

Individual State Agency Fiscal Note

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|--------------------------------|---|---|
| Bill Number: 5054 SB PL | Title: Behav. health reciprocity | Agency: 303-Department of Health |
|--------------------------------|---|---|

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

| ACCOUNT | FY 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|---|---------|---------|---------|---------|---------|
| Health Professions Account-State 02G-1 | | 120,000 | 120,000 | 280,000 | 332,000 |
| Total \$ | | 120,000 | 120,000 | 280,000 | 332,000 |

Estimated Operating Expenditures from:

| | FY 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|---|---------|---------|---------|---------|---------|
| FTE Staff Years | 2.6 | 1.9 | 2.3 | 1.4 | 1.4 |
| Account | | | | | |
| Health Professions Account-State 02G-1 | 323,000 | 202,000 | 525,000 | 263,000 | 268,000 |
| Total \$ | 323,000 | 202,000 | 525,000 | 263,000 | 268,000 |

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: | Phone: | Date: 04/25/2019 |
| Agency Preparation: Donna Compton | Phone: (360) 236-4538 | Date: 04/30/2019 |
| Agency Approval: Stacy May | Phone: (360) 236-4532 | Date: 04/30/2019 |
| OFM Review: Bryce Andersen | Phone: (360) 902-0580 | Date: 04/30/2019 |

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 1: This bill requires the Department of Health (department) to establish a reciprocity program and a probationary license for psychologists.

Section 2: This bill requires the department to establish a reciprocity program and a probationary license for chemical dependency professionals.

Section 3: This bill requires the Department of Health (department) to establish a reciprocity program and a probationary license for marriage and family therapist, mental health counselor, advanced social worker, and independent clinical social worker. This bill states the department may require the applicant of a probationary license to take a jurisprudence exam.

Section 4-6: This bill requires the department to explore options for adoption of an interstate compact or compacts supporting license portability for the health professionals mentioned in this bill and report recommendations to the governor and legislature by November 1, 2020.

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 backup document for revenue calculations)

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 calculation of specific fees will happen during rulemaking and a fee proposal presented as part of the rules package. Revenue collection will begin July 1, 2020.

The department estimates applications will be approximately 3.3% of existing licensees. The revenue projection are based on a fee range of \$170 - \$210 the revenue estimates are as follows:

Estimated number of Psychologists (Probationary License) is as follows:

| | |
|--|----------|
| FY2021 – 108 new applications | \$22,000 |
| FY2022 – 119 (11 new applications, 108 renewals) | \$24,000 |
| FY2023 – 132 (13 new applications, 119 renewals) | \$26,000 |
| FY2024 – 143 (11 new applications, 132 renewals) | \$29,000 |
| FY2025 – 156 (13 new applications, 143 renewals) | \$31,000 |
| FY2026 – 169 (13 new applications, 156 renewals) | \$34,000 |

Estimated number of Marriage & Family Therapists (Probationary License) is as follows:

| | |
|---|----------|
| FY2021 – 65 new applications | \$13,000 |
| FY2022 – 72 (7 new applications, 65 renewals) | \$14,000 |
| FY2023 – 80 (8 new applications, 72 renewals) | \$16,000 |
| FY2024 – 86 (6 new applications, 80 renewals) | \$17,000 |

| | |
|--|----------|
| FY2025 – 94 (8 new applications, 86 renewals) | \$19,000 |
| FY2026 – 102 (8 new applications, 94 renewals) | \$20,000 |

Estimated number of Mental Health Counselors (Probationary License) is as follows:

| | |
|--|-----------|
| FY2021 – 264 new applications | \$ 53,000 |
| FY2022 – 291 (27 new applications, 264 renewals) | \$ 58,000 |
| FY2023 – 323 (32 new applications, 291 renewals) | \$ 65,000 |
| FY2024 – 348 (25 new applications, 323 renewals) | \$ 70,000 |
| FY2025 – 380 (32 new applications, 348 renewals) | \$ 76,000 |
| FY2026 – 412 (32 new applications, 380 renewals) | \$ 82,000 |

Estimated number of Social Worker Advanced (Probationary License) is as follows:

| | |
|---|----------|
| FY2021 – 8 new applications | \$ 2,000 |
| FY2022 – 8 (0 new applications, 8 renewals) | \$ 2,000 |
| FY2023 – 9 (1 new applications, 8 renewals) | \$ 2,000 |
| FY2024 – 10 (1 new applications, 9 renewals) | \$ 2,000 |
| FY2025 – 11 (1 new applications, 10 renewals) | \$ 2,000 |
| FY2026 – 12 (1 new applications, 11 renewals) | \$ 3,000 |

Estimated number of Social Worker Independent Clinical (Probationary License) is as follows:

| | |
|--|-----------|
| FY2021 – 162 new applications | \$ 32,000 |
| FY2022 – 179 (17 new applications, 162 renewals) | \$ 36,000 |
| FY2023 – 199 (20 new applications, 179 renewals) | \$ 40,000 |
| FY2024 – 214 (15 new applications, 199 renewals) | \$ 43,000 |
| FY2025 – 234 (20 new applications, 214 renewals) | \$ 47,000 |
| FY2026 – 253 (19 new applications, 234 renewals) | \$ 51,000 |

Estimated number of Chemical Dependency Professionals (Probationary License) is as follows:

| | |
|--|-----------|
| FY2021 - 101 new applications | \$ 20,000 |
| FY2022 – 111 (10 new applications, 101 renewals) | \$ 22,000 |
| FY2023 – 123 (12 new applications, 111 renewals) | \$ 25,000 |
| FY2024 – 133 (10 new applications, 123 renewals) | \$ 27,000 |
| FY2025 - 145 (12 new applications, 133 renewals) | \$ 29,000 |
| FY2026 – 157 (12 new applications, 145 renewals) | \$ 31,000 |

Note: Actual fees will be determined during the rulemaking process.

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 1-3: In FY 2020, there will be one-time costs for rulemaking. This will include two stakeholders

meetings/rule workshops/formal hearing; all meetings will be held during regularly scheduled business meetings. Costs include staff and associated costs, two days of board member time, printing, and Office of Attorney General support. In FY 2020, total will be 0.10 FTE and \$16,000.

Office of Customer Service

Section 1-3: This bill requires the development of five new probationary credentials in the Integrated Licensing and Regulatory System (ILRS). This will require new workflows and new user defined fields. In addition, the paper and online applications will need to be updated for Chemical Dependency Professional, Psychologist, Independent Clinical Social Worker, Advanced Social Worker, Marriage and Family Therapist and Mental Health Counselor. Implementation costs in FY20 include staff and associated costs for a total of 0.2 FTE and \$25,000.

Credentialing costs starting in FY 2021, will be for staff to review and process applications, conduct background checks by running queries with the National Practitioner Databank and Washington State Patrol, provide technical assistance, and issue credentials for qualified applicants. Cost in FY 2021 and FY 2022, costs for credentialing will be 1.2 FTE and \$113,000. Starting in FY 2023 and ongoing, costs will be 1.3 FTE and \$118,000 each year.

Health Technology Services

Section 1-3: Information technology (IT) staff will be required for implementing and maintaining the five (5) new provisional credentials. This will include conducting a business analysis, configuration, and testing each new credential. Tasks include establishing credentialing workflows, user defined fields, templates, fee tables, renewals and modification or creation of reports in the Department of Health Integrated Licensing and Regulatory System (ILRS). Minor modifications to the existing Online Licensing and Information Collection (OLIC) applications to include the option for provisional licenses. In FY 2020, costs will be 0.3 FTE and \$57,000. In FY 2021 and ongoing, costs will be 0.1 FTE and \$16,000.

Exploration of adoption of Interstate Compact or Compacts

Section 4-6: Requires the department to explore options for adoption of an interstate compact or compacts. The department estimates it will need an onboarding specialist to query other states about any involvement in interstate compacts and National compacts. Upon completion of the research work, a report would be compiled and recommendations would be presented to the legislature by November 1, 2020. In FY 2020, costs will be 2.0 FTE and \$225,000. In FY 2021, costs will be 0.6 FTE and \$73,000.

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 | 323,000 | 202,000 | 525,000 | 263,000 | 268,000 |
| Total \$ | | | 323,000 | 202,000 | 525,000 | 263,000 | 268,000 |

III. B - Expenditures by Object Or Purpose

| | FY 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|-------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | 2.6 | 1.9 | 2.3 | 1.4 | 1.4 |
| A-Salaries and Wages | 209,000 | 131,000 | 340,000 | 170,000 | 174,000 |
| B-Employee Benefits | 74,000 | 45,000 | 119,000 | 57,000 | 58,000 |
| E-Goods and Other Services | 15,000 | 12,000 | 27,000 | 15,000 | 14,000 |
| J-Capital Outlays | 6,000 | 1,000 | 7,000 | 2,000 | 2,000 |
| T-Intra-Agency Reimbursements | 19,000 | 13,000 | 32,000 | 19,000 | 20,000 |
| Total \$ | 323,000 | 202,000 | 525,000 | 263,000 | 268,000 |

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 |
|------------------------------|---------|---------|---------|---------|---------|---------|
| ADMINISTRATIVE ASST 3 | 45,096 | 0.2 | 0.1 | 0.2 | | |
| Fiscal Analyst 2 | 49,020 | 0.3 | 0.1 | 0.2 | 0.1 | 0.1 |
| FISCAL TECHNICIAN 2 | 38,124 | | | | | |
| FORMS & RECORDS ANALYST 1 | 41,856 | | 0.1 | 0.1 | 0.2 | 0.2 |
| HEALTH SERVICES CONSULTANT 1 | 51,000 | | 0.3 | 0.2 | 0.3 | 0.3 |
| HEALTH SERVICES CONSULTANT 2 | 60,636 | 0.1 | 0.3 | 0.2 | 0.3 | 0.3 |
| HEALTH SERVICES CONSULTANT 3 | 68,580 | | 0.2 | 0.1 | 0.2 | 0.2 |
| HEALTH SERVICES CONSULTANT 4 | 75,684 | 1.1 | 0.4 | 0.8 | | |
| Health Svcs Conslt 1 | 49,020 | 0.3 | 0.1 | 0.2 | 0.1 | 0.1 |
| IT SPECIALIST 5 | 87,792 | 0.3 | 0.1 | 0.2 | 0.1 | 0.1 |
| MANAGEMENT ANALYST 3 | 62,148 | | 0.1 | 0.1 | 0.1 | 0.1 |
| WMS02 | 104,400 | 0.3 | 0.1 | 0.2 | | |
| Total FTEs | | 2.6 | 1.9 | 2.3 | 1.4 | 1.4 |

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 1-3: Rules will need to be adopted to implement this bill.

5054 SB PL. Behavioral Health Reciprocity Revenue
(backup)

Increase needed for Psychologist, Marriage & Family Therapist, Mental Health Counselor, Social Worker Independent & Advanced, and Chemical Dependency Professional to recoup possible costs from SB PL 5054 Behavioral Health Reciprocity for Probationary License

| Costs for FNCal | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | |
|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Rulemaking | 16,000 | | | | | | | | | | |
| OCS | | 115,000 | 117,000 | 117,000 | 117,000 | 117,000 | 117,000 | 117,000 | 117,000 | 117,000 | |
| HTS | | 57,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | |
| Interstate Compact | 225,000 | 73,000 | | | | | | | | | |
| Total | 241,000 | 245,000 | 133,000 | 133,000 | 133,000 | 133,000 | 133,000 | 133,000 | 133,000 | 133,000 | 1,550,000 |

| Estimated # of Apps | FY20 Count | | | | | | | | | | |
|---|---------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Psychologist | 3,271 | 108 | 119 | 132 | 143 | 156 | 169 | 182 | 195 | 208 | 221 |
| Marriage & Family Therapist | 1,971 | 65 | 72 | 80 | 86 | 94 | 102 | 110 | 118 | 126 | 133 |
| Mental Health Counselor | 7,972 | 264 | 291 | 323 | 348 | 380 | 412 | 444 | 476 | 508 | 540 |
| Social Worker Independent | 4,902 | 162 | 179 | 199 | 214 | 234 | 253 | 273 | 293 | 312 | 332 |
| Social Worker Advanced | 228 | 8 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 15 |
| Chemical Dependency Professional | 3,041 | 101 | 111 | 123 | 133 | 145 | 157 | 169 | 182 | 194 | 206 |
| Total (Based on Estimates of OCS CWE) | 18,114 | 708 | 781 | 866 | 935 | 1,020 | 1,106 | 1,191 | 1,277 | 1,362 | 1,448 |

| Ten-Year Analysis | Estimated Fee \$200 | | | | | | | | | | |
|----------------------------------|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | |
| Psychologist | 22,000.00 | 24,000.00 | 26,000.00 | 29,000.00 | 31,000.00 | 34,000.00 | 36,000.00 | 39,000.00 | 42,000.00 | 44,000.00 | |
| Marriage & Family Therapist | 13,000.00 | 14,000.00 | 16,000.00 | 17,000.00 | 19,000.00 | 20,000.00 | 22,000.00 | 24,000.00 | 25,000.00 | 27,000.00 | |
| Mental Health Counselor | 53,000.00 | 58,000.00 | 65,000.00 | 70,000.00 | 76,000.00 | 82,000.00 | 89,000.00 | 95,000.00 | 102,000.00 | 108,000.00 | |
| Social Worker Independent | 32,000.00 | 36,000.00 | 40,000.00 | 43,000.00 | 47,000.00 | 51,000.00 | 55,000.00 | 59,000.00 | 62,000.00 | 66,000.00 | |
| Social Worker Advanced | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | |
| Chemical Dependency Professional | 20,000.00 | 22,000.00 | 25,000.00 | 27,000.00 | 29,000.00 | 31,000.00 | 34,000.00 | 36,000.00 | 39,000.00 | 41,000.00 | |
| Total | 142,000 | 156,000 | 174,000 | 188,000 | 204,000 | 220,000 | 239,000 | 256,000 | 273,000 | 289,000 | 2,141,000 |