

Multiple Agency Fiscal Note Summary

Bill Number: 5274 SB	Title: Pacific islanders/dental
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Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Washington State Health Care Authority	0	37,943	0	64,297	0	70,152
Total \$	0	37,943	0	64,297	0	70,152

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Washington State Health Care Authority	1.0	2,423,000	2,423,000	1.0	1,773,000	1,773,000	1.0	1,912,000	1,912,000
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Total \$	1.0	2,423,000	2,423,000	1.0	1,773,000	1,773,000	1.0	1,912,000	1,912,000

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Robyn Williams, OFM	Phone: (360) 902-0575	Date Published: Final 2/19/2019
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 56110

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5274 SB	Title: Pacific islanders/dental	Agency: 107-Washington State Health Care Authority
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Health Benefit Exchange Account-State 17T-1	13,583	24,360	37,943	64,297	70,152
Total \$	13,583	24,360	37,943	64,297	70,152

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	1,722,000	701,000	2,423,000	1,773,000	1,912,000
Total \$	1,722,000	701,000	2,423,000	1,773,000	1,912,000

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.

☐

Requires new rule making, complete Part V.

Legislative Contact: Evan Klein	Phone: 786-7483	Date: 01/16/2019
Agency Preparation: Crystal Lester	Phone: 360-725-1447	Date: 02/19/2019
Agency Approval: Carl Yanagida	Phone: 360-725-1033	Date: 02/19/2019
OFM Review: Robyn Williams	Phone: (360) 902-0575	Date: 02/19/2019

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.

Please see attached narrative.

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.

Please 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.

Please see attached narrative.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	1,722,000	701,000	2,423,000	1,773,000	1,912,000
Total \$			1,722,000	701,000	2,423,000	1,773,000	1,912,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	80,000	80,000	160,000	160,000	160,000
B-Employee Benefits	29,000	29,000	58,000	58,000	58,000
C-Professional Service Contracts	1,228,000		1,228,000		
E-Goods and Other Services	12,000	12,000	24,000	24,000	24,000
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays	10,000		10,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	362,000	579,000	941,000	1,529,000	1,668,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	1,722,000	701,000	2,423,000	1,773,000	1,912,000

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
MEDICAL PROGRAM SPECIALIST 3	79,920	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	1.0	1.0	1.0

III. D - Expenditures By Program (optional)

Program	FY 2020	FY 2021	2019-21	2021-23	2023-25
Medical Assistance (200)	549,000	701,000	1,250,000	1,773,000	1,912,000
Health Benefit Exchange (300)	1,173,000		1,173,000		
Total \$	1,722,000	701,000	2,423,000	1,773,000	1,912,000

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.

Please see attached narrative.

HCA Fiscal Note

Bill Number: 5274 SB

HCA Request #: 19-11-2

Part II: Narrative Explanation

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

This bill provides access to dental services to income-eligible citizens of the Compact of Free Association (COFA) nations who reside in Washington by providing no premium or a cost-sharing payment requirement.

Section 2 amends RCW 43.71A.010 to include Qualified Dental Plan (QDP) within the Open Enrollment Period, Out-of-Pocket Costs, Qualified Dental Plan and Special Enrollment Period within their definitions. This section also defines a QDP as a stand-alone dental benefit plan sold through the Health Benefit Exchange (HBE) and the Total Cost of Care to mean out-of-pocket costs and other costs that exceed the QDP maximum benefit in the plan year.

Section 3(1) is a new section added to RCW 43.71A that sets the eligibility requirements for individuals who would qualify for the COFA Islander Dental Care Program (IDCP). This bill will allow individuals who are receiving COFA Qualified Health Plan (QHP) coverage as well as those who are not on a QHP to apply for QDP.

Section 3(2) directs the Health Care Authority (HCA) to pay the premium cost for a QDP and the total cost of care for individuals eligible to participate in the COFA IDCP.

Section 3(4)(d) requires HCA establish open enrollment and special enrollment periods.

Section 3(5) directs HCA to contract with a vendor to provide community education and outreach campaign to COFA citizens no later than September 1, 2019.

Section 3(6) establishes the open enrollment period for the COFA IDCP to begin no later than November 1, 2019.

Section 4 amends RCW 43.71A.800 to extend the COFA Advisory Committee through December 31, 2020.

Section 5 establishes an effective date of July 1, 2019 for the COFA IDCP.

II. B - Cash Receipts Impact

None-State Funds Only

II. C - Expenditures

HCA's Medicaid Eligibility and Community Support (MECS) division will need 1.0 Full Time Equivalent (FTE) Medical Program Specialist in the 19-21 Biennium and ongoing to manage program implementation, including development of rules, development of an outreach plan, preparation of informational materials, coordinating formation and meetings of the advisory committee, coordinating with HBE, and other activities necessary to meet the bill's stated requirements. This position will also oversee eligibility, develop and manage reporting, support community partners in their outreach to eligible but-not-yet-enrolled households, and plan for future program improvement.

HCA requests \$55,000 of one-time funding to implement Section 3(5) of this bill to establish a contract with a vendor to provide community outreach and education.

HCA Fiscal Note

Bill Number: 5274 SB

HCA Request #: 19-11-2

HCA anticipates some business processes needed for eligibility and reimbursement activities will be manually completed. HCA will actively analyze these processes to determine where the agency can realize efficiencies thru automation where feasible in future periods.

The COFA benefits for medical were implemented outside of ProviderOne, HCA assumes that the dental benefits will be implemented the same as the medical program.

The "Total Cost of Care" definition is assumed to expand the dental program, the service and the out-of-pocket costs that HCA would need to pay.

HCA is estimating the premium cost by using Delta Dental retrieved from the Health Plan Finder website as a proxy to establish the per participant monthly premium which is then annualized.

HCA's assumes the cost share limit is based on the Delta Dental cost share limit (benefit limit) retrieved from the Washington Health Plan Finder website that only provides assistance up to \$1,000, unlike the medical plan benefit limits. Since this proposed bill instructs HCA to cover the "total cost of care" there is potential that the actual utilization and costs may exceed that assumed by using Delta Dental as a proxy for the purposes of this fiscal note.

The fiscal impact modeled is calculated using a 20% utilization rate.

The participation eligibility amount is calculated using the COFA medical model to include dual eligible participants. HCA did not include individuals who would qualify for 'Other Pregnant Women' or the 'Children's Health Program'.

Option 1: Enrollment into a sponsored COFA QDP through Health Plan Finder

Program					
Fiscal Year	Number of Income Eligible Persons	Client Monthly Premium Cost	Clients Annual Premium Cost	Total Annual Premium Costs	Estimated Clients Cost Sharing
2020	735	\$38.08	\$456.96	\$335,811	\$146,976
2021	882	\$38.08	\$456.96	\$402,973	\$176,371
2022	1,058	\$38.08	\$456.96	\$483,567	\$211,645
2023	1,270	\$38.08	\$456.96	\$580,281	\$253,974

HCA's Expenditures by Object:

Objects	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A-Salaries & Wages	80,000	80,000	80,000	80,000	80,000	80,000
B-Employee Benefits	29,000	29,000	29,000	29,000	29,000	29,000
C-Personal Serv Contr	55,000					
E-Goods and Services	12,000	12,000	12,000	12,000	12,000	12,000
G-Travel	1,000	1,000	1,000	1,000	1,000	1,000
J-Capital Outlays	10,000					
N- Grants, Benefits Services	362,000	579,000	695,000	834,000	834,000	834,000
Total	549,000	701,000	817,000	956,000	956,000	956,000

HCA's Expenditures by Fund:

HCA Fiscal Note

Bill Number: 5274 SB

HCA Request #: 19-11-2

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
001-1 GF-State	549,000	701,000	817,000	956,000	956,000	956,000
Biennial Total	1,250,000		1,773,000		1,912,000	

HCA FTE's:

Staffing	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
FTEs	1.0	1.0	1.0	1.0	1.0	1.0

Job Classification	Annually	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
MEDICAL PROGRAM SPECIALIST 3	79,920	79,920	79,920	79,920	79,920	79,920	79,920

Also, as written, language pertaining to availability of appropriations is not included and currently, for the COFA Eligibility—Costs to be paid—Disqualification—Establishment of procedures—Outreach RCW 43.71A.020(2), this language is included. HCA assumes the dental program would have unlimited funding.

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

HCA will need to adopt rules to support program benefit decisions, enrollment periods and govern any administrative proceedings related to participant eligibility.

HBE Fiscal Note

Bill Number: 5274 SB

HBE Request #: 19-02-02

Part II: Narrative Explanation

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

Provides premium and cost sharing assistance for low-income citizens of Compact of Free Association (COFA) islands, which are the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia for dental insurance coverage purchased through the Health Benefit Exchange (Exchange).

Section 2 includes new definitions for “Qualified Dental Plan” (QDP) and “total cost of care” within the COFA statute. Total cost of care would encompass out-of-pocket costs and other costs for services rendered by an in-network dentist exceeding the maximum benefit limit for the QDP. This section also amends the definition for open enrollment for COFA Medical to include enrollment for QDP.

Section 3(1)(e) sets eligibility requirements for the COFA dental premium assistance program. This includes allowing non-Qualified Health Plan (QHP) eligible, Medicare enrollees into a QDP.

Section 3(4)(d) requires the Health Care Authority (HCA) to establish open enrollment periods and special enrollment periods for the COFA dental program.

Section 3(6) requires the first open enrollment period for COFA dental to begin no later than November 1, 2019.

Section 4 authorizes the COFA Advisory Committee to continue through December 31, 2020. The Exchange will likely remain as an active participant in these advisory committee meetings.

II. B - Cash Receipts Impact

This bill would increase the enrollment of COFA QDP enrollees. The Exchange’s Health Benefit Exchange Account (Fund 17T) collects revenue from QHPs and QDPs. This revenue is made up of the 2 percent premium tax and the carrier assessment collected on all QHPs and QDPs offered on the Exchange. Actual revenue impacts would be dependent on participation. The Exchange currently collects \$1.54 carrier assessment each month on Qualified Dental Plans offered on the Exchange.

Enrollment into a sponsored COFA QDP through Healthplanfinder			
Fiscal Year	Eligible (less) Persons with Coverage	Client Monthly Premium Cost	Clients Annual Premium Cost
2020	735	\$38.08	\$456.96
2021	882	\$38.08	\$456.96
2022	1,058	\$38.08	\$456.96
2023	1,270	\$38.08	\$456.96

QDP Enrollment	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Annual Member Months	8,820	10,584	12,696	15,240	15,240	15,240

Revenue Source	Rate	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Premium Tax	2% \$	- \$	8,061 \$	9,669 \$	11,607 \$	11,607 \$	11,607
Carrier Assessment	\$ 1.54	\$ 13,583	\$ 16,299	\$ 19,552	\$ 23,470	\$ 23,470	\$ 23,470
Total Revenue		\$ 13,583	\$ 24,360	\$ 29,221	\$ 35,076	\$ 35,076	\$ 35,076

Cash Receipts		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
17T	Health Benefit Exchange	1	13,583	24,360	29,221	35,076	35,076
Biennial total			37,943		64,297		70,153

II. C - Expenditures

HBE Fiscal Note

Bill Number: 5274 SB

HBE Request #: 19-02-02

Cost: The Exchange estimates a fiscal impact of \$1,012,000 for IT related expenses. In addition to the IT costs, the Exchange also requests three staff resources for \$161,000 during the design and implementation of the system changes. The total cost to implement the system enhancements necessary to implement a COFA dental program and enable COFA residents to select a QDP independent of a QHP is \$1,173,000 (General Fund-State) in FY2020.

Objects		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A	Salaries & Wages	113,000	-	-	-	-	-
B	Employee Benefits	41,000	-	-	-	-	-
C	Personal Serv Contr	1,012,000	-	-	-	-	-
E	Goods and Services	7,000	-	-	-	-	-
G	Travel	-	-	-	-	-	-
	Total	1,173,000	-	-	-	-	-

Expenditures		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
001	GF-State	1 1,173,000	-	-	-	-	-
	Biennial Total		1,173,000				

Setting up a COFA Dental Program to operate the same as the COFA Medical Program established in the 2018 Legislative session will require the same system changes for eligibility rules, and coding, and plan shopping within Healthplanfinder. The enhancements necessary in Healthplanfinder to implement a COFA Dental Program like the COFA Medical Program, is estimated at \$405,000.

High-Level Healthplanfinder System Changes:

- 1) Determine COFA Sponsorship eligibility for dental enrollment
- 2) Auto-assign and un-assign HCA as a sponsor for the family dental enrollment (QDP) based on eligibility
- 3) On-screen messaging to inform applicants about their COFA Sponsorship eligibility for dental
- 4) Communicate COFA sponsorship for dental thru the eligibility and enrollment correspondence
- 5) Add COFA branding on-screen for dental plans that qualify for COFA sponsorship
- 6) Informed plan selection of COFA dental plans (filtering of plans; displaying of \$0 net premium)
- 7) Designating dental plans eligible for COFA sponsorship thru plan management module changes
- 8) Store eligibility and enrollment details for COFA sponsorship as applied to dental plans
- 9) Auto-renew with COFA benefits for dental enrollments
- 10) COFA QHP and COFA QDP applicants will be able to skip QHP plan selection and only select QDP
- 11) The COFA Dental eligibility determination rules will be designed and run separately for QHP eligible households, thus allowing system to give separate eligibility for COFA QHP and COFA QDP
- 12) Changes will be made to the My Cart and Final Confirmation screen to provide users with information the ability to select COFA QDP only plans
- 13) The COFA dental eligibility rules will also be invoked during change reporting, trial eligibility and manual renewal

In addition to the system changes and costs identified above to establish a COFA dental program, the Healthplanfinder would need to be designed to allow for eligibility determinations for QDPs only and remove the requirement that a QHP be selected in order to also select a QDP. The Exchange would also need to be adjusted to allow for distinct Special Enrollment Period (SEP) logic for Qualified Health Plans and Qualified Dental Plans. These changes would provide a second entry point for COFA islanders to purchase a dental plan when they do not wish to purchase a medical plan. The estimated

HBE Fiscal Note

Bill Number: 5274 SB

HBE Request #: 19-02-02

cost to allow a dental plan be selected independent of a medical plan is estimated at an additional \$607,000 and is necessary to run a fully functional standalone dental program

Unlike the COFA Medical Program, the bill does not require these QDP enrollment periods to be identical to those of the Exchange. If HCA sets these enrollment periods outside those allowed prescribed in federal regulation, there would be significant functionality changes for HPF to facilitate varying enrollment periods that could lead to additional costs for the Exchange.

Deployment Schedule: Assuming the Legislative session ends on time, the earliest the Exchange could implement a COFA Dental program and allow a QDP to be selected independent of a QHP is April 2020.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 5274 SB	Title: Pacific islanders/dental	Agency: 300-Department of Social and Health Services
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Part I: Estimates

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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:

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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.

☐

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: Evan Klein	Phone: 786-7483	Date: 01/16/2019
Agency Preparation: Chris Chung	Phone: 360-902-7769	Date: 02/15/2019
Agency Approval: Mickie Coates	Phone: 360-902-8077	Date: 02/15/2019
OFM Review: Anna Minor	Phone: (360) 902-0541	Date: 02/16/2019

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.

This bill provides dental care for Pacific Islanders residing in Washington under a compact of free association.

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.

DSHS does not anticipate a cash receipt impact.

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.

Healthcare Authority will incur the costs for translation and interpretation services. Therefore, this bill has no fiscal impact.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

N/A

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.

N/A