

Individual State Agency Fiscal Note

Bill Number: 5275 SB	Title: SEBB benefits access	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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
Account					
St Health Care Authority Admin Acct-State 418-1	141,000	21,000	162,000	42,000	42,000
School Employees' Insurance Admin Acct-State 492-1	141,000	21,000	162,000	42,000	42,000
Total \$	282,000	42,000	324,000	84,000	84,000

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.

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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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
418-1	St Health Care Authority Admin Acct	State	141,000	21,000	162,000	42,000	42,000
492-1	School Employees' Insurance Admin Acct	State	141,000	21,000	162,000	42,000	42,000
Total \$			282,000	42,000	324,000	84,000	84,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
A-Salaries and Wages	14,000	14,000	28,000	28,000	28,000
B-Employee Benefits	6,000	6,000	12,000	12,000	12,000
C-Professional Service Contracts	30,000	20,000	50,000	40,000	40,000
E-Goods and Other Services	232,000	2,000	234,000	4,000	4,000
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 \$	282,000	42,000	324,000	84,000	84,000

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
Contract Specialist 2	70,000	0.2	0.2	0.2	0.2	0.2
Total FTEs		0.2	0.2	0.2	0.2	0.2

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.

HCA Fiscal Note

Bill Number: 5275 SB

HCA Request #: 22-024

Part II: Narrative Explanation

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

Section 2(6) of this bill amends RCW 41.05.011 (Definitions) to update the definition of employee included in the School Employees Benefits Board (SEBB) program to include employees of employee organizations representing school employees, at the option of the organization; school board directors, through agreement with the school district; and employees of tribal schools if the governing body seeks and receives approval.

Section 2(9) of this bill adds a new definition of “Employer group” for the SEBB Program to mean an employee organization representing school employees, a school district for the purposes of covering a school board director, and a tribal school as defined in RCW 28A.715.010, obtaining employee benefits through a contractual agreement with the authority to participate in benefit plans developed by the public employees’ benefits board.

Section 3 of this bill amends RCW 41.05.021 (State health care authority—Director—Cost control and delivery strategies—Health information technology—Managed competition—Rules) to allow SEBB to review and approve or deny the application when the governing body of a tribal government applies to transfer their employees to an insurance or self-insurance administered by PEBB or SEBB.

Section 4 of this bill amends RCW 41.05.050 (Contributions for employees and dependents—Definitions) that allows the Health Care Authority (HCA) to develop a rate surcharge to account for increased benefit costs assessed to tribal school employer groups.

Section 5 of this bill amends 41.05.740 (School employees' benefits board) to allow an employer group participating in the School Employees Benefits Board (SEBB) program to contractually agree with HCA to employee benefits eligibility criteria that may differ from the eligibility criteria set by the SEBB. This is similar authority that exists for an employer group joining the Public Employees’ Benefits Board (PEBB) program, and historically HCA has granted minimal variance to the eligibility bity criteria set by the PEBB.

II. B - Cash Receipts Impact

None

II. C – Expenditures

PEBB and SEBB

The fiscal impact of this bill is reflected in the table below.

Account	Account Title	Type	FY-2024	FY-2025	FY-2026	FY-2027
418-1	HCA Admin Acct	State	141,000	21,000	21,000	21,000
492-1	School Employees' Ins. Admin Acct	State	141,000	21,000	21,000	21,000
Totals			\$ 282,000	\$ 42,000	\$ 42,000	\$ 42,000

HCA Fiscal Note

Bill Number: 5275 SB

HCA Request #: 22-024

		FY-2024	FY-2025	FY-2026	FY-2027
FTE		0.2	0.2	0.2	0.2
A	Salaries and Wages	14,000	14,000	14,000	14,000
B	Employee Benefits	6,000	6,000	6,000	6,000
C	Professional Service Contracts	30,000	20,000	20,000	20,000
E	Goods and Other Services	232,000	2,000	2,000	2,000
Totals		\$ 282,000	\$ 42,000	\$ 42,000	\$ 42,000

If this bill should pass, it will expand SEBB Program eligibility to allow employees of employee organizations representing school employees, school board directors, and employees of a tribal school as defined in RCW 28A.715.010 to participate in the SEBB Program under a contractual agreement as an employer group.

Currently, SEBB Program coverage is only available to eligible employees of school districts and charter schools established under Chapter 28A.710 RCW, represented employees of an ESD, and effective January 1, 2024, all employees of an ESD. These employees must meet the benefits eligibility criteria determined by SEBB.

The PEBB Program offers coverage to eligible employer groups who participate under a contractual agreement. Currently the Board of Directors of a school district or an ESD may participate in PEBB Program coverage under a contractual agreement. If this bill should pass, eligibility for the Board of Directors of an ESD would be retained in the PEBB Program, however, eligibility for the Board of Directors of a school district would move to the SEBB Program. Additionally, employees of a tribal government would have the choice to participate in PEBB Program or SEBB Program coverage under a contractual agreement. During the launch of the SEBB Program, tribal schools were advised that under state statute, they could participate in PEBB Program coverage under a contractual agreement. This bill as written would allow participation for employees of a tribal school in either the PEBB or SEBB program.

The Health Care Authority (HCA) assumes groups would be able to first access SEBB program benefits under a contractual agreement with HCA as of January 1, 2024.

HCA's description of Section 5 in this fiscal note, assumes that statutory cross-references and statements about PEBB were intended to be to the comparable SEBB provisions of state law. HCA will provide a technical amendment to clarify the language.

HCA assumes that employers that are permitted to apply to receive benefits through the SEBB program as a result of this bill will follow the same application process of the equivalent in PEBB. Due to the work associated with determining a groups' ability to access benefits through the SEBB program, HCA would need the following:

- 0.2 FTE – Contracts Specialist 2:
 - \$22,000 per fiscal year effective July 1, 2023
 - This position will develop and issue contracts with new entities as a result of this bill.
- IT system development:
 - \$180,000 one-time funding in fiscal year 2024 to allow for Pay1 expansion for a new program eligibility type. This is to accommodate the update to the existing system.
 - \$50,000 one-time funding in fiscal year 2024 for SEBB MyAccount development for new employer groups as a result of this bill.
- \$10,000 one-time funding in fiscal year 2024 for actuarial support to create the mechanism to assess the employer group surcharge to the newly eligible employer group.

HCA Fiscal Note

Bill Number: 5275 SB

HCA Request #: 22-024

- \$20,000 per fiscal year effective fiscal year 2024 for on-going funding for actuarial support to assess the employer group surcharge on an ongoing basis.

All projected expenses as a result of this will be split equally between the PEBB and SEBB programs.

Because this bill allows HCA to develop a rate surcharge to account for increased benefit costs assessed to employer groups, HCA does not anticipate increase benefit related costs as a result of this bill.

Medicaid

No fiscal impact.

No impacts on the Medicaid lines of business because this legislation places the requirements under RCW 41.05.

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None