

Multiple Agency Fiscal Note Summary

Bill Number: 1191 HB	Title: Health coverage
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Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Office of Administrative Hearings	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Office of Administrative Hearings	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Office of Administrative Hearings	.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

Prepared by: Jason Brown, OFM	Phone: (360) 742-7277	Date Published: Final 2/22/2021
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Individual State Agency Fiscal Note

Revised

Bill Number: 1191 HB	Title: Health coverage	Agency: 107-Washington State Health Care Authority
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. 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:

- ☒ 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: Meghan Morris	Phone: 360-786-7119	Date: 01/19/2021
Agency Preparation: Melissa Hanna	Phone: 360-725-5295	Date: 02/17/2021
Agency Approval: SUMAN MAJUMDAR	Phone: 360-725-1319	Date: 02/17/2021
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/22/2021

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.

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.

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

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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
NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods
NONE

IV. D - Capital FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB

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.

See attached narrative

HCA Fiscal Note

Bill Number: HB-1191

HCA Request #: 21-31

The Part II: Narrative Explanation

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

This bill is proposing a health care program for all residents of Washington whose immigration status prevents them from qualifying for Medicaid programs.

Section 2 of this bill adds a new section to chapter 74.09 RCW which requires the Washington State Health Care Authority (HCA) to provide health care coverage to individuals who are at least 19 years old, have countable income at or below 133% of the federal poverty level (FPL), are not incarcerated, and are not eligible for Medicaid categorically needy (CN) medical assistance coverage. The amount, scope, and duration of services provided under the proposed policy must be the same as those eligible for CN coverage. HCA is required to ensure a seamless transition in coverage for individuals aging out of children's health coverage and use the same eligibility redetermination and appeals procedures as those provided for children's health coverage. In partnership with the Washington Health Benefit Exchange (HBE), HCA is also required to work on a transition plan to move those under 138% of FPL to the State-only Apple Health program.

Section 5 is a new section directing HBE to collaborate with HCA in applying for a waiver to allow Washington state residents to apply for and access health coverage using the health benefit exchange regardless of immigration status.

Section 6 is a new section directing HCA and HBE to establish and maintain a comprehensive community education and outreach program in order to facilitate full participation of the programs created in Sections 2 and 3. The communication and outreach campaign must begin by November 1, 2021 for the program described in Section 2 and by November 1, 2022 for the program described in section 3.

Section 7 directs HCA and HBE to appoint an advisory committee for the implementation of Sections 2 and 3 for state-funded only Apple Health and Dental programs created in sections 2 and 3.

Section 8 directs HCA and HBE to submit progress reports to the legislature and Office of Financial Management (OFM) on the implementation beginning January 1, 2022. The report must identify barriers encountered and stakeholder outreach efforts.

II. B - Cash Receipts Impact

Indeterminate.

II. C – Expenditures

The fiscal impact is greater than \$50,000 but indeterminate to actual cost.

This bill proposes health care coverage for a potentially large number of persons. While an estimate of eligible population can be developed, it is not possible to accurately predict how many of the eligible persons would seek Apple Health coverage. In the absence of additional information, an accurate fiscal impact of this bill cannot be determined. Presented below are the details of an analysis HCA has conducted to prepare a rough estimate of maximum fiscal impact.

HCA Fiscal Note

Bill Number: HB-1191

HCA Request #: 21-31

The persons who would potentially be eligible to receive Apple Health services under the proposed policy are identified as two separate groups:

- a. Adults who do not qualify under the citizen or qualified immigrant eligibility requirement of Apple Health for Adults as specified in WAC 182-505-0250(1)(d) and are not eligible as pregnant women as specified in WAC 182-505-0115(2); or
- b. Citizens aged 65 and over with income at or below 133% of FPL, who do not qualify for CN medical assistance coverage and are not incarcerated.

In the fiscal analysis, eligible Non-Citizens are limited to people aged 19 and older who are at or below 133% of FPL. Non-Citizens include green-card holders, refugees, certain legal nonimmigrants (including those on student, work, or some other temporary visas), and persons residing in the country without documentation. Eligible citizens aged 65 and older are limited to FPL at or below 133%, and do not include current Apple Health clients with CN coverage for Adult Aged, Blind and Disabled and Medicare Savings Program clients who are aged 65 and above. HCA assumes that the cost of the additional eligible non-citizen population would be similar to that of the Apple Health Medicaid Expansion population. Per member per month cost of the additional citizen clients who are 65 and older are assumed to be similar to that of the CN Aged population. Estimated cost impact for the eligible population excludes services provided under the Alien Emergency Medical and the Apple Health for pregnant women programs because the impacted population is currently eligible for these benefits.

Fiscal impact is calculated as the product of estimated number of eligible member months and per member per month cost, minus the costs of any services that the eligible population groups currently receive. The implementation date is assumed to be January 1, 2023. Potential maximum fiscal impact is estimated to be \$ \$282,097,798 in SFY 2023 (only six months), and \$564,195,596 in each SFY thereafter. It should be noted again that the actual impact is unknown. The maximum impact estimate presented here is based on the potential total eligibles, which include about 117,000 non-citizens and about 46,000 thousand citizens. A relatively small percentage of these potential eligibles with existing health insurance may not seek for Apple Health coverage. These estimates do not include the additional administrative cost required to implement this bill. The total estimated fiscal impact is assumed to be "State-only" expenditure.

Systems and related staffing costs

Currently, system updates to Automated Client Eligibility System (ACES) and Barcode will need modified, these updates will require additional funding. This will also require additional staff resources.

HBE is lead on the waiver and HCA will support the development and implementation of the waiver. The Policy Division's (PD) support of HBE is essential in the development of the waiver because of HCA's expertise in developing and submitting CMS waivers. Section 7 creates an advisory committee to advise the state on the development and implementation of state-only Apple Health and state-only qualified health and dental coverage. HCA and HBE are directed to jointly lead and manage the advisory committee that will advise on a contentious social and health issue. HCA and HBE are both responsible to submit annual reports.

A significant amount of additional staffing resources will be required to support this bill and will be derived from the services impacts. Such resources will be required to operate the new program, there will be policy support necessary. HCA cannot support the development of a waiver application to be submitted to Centers for Medicare and Medicaid Services (CMS) or share in leading the advisory committee without additional staffing or consulting resources.

HCA Fiscal Note

Bill Number: HB-1191

HCA Request #: 21-31

HCA and HBE will share leadership and funding of the advisory committee and HCA requests \$90,000 of one-time funding for consulting support to assist the advisory committee.

Waiver and other costs

Amendments to contracts with the managed care plans, additional support for waiver development in coordination with HBE and any additional rule updates needed to implement the provision of this bill. HCA cannot support the development of a waiver application to be submitted to Centers for Medicare and Medicaid Services (CMS) or share in leading the advisory committee without additional staffing or consulting resources

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

WACs would be amended to reflect program changes as required in this bill.

HBE Fiscal Note

Bill Number: 1191 HB

HBE Request #: 21-03-01

Part II: Narrative Explanation

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

This bill intends to improve the health of all people in this state by extending health coverage at parity to all Washington residents, regardless of immigration status by creating state lookalike programs for: Medicaid, accessible for free to people who otherwise meet eligibility for federal Medicaid but for immigration status; and, qualified health plans and qualified dental plans, subsidized in cost to the same extent qualified health and dental plans on the exchange are subsidized.

Section 2 requires the Health Care Authority (HCA) to provide coverage to anyone over age 19, with income below 133% of the federal poverty level (FPL), who is not incarcerated, and is not eligible for Medicaid. The scope of coverage must be the same as that provided under the Medicaid program. HCA is directed to work with the Health Benefit Exchange (Exchange) to develop a transition plan to move those under 133% FPL to the state-only apple health program.

Section 3 directs HBE, subject to appropriations and receipt of a federal waiver, to establish a program to offer health and dental plans through or alongside the Exchange that are identical to Qualified Health Plans (QHP) and Qualified Dental Plans (QDP). These health and dental plans would only be available to individuals whose immigration status would otherwise preclude eligibility.

HBE must make premium and cost-sharing assistance available under these plans, commensurate with federal/state subsidies otherwise available to citizens and lawfully present immigrants purchasing QHP/QDP coverage.

Section 4 requires the HBE Board to allow these state only QHP/QDPs to offer coverage in or alongside the Exchange, beginning January 1, 2023.

Section 5 directs HBE to work with HCA to submit a federal 1332 waiver to seek authority to cover lawfully present individuals with countable income that is at or below 133% FPL through the HCA and to allow Washington residents to access health coverage using the Exchange regardless of immigration status. The waiver is due by January 15, 2022. A draft application must be made available for tribal consultation and public comment by November 15, 2021. HBE must post on its website any reports submitted to the federal government on the implementation of a waiver, and must notify the code reviser, governor, and legislature upon receipt of a waiver.

Section 6 directs the HCA and HBE to establish a comprehensive education and outreach campaign, working with stakeholders and community organizations to provide culturally and linguistically accessible information to facilitate participation in the programs. The campaign must begin by November 1, 2021 for the state-only Medicaid-like program, and November 1, 2022 for the QHP/QDP program.

Section 7 directs the HCA and HBE to appoint an advisory committee to advise in the development of these programs, which must exist until at least December 31st of the year the program is implemented. The committee must include consumers, community-based organizations that are led by and serve immigrants, health advocates, and providers.

Section 8 directs the HCA and HBE, by January 1, 2022, to submit annual progress reports to the legislature and OFM regarding implementation of both programs, and identifying any barriers encountered and describing stakeholder outreach and engagement.

HBE Fiscal Note

Bill Number: 1191 HB

HBE Request #: 21-03-01

Section 9 makes both Section 3 and 4 of this bill contingent upon receipt of a federal waiver requested under Section 5.

II. B - Cash Receipts Impact

Indeterminate. If existing customers migrate to this state only program, the Exchange could see a reduction on enrollment, but expanding access to health and dental plans offered through the Exchange is expected to increase coverage among the uninsured, and therefore increase overall Exchange enrollment, with current estimates indicate there are be around 67,000 undocumented immigrants in Washington with incomes between 139% and 400% FPL.

This bill does not specify which organization would receive the appropriation for the premium assistance and CSR payments and therefore there is an indeterminate revenue and cash receipt impact to the state, assuming an unknown increase in enrollment generating additional health insurance tax premiums and carrier assessments collected under RCW 43.71. All funding for the Exchange is appropriated, and any change in resources to the Exchange would be subject to future appropriation.

II. C - Expenditures

Indeterminate. The requirements of the bill are subject to appropriation, which are not made in the bill. Further, important legislative assumptions with regard to the subsidy program are indeterminate. However, the Exchange has identified known costs to setup health and dental plans for immigrants who lack federal immigration status over 138% of the federal poverty level as outlined in this bill. Exchange assumptions and cost estimates are provided below and attempt to provide useful information for decision making.

The exchange requests \$4,232,000 in Health Benefit Exchange Account (Fund 17T) for the 2021-23 Biennium with ongoing costs to support the system changes, waiver applications, outreach, and program support necessary to implement health and dental plans for undocumented immigrants over 138% of the federal poverty level as outlined in this bill.

Expenditures		FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
17T	Health Benefit Exchange	1	-	2,776,000	1,456,000	1,136,000	1,102,000
Total			-	2,776,000	1,456,000	1,136,000	1,102,000
Biennial Total				4,232,000		2,238,000	

Objects		FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
A	Salaries & Wages	-	353,000	199,000	182,000	160,000	160,000
B	Employee Benefits	-	127,000	72,000	65,000	58,000	58,000
C	Personal Serv Contr	-	2,201,000	1,136,000	846,000	846,000	846,000
E	Goods and Services	-	92,000	46,000	41,000	36,000	36,000
G	Travel	-	3,000	3,000	2,000	2,000	2,000
Total		-	2,776,000	1,456,000	1,136,000	1,102,000	1,102,000

Section 2, 3, and 4: The Exchange requests funding to implement system changes in Healthplanfinder that support both the new health and dental plans on the Exchange for immigrants and also the new state program administered by HCA.

High Level system changes include:

Prepared by: Nicholas Aaseby

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HBE Fiscal Note

Bill Number: 1191 HB

HBE Request #: 21-03-01

- Population (Non-Citizen Lawfully Present 133% FPL and below)
 - Transition currently enrolled QHP/QDP individuals to HCA's state look-alike program identified in Section 2.
- Population (Immigrants 134% FPL and above currently ineligible for QHP/QDP):
 - Plan Management modules to be updated for Health, Dental and WAH plans to mark plans catering to immigrant customers.
 - Build a new ruleset around eligibility criteria for immigrants that would determine QHP/QDP eligibility for this population.
 - Build out shopping flow to account for tailored shopping experience for immigrants.
 - Storing and tracking of immigrant eligibility/enrollment within database
 - Communicating out to immigrant customers via on screen and correspondence
 - Building out logic for auto assignment of sponsorship
 - Building out logic for auto renewals for immigrant customers
- Population (Undocumented Immigrants 133% FPL and below):
 - Storing and tracking of immigrant eligibility/enrollment within database
 - Communicating out to eligible immigrant population via on screen and correspondence
 - Updating shopping flow to allow for shopping for new state program.

The Exchange assumes system changes to the Healthplanfinder to support Section 2 of this bill will be complete by November 2021, and the system changes to support Sections 3 and 4 will be completed by November 2022 for the open enrollment period supporting plan year 2023.

Objects of Expenditure:	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
A - Salaries And Wages	\$ -	\$ 229,190	\$ 57,298	\$ -	\$ -	\$ -
B - Employee Benefits	\$ -	\$ 82,448	\$ 20,612	\$ -	\$ -	\$ -
C - Personal Service Contracts	\$ -	\$ 1,954,976	\$ 493,744	\$ -	\$ -	\$ -
E - Goods And Services	\$ -	\$ 55,146	\$ 14,087	\$ -	\$ -	\$ -
G - Travel	\$ -	\$ 1,200	\$ 1,200	\$ -	\$ -	\$ -
Total	\$ -	\$ 2,322,960	\$ 586,941	\$ -	\$ -	\$ -

Section 5: The Exchange requests funding to prepare and to submit a 1332 federal waiver to establish separate health and dental plans on the Exchange identical to QHP and QDP plans except that they are available only to individuals whose immigration status would otherwise preclude eligibility. Feasibility of completing the federal waiver, publicizing for public comment, and submitting by January 2022 is unknown. Costs include increased estimates associated with attempting to accommodate a six-month timeline, and include actuary, consultant, and staff costs.

Objects of Expenditure:	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
A - Salaries And Wages	\$ -	\$ 64,797	\$ -	\$ 21,599	\$ -	\$ -
B - Employee Benefits	\$ -	\$ 23,227	\$ -	\$ 7,742	\$ -	\$ -
C - Personal Service Contracts	\$ -	\$ 246,000	\$ -	\$ -	\$ -	\$ -
E - Goods And Services	\$ -	\$ 18,804	\$ -	\$ 5,201	\$ -	\$ -
G - Travel	\$ -	\$ 800	\$ -	\$ 400	\$ -	\$ -
Total	\$ -	\$ 353,628	\$ -	\$ 34,942	\$ -	\$ -

Section 6: The Exchange requests funding for a staff resource to manage and support the following types of campaign outreach activities: population research, contract management with community-based organizations, community outreach and engagement, and development of population specific materials.

HBE Fiscal Note

Bill Number: 1191 HB

HBE Request #: 21-03-01

The Exchange uses a variety of outreach tactics each year to reach populations who face barriers to accessing health and dental coverage through Washington Healthplanfinder. Outreach campaign activities include, but are not limited to: contracting with community based organizations; developing population specific educational materials (including translated materials); participation in in-person events and enrollment centers; engagement in community-based events; development of community based partnership; and utilization of various media platforms.

Objects of Expenditure:	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
A - Salaries And Wages	\$ -	\$ -	\$ 82,752	\$ 100,602	\$ 100,602	\$ 100,602
B - Employee Benefits	\$ -	\$ -	\$ 29,833	\$ 36,268	\$ 36,268	\$ 36,268
C - Personal Service Contracts	\$ -	\$ -	\$ 642,000	\$ 846,000	\$ 846,000	\$ 846,000
E - Goods And Services	\$ -	\$ -	\$ 18,488	\$ 22,131	\$ 22,131	\$ 22,131
G - Travel	\$ -	\$ -	\$ 800	\$ 800	\$ 800	\$ 800
Other (specify) -						
Total	\$ -	\$ -	\$ 773,873	\$ 1,005,801	\$ 1,005,801	\$ 1,005,801

Potential Outreach Population	117,000
Cost per Outreach Target	\$7.15

	SFY2022	SFY2023	SFY2024	SFY2025	SFY2026	SFY2027
Estimated Cost for outreach campaign	\$ -	\$ 627,000	\$ 836,000	\$ 836,000	\$ 836,000	\$ 836,000
Translation Services	\$ -	\$ 15,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Total	\$ -	\$ 642,000	\$ 846,000	\$ 846,000	\$ 846,000	\$ 846,000

Section 7 and Section 8: The Exchange request funding for appointing and supporting the advisory committee and preparing the annual report along-side HCA.

Objects of Expenditure:	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
A - Salaries And Wages	\$ -	\$ 59,424	\$ 59,424	\$ 59,424	\$ 59,424	\$ 59,424
B - Employee Benefits	\$ -	\$ 21,334	\$ 21,334	\$ 21,334	\$ 21,334	\$ 21,334
C - Personal Service Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E - Goods And Services	\$ -	\$ 17,714	\$ 13,714	\$ 13,714	\$ 13,714	\$ 13,714
G - Travel	\$ -	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800
Other (specify) -						
Total	\$ -	\$ 99,272	\$ 95,272	\$ 95,272	\$ 95,272	\$ 95,272

Premium Assistance and CSR Payments

As the bill did not identify which agency would be responsible for making the premium assistance and CSR payments to carriers, the Exchange's fiscal estimates do not include these costs, or the costs related to making the payments. Current estimates indicate there would be around 67,000 undocumented immigrants in Washington with incomes between 139% and 400% FPL.

The are indeterminate costs related to the complexity of simultaneously providing premium assistance and CSR payments and the Exchange till continue work to identify costs and implementation challenges related to the timing and workflows of the two different programs.

HBE Fiscal Note

Bill Number: 1191 HB

HBE Request #: 21-03-01

	139-200%	201-300%	301-400%	QHP/QDP Immigrant Population over 138% FPL
Population	22,297	26,903	17,333	66,533
Assumed Enrollment - ~50% Uptake	11,149	13,452	8,667	33,267
Premium Subsidy Cost	\$491	\$418	\$343	\$14,069,250.00
Cost-Sharing Subsidy Cost	\$129	\$11	-	\$3,172,246.00
TOTAL COST =				\$17,241,496.00

Sources:

*Population = American Community Survey from 2018, Adjusted by OFM for Medicaid Enrollment

*Premium Subsidy = From Baseline Data in Wakely Subsidy Study Model

*CSR Amounts = From Estimated Claims from Wakely CSR Analysis

Program support

Cost estimates do not include the cost of additional staff to support increased enrollment. If the federal waiver is approved and the Exchange is able to extend health and dental plans to immigrant consumers, then additional staff would be needed to support this population.

- Federal rule requires the Exchange to reconcile qualified health plan enrollments no less than monthly. In order to ensure enrollment accuracy, the Exchange also reconciles individual policy transactions on a daily and weekly basis, which requires manual review and intervention. The Exchange has in place automated monthly audits to maintain enrollments for 208,000 individuals. These staff positions are scalable, depending on the number of eligible enrollees enrolled in a health and dental plan. It is estimated that 1.0 additional Enrollment Analyst would be needed for every 30,000 new enrollments.
- To determine the continued eligibility for premium assistance recipients specified in Section 1 of the proposed bill, the Exchange expects an increase in income verification staff. The Exchange utilizes federal and state wage data to verify income for customers eligible for federal subsidies. Additional Eligibility Specialists to account for the increase in income verification necessary to ensure recipients of the proposed health and dental plans meet the necessary criteria. These staff positions are scalable, depending on the numbers of eligible enrollees in the plans. It is estimated that 1.0 additional eligibility Specialist would be needed for every 50,000 new enrollments.
- The Exchange expects to incur costs processing additional appeals associated with health and dental plan denials. These staff positions are scalable, depending on the numbers of eligible enrollees in the plans. It is estimated that 1.0 additional Appeals Specialist would be needed for every 50,000 new enrollments.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 1191 HB	Title: Health coverage	Agency: 110-Office of Administrative Hearings
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. 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:

- ☒ 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: Meghan Morris	Phone: 360-786-7119	Date: 01/19/2021
Agency Preparation: Deborah Feinstein	Phone: 360-407-2717	Date: 01/26/2021
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 01/26/2021
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 02/02/2021

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 1191 mandates the creation of a parallel track of state-funded insurance for people who would otherwise be eligible for Medicaid but for their undocumented status. Specifically, Section 2 of the bill would provide health and dental insurance to persons who have aged out of children's health coverage. The requirements that must be met are that the individual must:

- Be 19 years or older
- Have an income at or below 133 percent of the federal poverty level
- Not be incarcerated
- Not be eligible for categorically needy medical assistance

The new state-funded insurance program would begin offering insurance to qualified persons beginning January 1, 2023. Appeals from the decisions of the Health Care Authority (HCA) related to a person's qualification for the new insurance program would be referred to the Office of Administrative Hearings (OAH) beginning sometime in the last half of FY 2023.

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.

As a central service agency, OAH bills referring agencies for its costs and collects the revenue into the Administrative Hearings Revolving Account. Cash receipts are assumed to equal costs. OAH will bill HCA for the costs related to this proposed legislation.

These cash receipts represent the OAH's authority to bill and are not a direct appropriation to OAH. Appropriation authority is necessary in OAH's budget.

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.

HCA does not have adequate information to be able to predict the number of recipients and therefore the number of appeals that might be referred to OAH. OAH's costs are indeterminate at this time.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.
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III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.
--

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*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

None.

Part V: New Rule Making Required