,371,000 + tax year (TY) 2015 1st quarter prepayment \$6,467,000 = \$20,838,000.

Fiscal Year 2016 - Calendar year 2015 revenue: \$350 per member per month x 3,730,000 member months = \$1,305,500,000 premium volume x 2% insurance premium tax = \$26,110,000. FY2016 Revenue: TY 2015 2nd quarter prepayment \$3,593,000 + TY 2015 3rd quarter prepayment \$3,593,000 + TY2015 final payment \$12,457,000 + TY2016 1st quarter prepayment \$11,750,000 = \$31,393,000.

Fiscal Year 2017 - Calendar year 2016 revenue: \$350 per member per month X 4,483,000 member months = \$1,569,050,000 premium volume x 2% insurance premium tax = \$31,381,000. FY2017 Revenue: TY 2016 2nd quarter prepayment \$6,528,000 + TY 2016 3rd quarter prepayment \$6,528,000 + TY2016 final payment \$6,576,000 + TY2017 1st quarter prepayment \$14,121,000 = \$33,753,000.

Fiscal Year 2018 - Calendar year 2017 premium volume \$1,631,812,000 x 2% insurance premium tax = \$32,636,000. FY2018 Revenue: TY 2017 2nd quarter prepayment \$7,845,000 + TY 2017 3rd quarter prepayment \$7,845,000 + TY 2017 final payment \$2,825,000 + TY2018 1st quarter prepayment \$14,686,000 = \$33,201,000.

Fiscal Year 2019 - Calendar year 2018 premium volume \$1,697,084,000 premium volume x 2% insurance premium tax = \$33,942,000. FY2019 Revenue: TY 2018 2nd quarter prepayment \$8,159,000 + TY 2018 3rd quarter prepayment \$8,159,000 + TY 2018 final payment \$2,937,000 + TY2019 1st quarter prepayment \$15,274,000 = \$34,529,000.

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 5(5)(b) and 6(2)(b) require that, beginning January 1, 2014, monies collected from taxpayers and insurers for premiums written on qualified health benefit plans and stand-alone dental plans offered through the health benefit exchange be deposited in the Health Benefit Exchange Account. Additional expenditures will be required related to modifying the commissioner's electronic tax and cash receipts systems in order to differentiate, identify and report the premiums and tax revenue for these two types of health plans.

The OIC's tax system (E-Tax) is part of a broader enterprise system called SIMBA and consists of both an internal core system and an online public facing system. Every biennium, OIC collects approximately \$900 million in state general fund revenue through the current E-Tax system. The changes required by HB 1947 significantly impact both internal and the external systems.

The internal core tax system consists of sixteen primary system functions, ten of those functions will require programming

Request # 79-2

changes to at least eighteen user screens, seven reports, changes to the database schema and various backend system calculations and logic. The online tax system used by insurers to file their premium tax and regulatory surcharge consists of six primary functions. Four of the functions will require changes to at least four user screens, most online reports, database changes and system logic. In terms of programming impact, approximately 75%-85% of the code base for E-Tax and the internal core system will require code modifications and retesting.

HB 1947 introduces more complexity to how the healthcare tax form is generated for the online user and how the data is stored in the database. The new tax form will require the insurer to breakdown their reported premium volume into multiple sub-premium lines and the insurer will have the ability to list tax exemptions for each sub-premium line reported. The code base in the tax systems is already complex and the tax forms displayed to the online user are dynamically created, so each tax form (i.e., healthcare, property & casualty, life & disability, etc) is not a unique and static tax form generated by a separate set of programming code and system logic. Therefore, introducing a new more complicated method for collecting, calculating, invoicing, and tracking healthcare premiums and taxes will be a significant programming impact that will require significant user, regression and integration testing to ensure that other tax forms and system logic are not adversely impacted. An additional programming complication that will need to be accounted for is that insurers can amended a previously filed tax forms for up to six years, which means the changes to the E-Tax system, the internal core system and the modifications for the new healthcare tax form must be backward compatible with previously submitted tax form data. In addition, the current process of allowing taxpayers to apply overpayment refunds to future tax obligations will be impacted due to multiple sub-premium reporting.

DISCOVERY/REQUIREMENTS:

OIC staff: .50 FTE Project Manager; 1.0 FTE Business System Analyst; .25 FTE Budget Analyst 4 (subject matter expert); and .25% FTE Developer for 4 months.

DEVELOPMENT/USER ACCEPTANCE TESTING:

OIC staff: .25 FTE Project Manager; 1.0 FTE Business System Analyst; .15 FTE Budget Analyst 4; and 3.0 FTE Developers; and 1.0 FTE Technical Tester for 9 months.

SYSTEM INTEGRATION TESTING:

OIC staff: .25 FTE Project Manager; .75 FTE Business System Analyst; .25 FTE Budget Analyst 4; and 1.0 FTE Technical Tester for 2 months.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	5.1		2.6		
A-Salaries and Wages	426,603		426,603		
B-Employee Benefits	114,366		114,366		
C-Professional Service Contracts					
E-Goods and Other Services	135,242		135,242		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$676,211	\$0	\$676,211	\$0	\$0

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 2014	FY 2015	2013-15	2015-17	2017-19
Budget Analyst 4	64,740	0.2		0.1		
IT Project Manager	96,816	0.4		0.2		
IT Specialist 5	78,900	2.1		1.1		
IT Sys/App Specialist 6	87,096	2.3		1.2		
Total FTE's	327,552	5.1		2.6		0.0

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.

Individual State Agency Fiscal Note

Bill Number: 1947 E S HB AMS BECK S2990.3	Title: WA health benefit exchange	Agency: SWF-SWF Statewide Fiscal Note - OFM
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2014	FY 2015	2013-15	2015-17	2017-19
Health Benefit Exchange Account-State 17T-1				16,417,000	14,617,000
Total \$				16,417,000	14,617,000

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: 07/01/2013
Agency Preparation: Stephanie Lidren	Phone: (360) 902-3056	Date: 07/30/2013
Agency Approval: Aaron Butcher	Phone: (360) 902-5555	Date: 07/30/2013
OFM Review: Richard Pannkuk	Phone: (360) 902-0539	Date: 07/30/2013

Request # 020-5

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 revision includes ten year analysis and cash receipts because the bill still requires that the Exchange collect premiums, just not on prenatal dental outside the Exchange.

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.

Section 2(1) requires that the health benefit exchange account be created in the state treasury. Section 2(2) states that premium taxes, assessments and amounts transferred by the pool administrator must be deposited into the account. Section 3 states that beginning January 1, 2015, the exchange may require each issuer writing premiums for qualified health benefit plans or stand-alone dental plans offered through the exchange to pay an assessment in an amount necessary to fund the operations of the exchange applicable to operational costs incurred beginning January 1, 2015. Section 5(2) states that a health maintenance organization, a health care service contractor or a self-funded multiple employer welfare arrangement (i.e. taxpayers) must pay a 2% tax on or before the first day of March of each year to the state treasurer through the insurance commissioner's office. Section 5(3) states that the taxpayer must prepay their current year tax obligations based on a formula described in this section. 45% of the prepayment is due on June 15, 25% on September 15th and 25% due on December 15th each year. Per section 5(5)(b), moneys collected from taxpayers for premiums written on qualified health benefit plans and stand-alone dental plans offered through the health benefit exchange must be deposited in the health benefit exchange account.

PREMIUMS WRITTEN THROUGH THE HEALTH BENEFIT EXCHANGE:

******The estimated amount of total expenditures was calculated by the Washington Health Benefit Exchange based on assumptions developed in late 2012 and modified in 2013 to equal a proscribed calendar year 2015 budget of \$40 million which is then escalated by 3% in each subsequent year. The estimated amount of self-sustaining revenue was calculated by the Office of the Insurance Commission based on estimates of member months and expected monthly premiums for non-Medicaid enrollees as estimated by the Washington Health Benefit Exchange.

Fiscal Year 2015 – Self-sustaining revenue is based on estimated premiums for calendar year 2014 of \$350 per member month x 2,053,000 member months = \$718,550,000 premiums x 2% insurance premium tax = \$14,371,000 + tax year (TY) 2015 1st quarter prepayment of \$6,467,000 = \$20,838,000. Washington Health Benefit Exchange expenditures for FY 2015 are estimated to be \$20,000,000. Therefore, the amount of expected funding surplus for the Exchange in FY 2015 is estimated to be \$838,000 (\$20,838,000 – \$20,000,000).

Fiscal Year 2016 – Self-sustaining revenue is based on estimated premiums for calendar year 2015 revenue of \$350 per

member month x 3,730,000 member months = \$1,305,500,000 premiums x 2% insurance premium tax = \$26,110,000; therefore, FY 2016 non-Medicaid revenue is made up of TY 2015 2nd quarter prepayment of \$3,593,000 + TY 2015 3rd quarter prepayment of \$3,593,000 + TY 2015 final payment of \$12,457,000 + TY 2016 1st quarter prepayment of \$11,750,000 for a total of \$31,393,000. Washington Health Benefit Exchange expenditures are estimated to be \$40,592,000 for FY 2016. Therefore, the amount of funding deficit for 2016 is projected to be (\$9,199,000) i.e. (\$31,393,000 - 40,592,000), leaving a net revenue deficit through FY 2016 of (\$8,361,000).

Fiscal Year 2017 – Self-sustaining revenue is based on estimated premiums for calendar year 2016 revenue of \$350 per member month x 4,483,000 member months = \$1,569,050,000 premiums x 2% insurance premium tax = \$31,381,000; therefore, FY 2017 revenue is made up of TY 2016 2nd quarter prepayment of \$6,528,000 + TY 2016 3rd quarter prepayment of \$6,528,000 + TY 2016 final payment of \$6,576,000 + TY 2017 1st quarter prepayment of \$14,121,000 for a total of \$33,753,000. Washington Health Benefit Exchange expenditures are estimated to be \$41,809,000. Therefore, the amount of funding deficit for FY 2017 will be (\$8,056,000) – i.e. (\$33,753,000 - \$41,809,000) resulting in a cumulative projected total revenue deficit through FY 2017 of (\$16,417,000).

Fiscal Year 2018 – Self-sustaining revenue is based on estimated premiums for calendar year 2017 revenue of \$350 per member month x 5,184,000 member months = \$1,814,400,000 premiums x 2% insurance premium tax = \$36,288,000; therefore, FY 2018 non-Medicaid revenue is made up of TY 2017 2nd quarter prepayment of \$7,845,000 + TY 2017 3rd quarter prepayment of \$7,845,000 + TY 2017 final payment of \$2,825,000 + TY 2018 1st quarter prepayment of \$16,330,000 for a total of \$34,845,000. Washington Health Benefit Exchange expenditures are estimated to be \$43,064,000. Therefore, the amount of funding deficit for FY 2018 is projected to be (\$8,219,000) – i.e. (\$34,845,000 - \$43,064,000) resulting in a cumulative projected total revenue deficit through FY 2018 of (\$24,636,000).

Fiscal Year 2019 – Self-sustaining revenue is based on estimated premiums for calendar year 2018 revenue of \$367.43 per member month x 5,443,000 member months = \$2,000,000,000 premiums x 2% insurance premium tax = \$40,000,000; therefore, FY 2019 revenue is made up of TY 2018 2nd quarter prepayment of \$9,072,000 + TY 2018 3rd quarter prepayment of \$9,072,000 + TY 2018 final payment of \$1,814,000 + TY 2019 1st quarter prepayment of \$18,000,000 for a total of \$37,958,000. Washington Health Benefit Exchange expenditures are estimated to be \$44,356,000. Therefore, the amount of revenue deficit for FY 2019 is projected to be (\$6,398,000) – i.e. (\$37,958,000 - 44,356,000) resulting in a cumulative projected total revenue deficit through FY 2019 of (30,761,000).

Fiscal Year 2020 – Self-sustaining revenue is based on estimated premiums for calendar year 2019 revenue of \$384.95 per member month x 5,715,000 member months = \$2,200,000,000 premiums x 2% insurance premium tax = \$44,000,000; therefore, FY 2020 revenue is made up of TY 2019 2nd quarter prepayment of \$10,000,000 + TY 2019 3rd quarter prepayment of \$10,000,000 + TY 2019 final payment of \$2,000,000 + TY 2020 1st quarter prepayment of \$19,800,000 for a total of \$41,800,000. Washington Health Benefit Exchange expenditures are estimated to be \$45,686,000. Therefore, the amount of revenue deficit for FY 2020 is projected to be (\$3,886,000) – i.e. (\$41,800,000 - 45,686,000).

Fiscal Year 2021 – Self-sustaining revenue is based on estimated premiums for calendar year 2020 revenue of \$399.93 per member month x 6,001,000 member months = \$2,400,000,000 premiums x 2% insurance premium tax = \$48,000,000; therefore, FY 2021 revenue is made up of TY 2020 2nd quarter prepayment of \$11,000,000 + TY 2020

3rd quarter prepayment of \$11,000,000 + TY 2020 final payment of \$2,200,000 + TY 2021 1st quarter prepayment of \$21,600,000 for a total of \$45,800,000. Washington Health Benefit Exchange expenditures are estimated to be \$47,057,000. Therefore, the amount of revenue deficit for FY 2021 is projected to be (\$1,257,000) – i.e. (\$45,800,000 -47,057,000).

Fiscal Year 2022 – Self-sustaining revenue is based on estimated premiums for calendar year 2021 revenue of \$412.63 per member month x 6,301,000 member months = \$2,600,000,000 premiums x 2% insurance premium tax = \$52,000,000; therefore, FY 2022 revenue is made up of TY 2021 2nd quarter prepayment of \$12,000,000 + TY 2021 3rd quarter prepayment of \$12,000,000 + TY 2021 final payment of \$2,400,000 + TY 2022 1st quarter prepayment of \$23,400,000 for a total of \$49,800,000. Washington Health Benefit Exchange expenditures are estimated to be \$48,469,000. Therefore, the amount of funding surplus for FY 2022 is projected to be \$1,331,000 – i.e. (\$49,800,000 -48,469,000).

Fiscal Year 2023 – Self-sustaining revenue is based on estimated premiums for calendar year 2022 revenue of \$438.33 per member month x 6,616,000 member months = \$2,900,000,000 premiums x 2% insurance premium tax = \$58,000,000; therefore, FY 2023 revenue is made up of TY 2022 2nd quarter prepayment of \$13,000,000 + TY 2022 3rd quarter prepayment of \$13,000,000 + TY 2022 final payment of \$1,430,000 + TY 2023 1st quarter prepayment of \$26,100,000 for a total of \$53,530,000. Washington Health Benefit Exchange expenditures are estimated to be \$49,923,000. Therefore, the amount of funding surplus for FY 2023 is projected to be \$3,607,000 – i.e. (\$53,530,000 -49,923,000).

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.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

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.