

Multiple Agency Fiscal Note Summary

Bill Number: 5702 2S SB	Title: Donor human milk coverage
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Estimated Cash Receipts

NONE

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	Fiscal note not available											
Office of Insurance Commissioner	.1	0	0	14,300	.0	0	0	10,435	.0	0	0	7,508
Department of Health	.6	115,000	115,000	115,000	.1	30,000	30,000	30,000	.0	0	0	0
Total \$	0.7	115,000	115,000	129,300	0.1	30,000	30,000	40,435	0.0	0	0	7,508

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	Fiscal note not available								
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
Department of Health	.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: Breann Boggs, OFM	Phone: (360) 485-5716	Date Published: Preliminary 3/ 7/2022
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Individual State Agency Fiscal Note

Bill Number: 5702 2S SB	Title: Donor human milk coverage	Agency: 160-Office of Insurance Commissioner
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	0.1	0.1	0.0	0.0
Account					
Insurance Commissioners Regulatory Account-State 138-1	0	14,300	14,300	10,435	7,508
Total \$	0	14,300	14,300	10,435	7,508

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: Sandy Stith	Phone: 786-7710	Date: 02/08/2022
Agency Preparation: Jane Beyer	Phone: 360-725-7043	Date: 02/11/2022
Agency Approval: Michael Wood	Phone: 360-725-7007	Date: 02/11/2022
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/11/2022

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(1) requires health plans, issued or renewed on or after January 1, 2023, to provide coverage for medically necessary donor human milk.

Section 1(3) allows a health plan to require an enrollee to obtain expedited prior authorization to receive donor human milk benefits.

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.

Section 1(1) requires health plans, issued or renewed on or after January 1, 2023, to provide coverage for medically necessary donor human milk.

Section 1(3) allows a health plan to require an enrollee to obtain expedited prior authorization to receive donor human milk benefits.

Section 1 will require the Office of Insurance Commissioner (OIC) to develop and apply new review standards for health plan form filings to ensure the new benefit of medically necessary donor human milk is accurately described and is subject only to expedited prior authorization. The OIC receives approximately 481 filings each year to which this legislation would apply. In FY2023, one-time costs of 22 hours of a Functional Program Analyst 4 (FPA4) to update filing review standards and speed-to-market tools, update checklist documents and filing instructions, and to train and provide additional oversight and assistance to staff; and 15 minutes of additional review time per health plan form filing, or a total of 120 hours (15 minutes x 481 filings), of a Functional Program Analyst 3 (FPA3)(86 hours) and FPA4 (34 hours) will be required. Beginning in FY2024, and each year thereafter, it is assumed that health form filing review will take an additional 5 minutes per filing, or a total of 40 hours (481 form filings x 5 minutes) of a FPA3 (28 hours) and FPA4 (12 hours).

OIC anticipates receiving one additional enforcement referral in FY2023 and one additional enforcement referral in FY2024 requiring a cost of 35 hours of an Insurance Enforcement Specialist in each of those years.

Ongoing costs:
Salary, benefits and associated costs for .02 FTE Functional Program Analyst 3 and .01 FTE Functional Program Analyst 4.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
138-1	Insurance Commissioners Regulatory Account	State	0	14,300	14,300	10,435	7,508
Total \$			0	14,300	14,300	10,435	7,508

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		0.1	0.1	0.0	0.0
A-Salaries and Wages		8,441	8,441	6,163	4,406
B-Employee Benefits		2,999	2,999	2,185	1,600
C-Professional Service Contracts					
E-Goods and Other Services		2,860	2,860	2,087	1,502
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	14,300	14,300	10,435	7,508

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 2022	FY 2023	2021-23	2023-25	2025-27
Functional Program Analyst 3	70,956		0.1	0.0	0.0	0.0
Functional Program Analyst 4	78,408		0.0	0.0	0.0	0.0
Insurance Enforcement Specialist	87,852		0.0	0.0	0.0	
Total FTEs			0.1	0.1	0.0	0.0

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

Individual State Agency Fiscal Note

Bill Number: 5702 2S SB	Title: Donor human milk coverage	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 Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	1.1	0.6	0.1	0.0
Account					
General Fund-State 001-1	0	115,000	115,000	30,000	0
Total \$	0	115,000	115,000	30,000	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:

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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: Sandy Stith	Phone: 786-7710	Date: 02/08/2022
Agency Preparation: Bobbi Berschauer	Phone: 3602364378	Date: 02/11/2022
Agency Approval: Stacy May	Phone: (360) 236-4532	Date: 02/11/2022
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/11/2022

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 second substitute bill added in section 4 new considerations to factor in the Department of Health set minimum standards for ensuring milk bank safety. The additional considerations will require additional effort and will impact costs.

Section 1: Donor human milk covered under this section must be obtained from a milk bank that meets minimum standards adopted by the Department of Health (department). The department and the commissioner may adopt any rules necessary to implement this section.

Section 4: The department must adopt minimum standards for ensuring milk bank safety. The standards adopted by the department must consider the clinical, evidence-based guidelines established by a national accrediting organization and must address donor screening, milk handling and processing, and recordkeeping. Directs the department to review and consider additional testing standards that could include testing for viruses, bacteria, and prescription and nonprescription drugs in donated milk.

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.

Section 4: Rulemaking

There will be one-time costs for rulemaking in fiscal year fiscal year 2023. Rulemaking will consist of two stakeholder meetings, and a formal rules hearing held in free facilities and /or online. This will allow stakeholders to participate and provide comments during the rulemaking process. Cost includes staff time and Office of the Attorney General support in the amount of \$2,500. This one- time costs in FY 2023 are 0.1 FTE for a Health Services Consultant 3 and \$17,000.

Total Rule making costs for FY 2023 are \$17,000 and 0.1 FTE

Allows the Department of Health (department) to adopt any necessary rules to adopt standards for ensuring milk banks safety.

Standards Development

Beginning in fiscal year (FY) 2023 The department will require a 0.7 FTE Health Services Consultant 3 to research, stakeholder, gather subject matter experts and ethically steer a committee to create rules and guidelines that meet the needs of the babies and families utilizing donor milk. Second year to provide follow up support upon establishing minimum standards for ensuring milk bank safety.

Total Costs for FY 2023 are \$98,000 and 0.7 FTE

Total Costs for FY 2024 are \$30,000 and 0.2 FTE

Total Fiscal Note Costs for FY 2023 are \$150,000 and 1.1 FTE

Total Fiscal Note Costs for FY 2024 are \$30,000 and 0.2 FTE

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	115,000	115,000	30,000	0
Total \$			0	115,000	115,000	30,000	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		1.1	0.6	0.1	
A-Salaries and Wages		73,000	73,000	19,000	
B-Employee Benefits		27,000	27,000	7,000	
E-Goods and Other Services		9,000	9,000	2,000	
T-Intra-Agency Reimbursements		6,000	6,000	2,000	
9-					
Total \$	0	115,000	115,000	30,000	0

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 2022	FY 2023	2021-23	2023-25	2025-27
Fiscal Analyst 2	53,000		0.2	0.1		
HEALTH SERVICES CONSULTANT 3	72,756		0.8	0.4	0.1	
Health Svcs Conslt 1	53,000		0.1	0.1		
Total FTEs			1.1	0.6	0.1	0.0

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 .

Section 4: There will be one-time costs for rulemaking in fiscal year fiscal year 2023. Rulemaking will consist of two stakeholder meetings, and a formal rules hearing held in free facilities and /or online. This will allow stakeholders to participate and provide comments during the rulemaking process.