

# Individual State Agency Fiscal Note

|                             |                           |   |
|-----------------------------|---------------------------|---|
| <b>Bill Number:</b> 1630 HB | <b>Title:</b> Naturopathy | <b>Agency:</b> 303-Department of Health |
|-----------------------------|---------------------------|---|

## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

|   | FY 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|---|---------|---------|---------|---------|---------|
| FTE Staff Years                           | 0.1     | 0.6     | 0.4     | 0.6     | 0.6     |
| <b>Account</b>                            |         |         |         |         |         |
| Health Professions Account-State<br>02G-1 | 11,000  | 68,000  | 79,000  | 128,000 | 128,000 |
| <b>Total \$</b>                           | 11,000  | 68,000  | 79,000  | 128,000 | 128,000 |

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:

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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).

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

|                                    |                       |                  |
|------------------------------------|-----------------------|------------------|
| Legislative Contact: Jim Morishima | Phone: 360-786-7191   | Date: 02/06/2019 |
| Agency Preparation: Donna Compton  | Phone: (360) 236-4538 | Date: 02/12/2019 |
| Agency Approval: Stacy May         | Phone: (360) 236-4532 | Date: 02/12/2019 |
| OFM Review: Bryce Andersen         | Phone: (360) 902-0580 | Date: 02/13/2019 |

## 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: This bill expands the prescribing authority for naturopathic physicians to include all Schedule III, IV and V controlled substances. Licensees who desire to prescribe these medications must complete education and training requirements established by the Board of Naturopathy. Naturopaths must also register with the Prescription Monitoring Program.

### 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 health professions administered by the Department of Health (department) be fully self-supporting and that sufficient revenue be collected through fees to fund expenditures in the Health Professions Account. The department does not see the need to adjust fee levels as a result of this bill. The department will monitor the fund, and will adjust fees over a six (6) 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.*

#### Rulemaking

Section 2: There will be one-time costs for rulemaking in fiscal year (FY) 2020. This bill will require the board to develop and adopt education and training requirements for prescribing medications. Rulemaking will consist of four stakeholder meetings as well as one formal rules hearing. One-time rulemaking costs will include staff-time, travel, Office of the Attorney General support and related costs. Costs in FY 2020 will total 0.1 FTE and \$11,000.

#### Office of Customer Service

Section 2: Based on previous history with the 2005 expanded prescribing scope of practice, the Office of Customer Service estimates that approximately 875 active licensees will request the additional scope of practice. This is based on: of the 1,372 active licensees, 1,094 hold the 2005 endorsement (80%); it is anticipated that 80% of those endorsement holders will request the new endorsement. In FY 2021, costs will be 0.5 FTE and \$60,000.

#### Office of Investigations and Legal Services

Section 2: The complaint response process includes five steps: 1) intake, 2) assessment, 3) investigation, 4) case disposition, and 5) adjudication. Staff review the complaint, identify the history of the person complained about, and help assess whether an investigation is needed. In more than half the cases, investigation is needed. The investigator obtains information about the complaint and the respondent and prepares a report detailing the findings. After investigation, the disciplining authority decides whether to pursue legal action. Staff attorneys, paralegals, and other staff work to develop the legal documents and charge the violation. Most cases are settled, and the staff attorney manages that process. If the respondent asks for a hearing, staff must schedule the hearing,

and the health law judge considers all legal motions, presides over the hearing, and drafts the final order.

Cost estimates for the complaint response process associated with this bill were calculated using the department's Disciplinary Workload Model. With the increase in scope of practice, there is an increased potential for prescribing errors and/or miscommunication with patients. It is anticipated this would result in an increase of 12 additional complaints per year. Estimated discipline costs include staff and associated costs. In FY 2021, costs will be \$7,000. Starting in FY 2022 and ongoing, costs will be 0.6 FTE and \$64,000.

#### Health Technology Services (HTS)

The department anticipates HTS work will include the modification of the departments Integrated Licensing and Regulatory System (ILRS), workflow updates, addition of user defined fields, and creation of new reports. Total costs include HTS staff and associated costs for \$1,000 in FY 2020.

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

| Account         | Account Title              | Type  | FY 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|-----------------|----------------------------|-------|---------|---------|---------|---------|---------|
| 02G-1           | Health Professions Account | State | 11,000  | 68,000  | 79,000  | 128,000 | 128,000 |
| <b>Total \$</b> |                            |       | 11,000  | 68,000  | 79,000  | 128,000 | 128,000 |

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

|                               | FY 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|-------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years               | 0.1     | 0.6     | 0.4     | 0.6     | 0.6     |
| A-Salaries and Wages          | 5,000   | 42,000  | 47,000  | 84,000  | 84,000  |
| B-Employee Benefits           | 2,000   | 15,000  | 17,000  | 30,000  | 30,000  |
| E-Goods and Other Services    | 3,000   | 4,000   | 7,000   | 6,000   | 6,000   |
| G-Travel                      |         |         |         |         |         |
| J-Capital Outlays             |         | 2,000   | 2,000   |         |         |
| T-Intra-Agency Reimbursements | 1,000   | 5,000   | 6,000   | 8,000   | 8,000   |
| 9-                            |         |         |         |         |         |
| <b>Total \$</b>               | 11,000  | 68,000  | 79,000  | 128,000 | 128,000 |

#### III. C - Operating FTE 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 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|------------------------------|--------|---------|---------|---------|---------|---------|
| Fiscal Analyst 2             | 49,020 |         | 0.1     | 0.1     | 0.1     | 0.1     |
| FORMS & RECORDS ANALYST 1    | 41,856 |         | 0.2     | 0.1     | 0.1     | 0.1     |
| HEALTH CARE INVESTIGATOR 3   | 72,036 |         |         |         | 0.1     | 0.1     |
| HEALTH SERVICES CONSULTANT 1 | 51,000 |         | 0.1     | 0.1     |         |         |
| HEALTH SERVICES CONSULTANT 2 | 60,636 |         | 0.1     | 0.1     |         |         |
| HEALTH SERVICES CONSULTANT 3 | 68,580 |         | 0.1     | 0.1     | 0.1     | 0.1     |
| HEALTH SERVICES CONSULTANT 4 | 75,684 | 0.1     |         | 0.1     |         |         |
| HEARINGS EXAMINER 3          | 87,792 |         |         |         | 0.1     | 0.1     |
| LEGAL ASSISTANT 3            | 51,000 |         |         |         | 0.1     | 0.1     |
| <b>Total FTEs</b>            |        | 0.1     | 0.6     | 0.4     | 0.6     | 0.6     |

### 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.*

Section 2: Rules will need to be adopted to implement this bill.