

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6603 SB	<b>Title:</b> Hepatitis C	<b>Agency:</b> 303-Department of Health
-----------------------------	---------------------------	---

## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

FUND	FY 2002	FY 2003	2001-03	2003-05	2005-07
Health Professions Account-State 02G-1		17,000	17,000	34,000	34,000
<b>Total \$</b>		17,000	17,000	34,000	34,000

### Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	0.0	4.6	2.3	5.8	4.2
<b>Fund</b>					
General Fund-State 001-1	0	2,196,000	2,196,000	4,316,000	4,282,000
Health Professions Account-State 02G-1	0	110,000	110,000	327,000	84,000
<b>Total \$</b>	0	2,306,000	2,306,000	4,643,000	4,366,000

*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: Maria Hovde	Phone: (360) 786-7436	Date: 01/29/2002
Agency Preparation: Anna Glaas	Phone: (360) 236-3927	Date: 02/06/2002
Agency Approval: Don Alexander	Phone: 360-236-4530	Date: 02/06/2002
OFM Review: Gina Terry	Phone: 360-902-0579	Date: 02/06/2002

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.

Except where otherwise noted, the Department is required to conduct the following activities that have expenditure impact:

Section 1

(1) Develop a state plan for prevention and treatment of HCV and (2) Establish a planning advisory committee as prescribed.

Section 2

- (1) (a) Conduct a seroprevalence survey to estimate current and future impact.
  - (1) (b) Conduct health education, public awareness and outreach
  - (1) (c) Train public health clinic staff
  - (1) (d) Inform health care providers and employers
  - (1) (e) Develop a prevention program to reduce risk of HCV transmission
- (2) Department may forecast economic costs and impact on quality of life. May contract for assistance with these reports. This study is not mandated, so costs are not calculated

Section 3

(1) Establish HCV testing at HIV counseling and testing sites.

Section 4

(1) Provide training for persons providing counseling for HCV and (2) Maintain a registry of persons successfully trained.

Section 5

Adopt necessary rules for implementation.

Section 6

Nursing commission to establish continuing education requirements for HCV.

Section 7

Department to establish continuing education requirements for chemical dependency counselors.

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 4: Funds will be acquired to cover the cost of training non-publicly funded providers.

Section 6 & 7: There is sufficient revenue in both the Nursing and Chemical Dependency professions to cover expenditures associated with these sections, but additional appropriation authority will be required.

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:

(1) Develop a state plan for prevention and treatment of HCV and (2) Establish a planning advisory committee as prescribed.

Costs: \$26,000 estimated based on the cost of the federally funded HIV prevention-planning group in 2000. Plus, 0.50 FTE Health Services Consultant 3 and 0.25 Office Assistant Senior and associated costs to organize and facilitate meetings, write reports and plans, etc. Plus \$4,800 in staff travel and per diem costs.

Section 2:

(1) (a) Conduct a seroprevalence survey to estimate current and future impact.

Costs: It is assumed the seroprevalence studies would be based on convenience samples, and thus the costs would be limited to specimen handling, laboratory processing costs, data entry, and epidemiologic analysis.

- 2,000 tests per year with a \$5 handling costs and \$18 for a screening test = \$46,000
- Assume 25% of the 2,000 are positive, requiring a repeat screen test at \$18 = \$9,000
- Assume 40% of the repeat EIA positives (500) require confirmatory testing by RIBA at \$150 = \$30,000
- Total laboratory costs = \$85,000
- Plus 0.25 FTE Epidemiologist 2 and 0.25 FTE Data Compiler 2 and associated costs for data collection, analysis and reports.

(1) (b) Conduct health education, public awareness and outreach

Costs: Implementation of these provisions would be done using the regional AIDSNET system. Contracts with each of the six regions would be established for a total of \$1,000,000.

(1) (c) Train public health clinic staff

(1) (d) Inform health care providers and employers

(1) (e) Develop a prevention program to reduce risk of HCV transmission

(2) Department may forecast economic costs and impact on quality of life. May contract for assistance with these reports.

Costs: This study is not mandated, thus the cost is not determined.

Section 3:

(1) Establish HCV testing at HIV counseling and testing sites.

Costs: In 2000, 29,313 HIV tests were reported from HIV counseling and testing sites. Of these, 6,393 were in injection drug users (IDUs). Of the remainder, about 22,000 reported multiple sex partners or other risks. It is assumed all IDUs

would be eligible for and volunteer for HCV testing, and 25% of others persons (5,500) would be eligible for or request a test for HCV. Because the state health laboratory does not do HCV testing, a second specimen would be necessary.

- 11,893 tests per year with a \$5 handling costs and \$18 for a screening test = \$274,000
- Assume 60% of the 6,393 tests in IDUs are positive (3,836), and 5% of the tests in other persons are positive (275) requiring a repeat screen test at \$18 = \$74,000
- Assume 10% of the repeat EIA positives in IDUs (384) and 50% or the repeat positives in other persons (138) require confirmatory testing by RIBA at \$150 = \$78,000
- Total laboratory costs = \$426,000
- Additional pre- and post-test counseling and management of referrals for HCV positive persons is estimated at 20 minutes per person. At an estimated \$50 per hour (\$50/hour, x .33 hours x 11,893) = \$196,000
- Plus 0.25 FTE Epidemiologist 2 and 0.25 FTE Data Compiler 2 and associated costs for data collection, analysis and reports.

#### Section 4:

(1) Provide training for persons providing counseling for HCV

(2) Maintain a registry of persons successfully trained.

Costs: In 2000, approximately 300 HIV counselors provided HIV counseling and testing. An attrition rate of 20% per year is assumed. In addition to initial training, counselors will require periodic updates, and technical assistance in dealing with difficult clients and interpreting test results.

0.50 FTE Health Services Consultant 3 to develop and provide trainings, technical assistance and perform quality assurance, and 0.25 Office Assistant Senior and associated costs. \$10,000 will be needed to cover the cost of travel and per diem for local travel and meeting rooms. \$7,200 will be needed for staff travel and per diem.

#### Section 5:

Adopt necessary rules.

Costs: 0.25 FTE Health Services Consultant 3 to develop and implement rules and regulations for a two year period, and 0.10 Office Assistant Senior and associated costs. Rules are expected to be required to: establish HCV testing eligibility criteria; public health clinic staff training; and HIV counselor training. \$5,000 will be need for printing and mailing draft and final rules, and for meetings to solicit public comments.

#### Section 6:

Currently, there are no continuing competency requirements for Nurses. For the purpose of this fiscal note, DOH is assuming that this would be a one-time continuing competency requirement. DOH is also assuming that persons that do not currently hold a license effective June 1, 2003 would need to fulfill this continuing competency requirement as part of the application process, not as part of the license renewal process. This change would be addressed in the rulemaking process. A separate licensing system in Health Professions Quality Assurance (HPQA) would need to be developed to identify and track new licensees for the first renewal after June 1, 2003, as defined in this bill. This process would be very costly to implement, and requiring it as part of the initial application would produce the same results. There would be one-time costs in FY03 for the Nursing program to identify and approve hepatitis C training components and rulemaking.

Costs in FY03 include commission time, staff time and associated costs, AG time, travel, printing and postage. There would be a one-time notification to all licensees of the new continuing competency requirement for hepatitis C. This would require a mass mailing to all 81,500 current licensees notifying them that at the time of their next renewal, this

requirement will need to be fulfilled. HPQA would also send out a reminder with each licensee’s renewal notice. Renewal notices would then be modified, which would require computer system changes. Licensees would check the box on their renewal notice that they have completed this requirement and sign the document. Staff will check for this requirement as part of the processing function for renewals. FTEs required include .05 Health Services Consultant 3, .05 Administrative Assistant 2, .02 FTE Health Services Consultant 4, and .10 FTE Information Technology Applications Specialist 4.

Beginning in FY04, DOH anticipates that 6% of all licensees, or 5,000 people, would not comply with the new requirement at time of renewal. Those renewals would be processed, but marked, and letters would be sent to the individuals notifying them of the lack of information. Within a period of time, a second letter would be sent to an estimated 2,000 licensees, notifying them of possible suspension or revocation of their license. Estimates are that 1,500 licensees will still not comply. At this point, HPQA will begin a Brief Adjudicative Process (BAP) to suspend or revoke their license. Of these 1,500, HPQA estimates that 10%, or 150 will request some further hearing or appeal and would require additional review by the Attorney General’s Office (AG) or the Nursing Commission. These assumptions are similar to those used in analyzing previous legislation, such as the requirement for all applicants to provide their social security number.

Costs in FY04 include commission time, staff time and associated costs, AG time, travel, printing and postage. FTEs required include .20 FTE Health Services Consultant 3, .19 FTE Administrative Assistant 2, 1.20 FTE Paralegal 1, .30 FTE Hearings Examiner 3, .94 FTE Office Assistant Senior, and .20 FTE Review Judge.

Ongoing costs in future years beginning FY05 include new applicants that do not comply with this requirement at the time of application. The same process and costs would apply as above, but the volume and dollar amounts would be extremely less. Costs are based on 7,500 new applicants per year. FTEs required for future years include .03 FTE Health Services Consultant 3, .03 FTE Administrative Assistant 2, .06 FTE Paralegal 1, .03 FTE Hearings Examiner 3, .10 FTE Office Assistant Senior, and .02 FTE Review Judge.

Section 7:

There would be one-time costs associated with rulemaking in FY03 to approve and add a hepatitis C training component to the Chemical Dependency Professional’s continuing competency list. Renewal notices would be modified and computer system changes would be required. This will require a mass mailing to all 2,515 current licensees notifying them that at the time of their next renewal this requirement must be fulfilled. HPQA will also send out a reminder with each licensee’s renewal notice. Costs in FY03 include committee time, staff time and associated costs, AG time, travel, printing and postage. FTEs required include .01 Health Services Consultant 3, .01 FTE Health Services Consultant 4, .03 Health Services Consultant 1, and .02 FTE Information Technology Applications Specialist 4.

The cost for this section in future years would be minimal and are not listed, since continuing competency requirements already exist for this program. Additional work, if any, would be absorbed in HPQA’s regular ongoing workload.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years		4.60	2.3	5.8	4.2
A-Salaries and Wages		212,000	212,000	509,000	378,000
B-Employee Benefits		50,000	50,000	121,000	90,000
C-Personal Service Contracts					
E-Goods and Services		296,000	296,000	517,000	410,000
G-Travel		34,000	34,000	65,000	62,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		1,707,000	1,707,000	3,414,000	3,414,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		7,000	7,000	17,000	12,000
<b>Total:</b>	\$0	\$2,306,000	\$2,306,000	\$4,643,000	\$4,366,000

### 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 2002	FY 2003	2001-03	2003-05	2005-07
Admin Asst 2	32,544		0.1		0.1	
Board Members	4,050		0.1	0.1	0.1	
Data Compiler 2	28,956		0.5	0.3	0.5	0.5
Epidemiologist 2	58,656		0.5	0.3	0.5	0.5
Health Svcs Consultant 1	38,580		0.0			
Health Svcs Consultant 3	53,136		2.3	1.2	2.2	2.0
Health Svcs Consultant 4	58,656		0.0			
Hearings Examiner 3	53,136				0.2	
Info Tech App Spec 4	57,252		0.1	0.1		
Office Asst Senior	29,616		1.0	0.5	1.5	1.0
Paralegal 1	37,608				0.6	0.1
Review Judge	38,028				0.1	
<b>Total FTE's</b>			4.6	2.5	5.8	4.1

## 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.*

Section 5:

Rules are expected to be required to: establish HCV testing eligibility criteria; public health clinic staff training; and HIV counselor training.

Sections 6 & 7:

would require continuing education and training relating to hepatitis C.