

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1715 HB	<b>Title:</b> Health care employees
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## Estimated Cash Receipts

NONE

## Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	Fiscal note not available								
University of Washington	117.9	0	26,821,784	117.9	0	26,821,784	117.9	0	26,821,784
<b>Total</b>	<b>117.9</b>	<b>\$0</b>	<b>\$26,821,784</b>	<b>117.9</b>	<b>\$0</b>	<b>\$26,821,784</b>	<b>117.9</b>	<b>\$0</b>	<b>\$26,821,784</b>

Local Gov. Courts *									
Loc School dist-SPI									
Local Gov. Other **	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Impact

NONE

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

\*\* See local government fiscal note

FNPID: 46854

FNS029 Multi Agency rollup

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1715 HB	<b>Title:</b> Health care employees	<b>Agency:</b> 235-Department of Labor and Industries
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## Part I: Estimates

☒ No Fiscal Impact

*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: Trudes Tango	Phone: 360-786-7384	Date: 02/01/2017
Agency Preparation: Xia Zhan	Phone: 360-902-6985	Date: 02/02/2017
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 02/02/2017
OFM Review: Devon Nichols	Phone: (360) 902-0582	Date: 02/06/2017

## 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 requires an employer provide its employees with meal and rest periods as required by law.

Section 2 amends RCW 49.28.130 (Mandatory Nurses' Overtime) to expand the definition of covered employees; exclude from the definition of employees.

Section 3 prohibits an employer from using prescheduled on-call time to fill chronic or foreseeable staff shortages; and Scheduling nonemergency procedures that would require overtime.

### 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.*

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 functions.*

There is no fiscal impact as: This bill expands the class of workers entitled to the protections of RCW 49.28.130 – .150 (Mandatory Nurses' Overtime). The protected leave specialist in the Department of Labor and Industries (L&I) handles these complaints. The Employment Standards Program in L&I receives less than five complaints stemming from this law each year. The specialist could handle a small increase in these complaints.

## Part III: Expenditure Detail

## 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.*

None.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1715 HB	<b>Title:</b> Health care employees	<b>Agency:</b> 300-Department of Social and Health Services
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## Part I: Estimates

☒ No Fiscal Impact

*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: Trudes Tango	Phone: 360-786-7384	Date: 02/01/2017
Agency Preparation: Bryan Way	Phone: 360-902-7769	Date: 02/03/2017
Agency Approval: Ken Brown	Phone: 360-902-7583	Date: 02/03/2017
OFM Review: Bryce Andersen	Phone: (360) 902-0580	Date: 02/03/2017

## 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 has no fiscal impact. The department's institutional settings are not licensed as health care facilities as defined by this bill and it is assumed that any oversight activities would be performed by the Department of Labor and Industries.

### 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.*

## Part III: Expenditure Detail

## 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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1715 HB	<b>Title:</b> Health care employees	<b>Agency:</b> 360-University of Washington
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	117.9	117.9	117.9	117.9	117.9
<b>Account</b>					
University of Washington Hospital-Private/Local 505-7	13,410,892	13,410,892	26,821,784	26,821,784	26,821,784
<b>Total \$</b>	13,410,892	13,410,892	26,821,784	26,821,784	26,821,784

### 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: Trudes Tango	Phone: 360-786-7384	Date: 02/01/2017
Agency Preparation: Sharyl Morris	Phone: 2065434679	Date: 02/06/2017
Agency Approval: Becka Johnson Poppe	Phone: 206-616-7203	Date: 02/06/2017
OFM Review: Breann Boggs	Phone: (360) 902-0563	Date: 02/06/2017

## 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.*

HB 1715 addresses meals and rest periods and mandatory overtime for certain health care employees.

Sec. 1 gives specifications by which employers are required to provide employees with breaks.

Sec. 2 provides definitions, including an expanded definition of "employee."

Sec. 3 addresses circumstances such as staff shortages, patient care emergencies and overtime.

### 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.*

No cash receipts.

### 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.*

Under HB 1715, the only circumstances when meal or rest periods can be interrupted are when there is an unforeseeable emergent circumstance or where the clinical circumstance may lead to harm without the employee's specific skill or expertise. UW Medical Center (UWMC) and Harborview Medical Center (HMC) are both advanced tertiary and quaternary care medical centers, with HMC being the only Level 1 adult/pediatric trauma and burn center in Washington, Alaska, Montana and Idaho. Due to the unpredictable nature of the patient population, flexibility is essential in the manner in which meal and rest periods can be scheduled.

By requirement of the applicable labor contracts at UWMC and HMC, rest periods are 15 minutes. Registered Nurses (RNs), surgical technicians and respiratory care practitioners typically take their breaks when their schedule allows, within certain agreed upon parameters between the employee and the shift supervisor. The use of intermittent breaks allows patient care to be provided in an efficient and effective manner that best reflects the complex needs of the patients and their families, while still providing for break time for employees. The UW assumes that HB 1715, with its requirement that all meal and rest periods be uninterrupted except for very limited circumstances, would necessitate additional staffing in the patient care units and surgical areas.

We estimate that each nursing unit at UWMC and HMC would require 16 additional hours of RN time daily to provide break coverage from 9:00 a.m. to 5:00 p.m., and from 9:00 p.m. to 5:00 a.m. (\*\*See note below for details about this assumption) There are 18 nursing units at UWMC and 20 units at HMC, so an additional 608 hours a day would be needed  $[(18+20)*16]$ . 608 multiplied by 365 results in a total of 221,920 additional hours, or 106.69 FTEs, needed annually (1 FTE=2,080 hours annually). The average RN salary is \$84,545 and has a benefit load rate of 37.9%. This results in additional labor costs of \$9,020,106 in salaries and \$3,418,620 in benefits for both hospitals, or \$12,438,726 annually.

The hospitals would also require an increase in respiratory care practitioners at a rate of 16 hours at each hospital daily (i.e. 32 hours). 32 hours multiplied by 365 results in a total of 11,680 additional hours, or 5.62 FTEs, needed annually. The average respiratory care practitioner salary is \$70,590 and has a benefit load rate of 37.9%. This results in additional labor costs of \$396,716 in salaries and \$150,355 in benefits for both hospitals, or \$547,071 annually.

Finally, the hospitals would require an increase in surgical technicians at a rate of 16 hours at each hospital daily (i.e. 32 hours). 32 hours multiplied by 365 results in a total of 11,680 additional hours, or 5.62 FTEs, needed annually. The average surgical technician salary is \$54,851 and has a benefit load rate of 37.9%. This results in additional labor costs of \$308,263 in salaries and \$116,832 in benefits for both hospitals, or \$425,095 annually.

Assuming full implementation of HB 1715, the total cost for both hospitals would be an estimated \$13,410,892 annually.

#### ADDITIONAL FISCAL IMPACT OF HB 1715 NOT REFLECTED ABOVE

In addition to operating the University of Washington Medical Center and Harborview Medical Center, which receive state appropriations, UW Medicine operates Northwest Hospital & Medical Center in North Seattle, a 501(c)(3) non-profit hospital; and, through an affiliation with the Hospital District governing entity, Valley Medical Center in Renton. As these entities do not receive direct state funding, the financial impact of HB 1715 on those entities is not reflected in this fiscal note; however, they do operate under the UW Medicine umbrella. Valley Medical Center would require an additional 40.5 FTEs (34.22 RNs, 2.63 respiratory care practitioners and 3.63 surgical technicians, all with slightly different average annual salaries/benefit rates than the UW) to absorb the impact of this legislation at an additional annual cost of \$4,441,608. Northwest Hospital & Medical Center would require 42 additional FTEs (36.5 RNs, 2.81 respiratory care practitioners and 2.81 surgical technicians, all with slightly different average annual salaries/benefit rates than the UW) at an additional annual cost of \$4,450,651. This financial impact would occur within the UW Medicine healthcare system in addition to the expenditures required to implement the legislation at UWMC and HMC.

**\*\*Details regarding the "16 hours" assumption used above:** Two years ago, HMC completed a 6-month pilot project to study the cost of providing uninterrupted breaks. For the study, additional staff were provided to the day shifts of two pilot units from 8:00 a.m. to 6:00 p.m. The two units each used 20 additional hours a day, comprising 2 RNs at 10 hours each. Each shift was 12 hours long and used 9 RNs plus the 2 "break RNs." All the shifts required break coverage for three 15 minute rest breaks and one 30 minute meal break. The time spent purely on coverage was about 14 hours; however, adding to that time were other duties in which the RN participated while on shift: the hand-off time needed each time an RN left or returned from break, documentation of care provided by break nurses, and miscellaneous required activities in which the break nurse participated (staff meetings, mandatory education modules, etc.), resulting in the total of 20 additional hours mentioned above. For this fiscal note, the 20 additional hours a day was reduced to 16 hours because, although HMC tracks when employees miss complete breaks, outside of the pilot units there is not a method to determine if the breaks taken are interrupted or not. Additionally, there are a few areas (e.g., psychiatric rehabilitation) where a different break coverage model might be possible; however, given the patient care population at HMC and at UWMC, it is considered very likely that a good portion of breaks are interrupted and it is not possible to determine the exact amount. Finally, while most shifts are 12 hours long and start at 7:00 a.m. and end at 7:00 p.m., the first two and last two hours of a shift tend to be less realistic times for breaks. Therefore, a slightly narrower window of 9:00 a.m. to 5:00 p.m. was used in the estimates above.



## Part III: Expenditure Detail

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

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	117.9	117.9	117.9	117.9	117.9
A-Salaries and Wages	9,725,085	9,725,085	19,450,170	19,450,170	19,450,170
B-Employee Benefits	3,685,807	3,685,807	7,371,614	7,371,614	7,371,614
C-Professional Service Contracts					
E-Goods and Other Services					
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-					
<b>Total:</b>	\$13,410,892	\$13,410,892	\$26,821,784	\$26,821,784	\$26,821,784

### 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 2018	FY 2019	2017-19	2019-21	2021-23
Registered Nurse	84,545	106.7	106.7	106.7	106.7	106.7
Respiratory Care Practitioner	70,590	5.6	5.6	5.6	5.6	5.6
Surgical Technician	54,851	5.6	5.6	5.6	5.6	5.6
<b>Total FTE's</b>	209,986	117.9	117.9	117.9	117.9	117.9

## 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.*

No required rule changes.