

Individual State Agency Fiscal Note

Revised

Bill Number: 5980 SB	Title: Physician quality improvemnt	Agency: 303-Department of Health
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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
Health Professions Account-State 02G-1				146,000	146,000
Total \$				146,000	146,000

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.0	0.3	0.2	0.7	0.7
Account					
Health Professions Account-State 02G-1	0	34,000	34,000	146,000	146,000
Total \$	0	34,000	34,000	146,000	146,000

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:	Phone:	Date: 01/09/2014
Agency Preparation: Donna Compton	Phone: (360) 236-4557	Date: 01/13/2014
Agency Approval: Kristin Bettridge	Phone: (360) 236-4530	Date: 01/13/2014
OFM Review: Danielle Cruver	Phone: (360) 902-0575	Date: 01/15/2014

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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.

Section 3: The Medical Quality Assurance Commission (Commission) will establish a non-punitive quality improvement program for the purposes of addressing deficits or concerns in the practice of its licensees which are not unprofessional conduct.

Section 4: Permits the Commission to enter into relationships with professionals that support the quality improvement program. The Commission will also receive and assess reports that raise issues with a licensee's care or conduct that may need improvement. The Commission can intervene in cases of questionable behavior; refer licensees for evaluation, education, or quality improvement; provide monitoring and rehabilitative support; and provide prevention and education where appropriate. The Commission is authorized to adopt rules as necessary to implement this section.

Section 5: Authorizes the Commission to issue and establish terms of professional development plans with certain restrictions. Plan participants are responsible for the costs of administering the plan. The Commission will bill and collect payment from those participants.

Section 6: Authorizes the Commission to issue letters of guidance to resolve concerns, complaints, or investigations received by the Commission. The Commission may use these letters of guidance when carrying out its statutory duties.

Section 7: Authorizes the Commission to compel an informal interview to resolve concerns, complaints, or investigations received by the Commission. A commissioner and a commission medical consultant will attend the informal interview.

Section 8: Authorizes the Commission to compel a quality assessment to resolve concerns, complaints, or investigations received by the Commission. The assessment can be conducted at the direction of the Commission with a Commission approved assessment entity.

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: Requires the costs to administrator the plan to be borne by the participating license holders. The commission projects approximately 248 license holders will use the program annually. Starting in FY 2016 and ongoing license holders will be billed by the Commission for costs related to their individual quality improvement program. The Commission assumes a program start date of July 1, 2015 and costs of \$73,000 in FY 2016 and ongoing. Commission staff will recover the program costs from the participating license holders and deposit those funds into to the Health Professions Account.

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.

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Rulemaking

Sections 4: In fiscal year (FY) 2015, there will be one-time rulemaking costs. Commission staff will develop, update and adopt rules to implement a quality improvement program. This includes four public meetings; these meetings will be held in Renton and Tumwater and will coincide with regular Commission meetings. This will allow stakeholders and licensees to participate during the rulemaking process. Costs will include Office of Attorney General time, staff and associated expenses to coordinate the rulemaking activities such as rule writing preparation and organizing the stakeholder meetings and the rules hearing. Total one-time costs for rulemaking in FY2015 will be 0.1 FTE Health Services Consultant 4 and \$8,000.

Program Administration and Management

Sections 3, 5-8: The Commission assumes this program will have rules completed by June 30, 2015 and a program start date of July 1, 2015. In FY2016 and ongoing, staff will implement and manage the program. This includes managing relationships with outside professionals, coordination with the Medical Consultant's office, entering and tracking of professional development plans, coordinating the details of the letters of guidance, and assisting with quality assessments. Staff will also bill plan participants to pay for the administration of the plan. Costs in FY 2015 will include staff and associated staff costs, and one-time small equipment for staff for a total of 0.2 FTE and \$34,000. FY 2017 and ongoing will have costs of 0.7 FTE and \$73,000.

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	0.2	0.7	0.7
A-Salaries and Wages		21,000	21,000	86,000	86,000
B-Employee Benefits		5,000	5,000	26,000	26,000
E-Goods and Other Services		7,000	7,000	18,000	18,000
G-Travel				14,000	14,000
J-Capital Outlays		1,000	1,000		
T-Intra-Agency Reimbursements				2,000	2,000
9-					
Total:	\$0	\$34,000	\$34,000	\$146,000	\$146,000

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 2	45,828				0.1	0.1
HEALTH SVCS CONSLT 4	68,016		0.2	0.1	0.3	0.3
MANAGEMENT ANALYST 5	68,016		0.1	0.1	0.3	0.3
Total FTE's	181,860		0.3	0.2	0.7	0.7

Part IV: Capital Budget Impact

NONE

None

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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.

Section 4: The Commission will adopt rules to implement an educational, non-disciplinary quality improvement program.