

Multiple Agency Fiscal Note Summary

Bill Number: 5100 SB	Title: Breast & chest wall surgery
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	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 Insurance Commissioner	.2	0	0	53,718	.1	0	0	12,570	.1	0	0	12,570
Department of Health	.2	55,000	55,000	55,000	.0	16,000	16,000	16,000	.0	16,000	16,000	16,000
Total \$	0.4	55,000	55,000	108,718	0.1	16,000	16,000	28,570	0.1	16,000	16,000	28,570

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	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 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

Prepared by: Breann Boggs, OFM	Phone: (360) 485-5716	Date Published: Final
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Individual State Agency Fiscal Note

Bill Number: 5100 SB	Title: Breast & chest wall surgery	Agency: 107-Washington State Health Care Authority
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

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: Greg Attanasio	Phone: 360-786-7410	Date: 01/10/2023
Agency Preparation: Kate LaBelle	Phone: 360-725-1918	Date: 01/13/2023
Agency Approval: Tanya Deuel	Phone: 360-725-0908	Date: 01/13/2023
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 01/16/2023

Part II: Narrative Explanation

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

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached narrative

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached narrative

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

None

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

HCA Fiscal Note

Bill Number: 5100 SB

HCA Request #: 23-22

Part II: Narrative Explanation

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

Section 1 of this bill adds a new chapter to RCW 48.43 (Insurance Reform) that requires a health plan to cover breast reconstruction surgery after a mastectomy or partial mastectomy and health plans issued or renewed on or after January 1, 2024 to cover chest wall reconstruction surgery after a mastectomy or partial mastectomy. This bill mandates that coverage be provided without prior authorization. Coverage of this benefit may be subject to deductibles or other cost-sharing requirements.

II. B - Cash Receipts Impact

None

II. C – Expenditures

Indeterminate fiscal impact.

Section 1 of this bill adds a new chapter to RCW 48.43 requiring health plans to cover breast reconstruction surgery and chest wall reconstruction surgery after a mastectomy or partial mastectomy without prior authorization. Coverage may be subject to deductibles or other cost-sharing requirements.

RCW 48.43 governs the fully-insured health plans offered by the Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) programs. The fully-insured health plans offered by the PEBB and SEBB programs provide coverage of breast and chest wall reconstruction as required by this bill, excluding cosmetic procedures.

The removal of the prior authorization requirement may create increased utilization of the benefit, which could impact costs. Per the fully-insured health plan, it is estimated that the removal of prior authorization will drive increased utilization of the benefit, and the increased utilization level is difficult to predict. If levels were to reach those equivalent to the number of annual breast reconstruction from national statistics, there would be a material increase in cost.

Because of historic practice of implementing benefit changes in the self insured Uniform Medical Plan (UMP), governed by 41.05, when coverage is required in PEBB and SEBB fully-insured plans to ensure alignment of benefits in medical plans to reduce adverse selection. Costs for this are indeterminate as chest wall reconstructive surgery is not currently a covered benefit and cost information is not available at this time. Additionally, the impacts of removing prior authorization for these services is unknown.

Implementation of this bill could result in increased premiums for the fully-insured and self insured medical plans which may impact the state medical benefit contribution and employee contributions for health benefits.

HCA Fiscal Note

Bill Number: 5100 SB

HCA Request #: 23-22

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None

Individual State Agency Fiscal Note

Bill Number: 5100 SB	Title: Breast & chest wall surgery	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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.1	0.2	0.1	0.1
Account					
Insurance Commissioners Regulatory Account-State 138-1	47,433	6,285	53,718	12,570	12,570
Total \$	47,433	6,285	53,718	12,570	12,570

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: Greg Attanasio	Phone: 360-786-7410	Date: 01/10/2023
Agency Preparation: Shari Maier	Phone: 360-725-7173	Date: 01/13/2023
Agency Approval: Michael Wood	Phone: 360-725-7007	Date: 01/13/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/16/2023

Part II: Narrative Explanation

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

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1(1) requires a health plan to provide coverage for breast reconstruction surgery after a mastectomy or partial mastectomy has been performed and surgery and reconstruction of the other breast to produce a symmetrical appearance.

Section 1(2) requires a health plan issued or renewed on or after January 1, 2024, to provide coverage for chest wall reconstruction surgery after a mastectomy or partial mastectomy has been performed and surgery and reconstruction of the other breast to produce a symmetrical appearance.

Section 1(3) requires coverage for chest wall reconstruction surgery to include aesthetic flat closure as defined by the national cancer institute.

Section 1(4) requires the coverage for breast or chest wall reconstruction surgery to be provided without prior authorization

Section 1(6) requires written notice of the availability of coverage to be provided to the enrollee upon enrollment and annually thereafter.

Section 3 repeals RCW 48.44.330, RCW 48.46.280, RCW 48.20.395 and RCW 48.21.230.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 1(1) requires a health plan to provide coverage for breast reconstruction surgery after a mastectomy or partial mastectomy has been performed and surgery and reconstruction of the other breast to produce a symmetrical appearance.

Section 1(2) requires a health plan issued or renewed on or after January 1, 2024, to provide coverage for chest wall reconstruction surgery after a mastectomy or partial mastectomy has been performed and surgery and reconstruction of the other breast to produce a symmetrical appearance.

Section 1(3) requires coverage for chest wall reconstruction surgery to include aesthetic flat closure as defined by the national cancer institute.

Section 1(4) requires the coverage for breast or chest wall reconstruction surgery to be provided without prior authorization

Section 1(6) requires written notice of the availability of coverage to be provided to the enrollee upon enrollment and annually thereafter.

Section 1, subsections (1), (2), (3), (4) and (6) will require additional review of health plan form filings to ensure the breast or chest wall reconstruction benefit is accurately disclosed to enrollees in the forms, does not include prior authorization requirements and the notice of coverage availability is provided to enrollees at the time of enrollment and annually thereafter. The OIC will require one-time costs, in FY2024, of 14 hours of a Functional Program Analyst 4 to update filing review standards and speed-to-market tools, update checklist documents and filing instructions, train staff, and educate

issuers. The OIC receives approximately 312 health plan form filings each year and assumes the new review standards will result in an additional 30 minutes of review per form filing in FY2024 and an additional 15 minutes of review per form filing in FY2025 and thereafter requiring 156 hours (312 form filings x 30 minutes) of a Functional Program Analyst 3 (FPA3) in FY2024 and 78 hours (312 form filings x 15 minutes) of a FPA3 in FY2025 and thereafter.

Section 3 repeals RCW 48.44.330, RCW 48.46.280, RCW 48.20.395 and RCW 48.21.230.

Section 1 and 3 will require ‘normal’ rulemaking, in FY2024, to align current WACs with the new law.

Ongoing Costs:

Salary, benefit and associated costs for .05 FTE Functional Program Analyst 3 effective FY2024.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
138-1	Insurance Commissioners Regulatory Account	State	47,433	6,285	53,718	12,570	12,570
Total \$			47,433	6,285	53,718	12,570	12,570

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.1	0.2	0.1	0.1
A-Salaries and Wages	28,449	3,663	32,112	7,326	7,326
B-Employee Benefits	9,497	1,365	10,862	2,730	2,730
C-Professional Service Contracts					
E-Goods and Other Services	9,487	1,257	10,744	2,514	2,514
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 \$	47,433	6,285	53,718	12,570	12,570

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 2024	FY 2025	2023-25	2025-27	2027-29
Functional Program Analyst 3	73,260	0.1	0.1	0.1	0.1	0.1
Functional Program Analyst 4	80,952	0.1		0.0		
Senior Policy Analyst	108,432	0.2		0.1		
Total FTEs		0.3	0.1	0.2	0.1	0.1

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 1 and 3 will require ‘normal’ rulemaking, in FY2024, to align current WACs with the new law.

Section 1(2) and (3):

Applies to all health plans (individual and group market). For individual health plans certified as QHPs, the requirements for chest wall reconstruction and aesthetic flat closure may be considered an “above-EHB” benefit mandate subject to state defrayal of costs under 45 CFR § 155.170.

Section 1(6):

To provide direction to carriers on how enrollees are to be notified that coverage for breast or chest wall reconstructive surgery is to be provided without prior authorization. As written, the bill requires carriers to notify enrollees at enrollment and on an annual basis but does not provide any direction on how this is to be accomplished or require the information to be in their policy forms.

Section 3:

Repeals RCW 48.44.330, RCW 48.46.280, RCW 48.20.395 and RCW 48.21.230.

Individual State Agency Fiscal Note

Bill Number: 5100 SB	Title: Breast & chest wall surgery	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.4	0.0	0.2	0.0	0.0
Account					
General Fund-State 001-1	47,000	8,000	55,000	16,000	16,000
Total \$	47,000	8,000	55,000	16,000	16,000

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: Greg Attanasio	Phone: 360-786-7410	Date: 01/10/2023
Agency Preparation: Sharilynn Boelk	Phone: 3602363000	Date: 01/13/2023
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 01/13/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 01/16/2023

Part II: Narrative Explanation

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

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 2 (1) The department shall develop a standardized written summary explaining the medically viable methods of treating breast cancer, including but not limited to hormonal, radiological, chemotherapeutic, or surgical treatments, or combinations thereof.

Section 2 (2) Physicians licensed under chapter 18.71 RCW or osteopathic physicians licensed under chapter 18.57 RCW shall make the information prepared by the department available to their patients who they are treating for breast cancer.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

none.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 2 (1) and (2):

The measure requires the department to develop a standardized written summary explaining the medically viable methods of treating breast cancer, and because the summary can be distributed to patients, requires the summary to be meet all rules and expectations for providing patients medical information.

The Department assumes responsibility for creating an electronic document that will be provided to physicians who will distribute to their patients in a format they choose.

Staffing:

.40 FTE Health Services Consultant 4 to create a template, review and edit the document and publish a final summary of viable breast cancer treatment, support monitoring, accountability and partnership building, implement the review of clinical best practice and production of the summary document, review best practice information and present clinical review, and to coordinate a meeting of the Medical Advisory Committee, work with formatting the final summary and coordinate with department communications and translation services.

New medical guidance is issued periodically, so the information would need to be reviewed and updated annually. Annual maintenance is anticipated to take about half the time of the first year.

Translation costs:

The bill specifies physicians make the information available to their patients. Per equity rules, translation services will need to be used to provide the information in the top three most used languages Spanish, Russian, and Vietnamese. Word count for the summary is expected to be approximately 850 words. Costs for translation services are 0.24 cents per word and a 45-dollar flat fee per translation.

The cost breakdown for 850 words is $(850*0.24=\$204)$ $(204+45=\$249)$ per language $(249*3=\$747)$ for three languages once per year $(747*2=\$1,494)$ per biennium $(1,494*3=\$4,482)$ total for all three biennium

Other Costs:

Estimated expenditures include salary, benefit, and related costs to assist with administrative workload activities. These

activities include policy and legislative relations; information technology; budget and accounting services; human resources; contracts; procurement, risk management, and facilities management.

Total cost for FY 2024 is \$47,000 and 0.4 FTE

Total cost for FY 2025 is \$ 8,000 ongoing

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	47,000	8,000	55,000	16,000	16,000
Total \$			47,000	8,000	55,000	16,000	16,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.4		0.2		
A-Salaries and Wages	31,000	4,000	35,000	8,000	8,000
B-Employee Benefits	10,000	1,000	11,000	2,000	2,000
E-Goods and Other Services	4,000	3,000	7,000	6,000	6,000
T-Intra-Agency Reimbursements	2,000		2,000		
9-					
Total \$	47,000	8,000	55,000	16,000	16,000

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 2024	FY 2025	2023-25	2025-27	2027-29
HEALTH SERVICES CONSULTAN 4	85,020	0.4		0.2		
Total FTEs		0.4		0.2		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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

none.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

none.