

Multiple Agency Fiscal Note Summary

Bill Number: 2836 HB	Title: Charity care and notice reqs
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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
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Department of Health	.1	0	13,000	.0	0	0	.0	0	0
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total	0.1	\$0	\$13,000	0.0	\$0	\$0	0.0	\$0	\$0

Estimated Capital Budget Impact

NONE

Prepared by: Bryce Andersen, OFM	Phone: (360) 902-0580	Date Published: Final 2/ 6/2018
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 51982

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 2836 HB	Title: Charity care and notice reqs	Agency: 107-Washington State Health Care Authority
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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: Kim Weidenaar	Phone: 360-786-7120	Date: 01/29/2018
Agency Preparation: Hanh OBrien	Phone: 360-725-1447	Date: 02/05/2018
Agency Approval: Rene Newkirk	Phone: 360-725-1307	Date: 02/05/2018
OFM Review: Robyn Williams	Phone: (360) 902-0575	Date: 02/05/2018

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.

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

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

HCA Fiscal Note

Bill Number: 2836 HB

HCA Request #: 18-89

Part II: Narrative Explanation

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

This bill intends to delineate charity care and notice requirements without restricting charity care.

Bill Details

Section 1 amends RCW 70.170.020 to clarify the definition of “charity care” and defines “third-party” coverage.

Section 2 amends RCW 70.170.060 to require hospitals to provide notice of charity care policies in specific areas of the hospitals, such as where patients are admitted, on the hospital’s website, and on all billing and collection documents. Requires hospitals to develop standardized training programs on the hospital’s charity care policy and use of interpreter services, and provide regular training for appropriate staff.

This act takes effect October 1, 2018.

II. B - Cash Receipts Impact

None.

II. C - Expenditures

No fiscal impact. HCA assumes there could be a slight increase in Medicaid enrollment, which should be negligible.

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None

Individual State Agency Fiscal Note

Bill Number: 2836 HB	Title: Charity care and notice reqs	Agency: 303-Department of Health
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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	0.0	0.1	0.1	0.0	0.0
Account					
Hospital Data Collection	0	13,000	13,000	0	0
Account-State 002-1					
Total \$	0	13,000	13,000	0	0

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: Kim Weidenaar	Phone: 360-786-7120	Date: 01/29/2018
Agency Preparation: Donna Compton	Phone: (360) 236-4538	Date: 01/31/2018
Agency Approval: Ryan Black	Phone: (360) 236-4530	Date: 01/31/2018
OFM Review: Bryce Andersen	Phone: (360) 902-0580	Date: 02/01/2018

Part II: Narrative Explanation

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

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1: Amends RCW 70.170.020 (Health Data and Charity Care, Definitions) by adding the definition of “Third-Party Coverage” to mean an obligation on the part of an insurance company, health care service contractor, health maintenance organization, group health plan, government program, tribal health benefits, or health care sharing ministry to pay for the care of covered patients and services. The payment may include settlements, judgements, or awards received related to the negligent acts of others with have resulted in the medical condition for which the patient has received hospital health care service.

Section 2: Amends RCW 70.170.060 (Charity Care-Prohibited and required hospital practices and policies, Rules, Department to Monitor and Report) by requiring each hospital to post and prominently display notice of charity care availability. The notices will be displayed in areas where patients are admitted or glistered, emergency departments, and financial service or billing areas. Each hospital is also required to post on its website the current version of the hospital’s charity care policy, a plain language summary of the hospital’s charity care policy, and the hospital’s charity care application. All hospital billing statements and other written, billing communications must include a charity care statement. Lastly, each hospital will be required to develop standardized training programs on the hospital’s charity care policy for staff who perform functions relating to registration, admissions, or billing.

Section 3: This bill takes effect October 1, 2018

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.

Current law RCW 43.70.250 requires that the programs administered by the Department of Health (department) be fully self-supporting and that sufficient revenue be collected through fees to fund expenditures in the charity care account. The department does not foresee the need to adjust fee levels as a result of this bill. The department will monitor the fund, and will adjust fees over a 5 year period to ensure that the fees are sufficient to cover all expenditures.

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.

NOTE: The bill has an implementation date of October 1, 2018. Non-controversial standard rulemaking takes about 12 months. Based on the department’s rulemaking experience, the department estimates rules will be adopted by July 1, 2019.

Rulemaking:

Section 1 & 2: The department staff will develop and adopt rules to update definitions and add requirements to display charity care information in hospitals. This will include two stakeholder meetings and one formal rules hearing. All meetings will be held in free facilities. Attorney General time will be one day for the stakeholder meetings and one day for the hearing. This allows stakeholders the opportunity to participate and provide comments during the rulemaking process. Costs include staff and associated costs, minimal travel and Office of

Attorney General time of \$2,500. In fiscal year 2019, one-time costs for rulemaking will be 0.10 FTE and \$13,000.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years		0.1	0.1		
A-Salaries and Wages		6,000	6,000		
B-Employee Benefits		2,000	2,000		
E-Goods and Other Services		4,000	4,000		
T-Intra-Agency Reimbursements		1,000	1,000		
Total:	\$0	\$13,000	\$13,000	\$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 2018	FY 2019	2017-19	2019-21	2021-23
HEALTH SERVICES	72,744		0.1	0.1		
CONSULTANT 4						
Total FTE's	72,744		0.1	0.1		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.

Sections 1 & 2: The department will adopt rules as necessary to implement the bill.

Individual State Agency Fiscal Note

Bill Number: 2836 HB	Title: Charity care and notice reqs	Agency: 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:

Non-zero but indeterminate cost. Please see discussion.

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:

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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.

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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: Kim Weidenaar	Phone: 360-786-7120	Date: 01/29/2018
Agency Preparation: Sharyl Morris	Phone: 2065434679	Date: 02/01/2018
Agency Approval: Sharyl Morris	Phone: 2065434679	Date: 02/01/2018
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 02/04/2018

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 2836, Sec. 2 (6) would require hospitals to post and prominently display notice of charity care availability. The notice must be posted in all languages spoken by more than ten percent of the population of the hospital service area, and must be displayed in at least the following locations:

- Areas where patients are admitted or registered;
- Emergency departments, if any; and
- Financial service or billing areas where accessible to patients.

Sec. 2 (7) states that current versions of the hospital's charity care policy, a plain language summary of the hospital's charity care policy, and the hospital's charity care application form must be available on the hospital's web site. The summary and application form must be available in all languages spoken by more than ten percent of the population of the hospital service area.

Sec. 2 (8,a) requires that all hospital billing statements and other written communications concerning billing or collection of a hospital bill by a hospital must include the following or a substantially similar statement prominently displayed on the first page of the statement in both English and the second most spoken language in the hospital's service area: "You may qualify for free care or a discount on your hospital bill, whether or not you have insurance. Please contact our financial assistance office at [web site] and [phone number]." However, Sec. 2 (8,b) indicates that nothing in subsection (a) requires a hospital to alter any preprinted hospital billing statements existing as of October 1, 2018.

Sec. 2 (9) indicates that hospital obligations under federal and state laws to provide meaningful access for limited English proficiency and non-English-speaking patients apply to information regarding billing and charity care. Hospitals shall develop standardized training programs on the hospital's charity care policy and use of interpreter services, and provide regular training for appropriate staff, including the relevant and appropriate staff who perform functions relating to registration, admissions, or billing.

Sec. 3 indicates that this act will take effect on October 1, 2018.

The fiscal impact of this bill would come primarily from Sec. 2 (9). See Expenditure Summary for more information.

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.

The new requirements described in HB 2836 would apply to all entities within UW Medicine: Harborview Medical Center (HMC), UW Medical Center (UWMC), Northwest Hospital & Medical Center (NWH), UW Physicians (UWP), UW Neighborhood Clinics (UWNC), Valley Medical Center (VMC), and Airlift Northwest (ALNW). However, per instructions from OFM, we are only including the fiscal impact associated with

implementing these requirements at UWMC and HMC.

Sections 2 (6), 2 (7) and 2 (8) would have minimal fiscal impact on the UW and could be largely absorbed within existing resources. The fiscal impact would come primarily from Sec. 2 (9), which indicates that hospitals are to develop standardized training programs on the hospital's charity care policy and use of interpreter services, and provide regular training for appropriate staff, including the relevant and appropriate staff who perform functions relating to registration, admissions, or billing. As the training program has not yet been developed and the exact number of FTEs needing to be trained per year is unknown, the cost of this bill is indeterminate; however, it is estimated that it would take approximately \$10,000 per fiscal year to implement a training program and to train up to 50 FTEs in the new requirements of this bill. As Sec. 3 indicates that this act will take effect on October 1, 2018, it is estimated that these costs would first occur in FY2019.

Therefore, the cost to the UW to implement the changes required by HB 2836 is estimated to be approximately \$10,000/fiscal year from FY2019 onward.

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.