

Individual State Agency Fiscal Note

Bill Number: 5021 SB	Title: Audiology & speech compact	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Health Professions Account-State 02G-1		13,000	13,000	84,000	56,000
Total \$		13,000	13,000	84,000	56,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.2	0.2	0.4	0.1
Account					
Health Professions Account-State 02G-1	29,000	97,000	126,000	91,000	34,000
Total \$	29,000	97,000	126,000	91,000	34,000

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.

This bill facilitates interstate practice of audiologists and speech language pathologists by allowing audiologists and speech language pathologists licensed in Washington state to obtain a practice privilege in all other states that join in the Audiologists and Speech Language Pathology Compact (compact). Conversely, professionals in other states participating in the compact could obtain privileges to practice in Washington.

Section 3: Department of Health (department) must perform a criminal background check for audiology and speech-language pathology license applicants, to include the submission of the applicant's fingerprints or other biometric-based information to the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records. The department must check the interstate compact's data system when it receives an application for a compact privilege to determine the applicant's eligibility for compact privilege. Member states may charge a fee for granting a compact privilege.

Section 4: A licensee providing services in a remote state under the compact privilege shall function within the laws and regulations of the remote state and is subject to that state's regulatory authority. A remote state may remove a licensee's compact privilege in the remote state for a specified period of time, impose fines, or take any other necessary actions to protect the health and safety of its citizens.

Section 7: If adverse action is taken by the home state against a license, the licensee's compact privilege in all other member states shall be deactivated until all encumbrances have been removed from the state license. All home state disciplinary orders shall include a statement that the licensee's privilege to practice is deactivated in all member states during the pendency of the order. If a member state takes adverse action, it shall promptly notify the administrator of the data system.

Section 8: Establishes the Audiology and Speech-Language Pathology Compact Commission (commission). Washington State will be represented by two delegates from the Board of Hearing and Speech (board). The interstate commission may levy on and collect an annual assessment from each member state. The annual assessment amount is to be determined by the interstate commission.

Section 9: The interstate commission will provide for the development, maintenance, and use of a coordinated database and reporting. The department will submit a uniform data set to the data system with information on all licensed individuals.

Section 12: The compact shall come into effect on the date on which the compact statute is enacted into law in ten member states.

Section 15: The board is authorized to adopt rules necessary to implement the audiology and speech-language pathology interstate compact.

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.

Section 3: Current law RCW 43.70.250 (License fees for professions, occupations, and businesses) requires the department to charge a fee to generate sufficient revenue to fully support the costs of administering its Audiologist and Speech-Language Pathologist licensing activities. As of July 1, 2022, the Hearing and Speech program has a sufficient fund balance to cover the costs to implement this bill. However, the department will monitor the program fund balance within the Health Professions Account (02G) and adjust fees over a six (6) year period to ensure that fees are sufficient to cover all

program expenditures including costs to implement this bill.

This bill allows the department to charge a fee for granting a compact privilege. During the rulemaking process, a fee study will be prepared with proposed fees and provided for stakeholder input. Costs associated with implementing this bill will be considered when setting the fee. Revenue from issuing compact privileges will be deposited to the Health Professions Account.

Section 12: In 2021 the compact gained the required 10 member states for the compact to come into effect. The board's rulemaking and the department's implementation of the compact will take approximately 12 months to complete, and the department assumes it will begin issuing compact privilege credentials July 1, 2024.

Since 22 states are currently part of the compact (a 7-state increase over the past year) and an additional 3 (including Washington) have pending compact legislation, the department assumes this bill will reduce the number of out-of-state residents renewing their Washington state audiology or speech-language pathologist license. The department assumes over the next two years 10% of the department's 674 licensed audiologists and speech-language pathologists who are out-of-state residents that hold a Washington state license will not renew in Washington and will in turn apply for a compact privilege. The loss of renewal revenue will be offset by the compact revenue for these 67 (10% x 674) compact privilege applicants.

Based on the department's experience with the Physical Therapy Compact (PT Compact), we anticipate a similar increase in out-of-state compact licensees providing services in Washington State. Of the 3,312 licensees the department assumes 132 (4%) compact applications in FY25, 232 (7%) in FY26, and 331 (10%) in FY27. In FY28 and ongoing, the department assumes compact applications will grow at the same rate as in-state applications, at a rate of 3.85%.

According to Washington Administrative Code (WAC) 246-12-020 (3), a health care practitioner's credential expires on their birthday. To maintain an active license, audiologists and speech language pathologists with compact privilege will be required to annually renew their license and pay the renewal fee on or before their birthday. Initial credentials issued within ninety days of the practitioner's birthday do not expire until the practitioner's next birthday. Based on this WAC, the Department assumes 25% of initial credentials will require renewal within the same year as their application. Based on its experience with other health professions, the department assumes licenses will be renewed annually at a rate of 98.5% starting in FY 2026.

For the purpose of this fiscal note, a one-year compact privilege fee is estimated between \$55 and \$105 to cover the cost of implementing the bill. During the rulemaking process, a fee study will be prepared with proposed fees and provided for stakeholder input. The department will monitor the program fund balance and adjust fees over a six (6) year period to ensure that fees are sufficient to cover all program expenditures. Revenue collection will start July 1, 2024, and will be deposited to the Health Professions Account (02G).

FY 2025 - \$13,000 (132 applications, 33 renewals)
FY 2026 - \$29,000 (232 applications, 130 renewals)
FY 2027 - \$55,000 (331 applications, 357 renewals)
FY 2028 - \$28,000 (13 applications, 667 renewals)
FY 2029 - \$28,000 (13 applications, 667 renewals)

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.

Rulemaking

Sections 3 and 15: The Board of Hearing and Speech will develop and adopt rules to establish new fees. The department anticipates utilizing a team of subject matter experts to implement this bill. This team will consist of the program manager

and a community engagement specialist to reach disadvantaged communities and engage them in the rulemaking process. This process will include two stakeholder meetings as well as one formal rules hearing, all held virtually, and will take approximately 12 months to complete. The department anticipates providing the rules hearing announcement and materials in both English and Spanish and providing ASL and Spanish interpretation services at the rules hearing.

Costs include staff, associated expenses (including goods and services, travel, intra-agency, and indirect charges), and Office of Attorney General support in the amount of \$4,000. FY 2024 one-time costs will be 0.2 FTE and \$29,000.

Health Technology Solutions (HTS)

Sections 3 and 9: In FY 2025, HTS staff and vendor time will be required to update the department's Healthcare Enforcement and Licensing Modernization Solution (HELMS). This will include configuration and testing of two new credential types. Tasks include establishing and maintaining credentialing workflows, user defined fields, templates, fee tables, renewals, database support, modification of reports, and creating interfaces. Configuration in HELMS will require 257.8 additional hours from the integration vendor at a rate of \$262.50 per hour, for a total of \$68,000.

FY 2025 one-time costs include HELMS vendor costs (\$68,000), HTS staff, and associated goods and services, intra-agency, and indirect costs, for a total of 0.10 FTE and \$80,000 (02G). Starting in FY 2026, ongoing costs will be 0.10 FTE and \$11,000 (02G) each year.

Discipline

Sections 4 and 7: Because education levels required by the compact are at least as high as Washington requirements, it is assumed the discipline rate for compact privilege audiologists and speech-language pathologists to be the same as that for Washington licensed audiologists and speech-language pathologists. Due to the low complaint rates for both professions (1% for audiologists and 0.2% for speech-language pathologist), any increase in disciplinary costs is expected to be minimal.

Office of Customer Service – Credentialing and Renewals

Sections 3 and 9: The bill creates a new Audiology and Speech Language-Pathology license compact privilege credential, provides a new data system for determining each compact privilege applicant's eligibility for the compact credential, and increases the estimated number of FBI background checks.

In FY 2024, the new compact privilege credential will require credentialing staff time to complete configuration, conduct testing, and use case development in HELMS to track compact privilege credentials, and Customer Service Operations staff time to create new paper and online applications.

Costs to complete credentialing and renewals include staff and associated goods and services, intra-agency, and indirect charges. In FY 2025, costs will be 0.1 FTE and \$12,000 (02G). In FY 2026 0.2 FTE and \$23,000 (02G) and FY 2027 0.4 FTE and \$36,000. In FY 2028 and ongoing, costs will be \$1,000 (02G) each year.

Total costs to implement the bill:

FY 2024: 0.2 FTE and \$29,000 (02G)

FY 2025: 0.2 FTE and \$97,000 (02G)

FY 2026: 0.3 FTE and \$39,000 (02G)

FY 2027: 0.4 FTE and \$52,000 (02G)

FY 2028 and ongoing: 0.1 FTE and \$17,000 (02G)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
02G-1	Health Professions Account	State	29,000	97,000	126,000	91,000	34,000
Total \$			29,000	97,000	126,000	91,000	34,000

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	0.4	0.1
A-Salaries and Wages	16,000	18,000	34,000	57,000	22,000
B-Employee Benefits	6,000	5,000	11,000	22,000	6,000
C-Professional Service Contracts	1,000	68,000	69,000		
E-Goods and Other Services	5,000	5,000	10,000	9,000	6,000
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	1,000	1,000	2,000	3,000	
9-					
Total \$	29,000	97,000	126,000	91,000	34,000

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 SERVICE CONSULTANT	85,802	0.2	0.2	0.2	0.4	0.1
Total FTEs		0.2	0.2	0.2	0.4	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.

Sections 3 and 15: The board will adopt rules as necessary in WAC 246-828 to implement the bill.