

Multiple Agency Fiscal Note Summary

Bill Number: 5242 SB	Title: Abortion cost sharing
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	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.								
Total \$	0	0	0	0	0	0	0	0	0

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	.0	0	0	52,155	.0	0	0	14,890	.0	0	0	14,890
Total \$	0.0	0	0	52,155	0.0	0	0	14,890	0.0	0	0	14,890

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
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
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Individual State Agency Fiscal Note

Bill Number: 5242 SB	Title: Abortion cost sharing	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: Greg Attanasio	Phone: 360-786-7410	Date: 01/18/2023
Agency Preparation: Sara Whitley	Phone: 360-725-0944	Date: 01/23/2023
Agency Approval: Tanya Deuel	Phone: 360-725-0908	Date: 01/23/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/26/2023

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.

HCA: Indeterminate fiscal impact

HBE: No fiscal impact

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.

HCA: No cash receipt impact

HBA: Indeterminate cash receipt impact

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.

HCA: Indeterminate expenditure impact

HBE: No expenditure impact

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

See attached narrative.

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: SB 5242

HCA Request #: 23-048

Part II: Narrative Explanation

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

Section 1(1)(b) amends RCW 48.43.073 (Required abortion coverage) to require health plans issued on or after January 1, 2024 not impose cost sharing for abortion of a pregnancy.

Section 1(1)(c) requires health plans that provide coverage for abortion of a pregnancy and are offered as a qualifying health plan for a health savings account (HSA), establish the plan's cost sharing for the coverage required at the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions and withdrawals from an HSA.

Section 2(1) adds a new section to RCW 41.05 (Health Care Authority) that requires health plans offered to public employees and their covered dependents, issued or renewed on or after January 1, 2024 and provides coverage for abortions not impose cost sharing for the abortion of a pregnancy.

Section 2(2) also requires health plans that provide coverage for abortion of a pregnancy under RCW 41.05, and are offered as a qualifying health plan for a health savings account (HSA), establish the plan's cost sharing for the coverage required at the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions and withdrawals from the HSA.

II. B - Cash Receipts Impact

None.

II. C – Expenditures

Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) Program Impacts

Indeterminate cost impact.

Section 1(1)(b) amends 48.43.073 (Required abortion coverage) and Section 2(1) adds a new section to 41.05 (State Health Care Authority) to require health plans issued on or after January 1, 2024 not impose cost sharing for abortion of a pregnancy. Maternity and services pertaining to the abortion of a pregnancy are covered services, and are currently subject to deductible and member cost share across all PEBB and SEBB health plans, including the PEBB and SEBB health savings account (HSA) qualified High Deductible Health Plans (HDHPs).

This bill would require PEBB and SEBB health plans to cover services related to abortion of a pregnancy not subject to member cost share. It is assumed that by requiring these services not be subject to member cost share in the PEBB and SEBB fully-insured health plans the healthcare cost liability for the plans will increase, which could lead to increased premiums. At this time, we do not have an estimated annual increase to healthcare cost liability from the PEBB and SEBB fully-insured carriers Premera or Kaiser.

For the self-insured Uniform Medical Plan (UMP), which is governed by RCW 41.05, UMP claims liability is assumed to increase as a result of covering services related to the abortion of a pregnancy not subject to member cost share. Assuming no increase to historical rates of utilization for these

HCA Fiscal Note

Bill Number: SB 5242

HCA Request #: 23-048

services, and based on average plan experience for abortions across plan years 2019 through 2021 the estimated increase in annual claims liability across the PEBB non-Medicare UMP plans and SEBB UMP plans is approximately:

- PEBB non-Medicare UMP cost impacts: between \$100,000 and \$200,000 annually
- SEBB UMP cost impacts: between \$50,000 and \$100,000 annually

Section 1(1)(c) and Section 2(2) of this legislation requires that any cost sharing imposed for qualified health plans with a HSA be set at the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions from their HSA account under internal revenue service laws and regulations. We assume complying with the "minimum requirements" would require services related to the abortion of a pregnancy not be subject to cost shares in any PEBB or SEBB HDHPs. This is because, for the services included in this bill, federal laws and regulations allow for a full range of cost shares for HSA qualified HDHPs, thus minimum compliance would require establishing no cost shares in such instances.

RCW 41.05 governs the self-insured Uniform Medical Plans (UMP), which are offered by the Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) programs. RCW 48.43 governs the fully-insured health plans offered by the PEBB and SEBB programs. Implementation of this bill could result in increased premiums for the self insured and fully-insured medical plans which may impact the state medical benefit contribution and employee contributions for health benefits.

Medicaid

No fiscal impact.

No impacts on the Medicaid lines of business because this legislation places the requirements under RCW 48.43 and RCW 41.05.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

HBE Fiscal Note

Bill Number: 5242 SB

HBE Request #: 23-05-01

Part II: Narrative Explanation

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

This bill would prohibit carriers from imposing cost sharing for abortion for health plans issued or renewed on or after January 1, 2024.

Section 1(1)(b) prohibits health carriers from imposing cost sharing for abortion of a pregnancy for health plans issued or renewed on or after January 1, 2024.

Section 1(1)(c) requires HSA compatible health plans that provide coverage for abortion of a pregnancy to establish the plan's cost sharing for abortion coverage at the minimum level necessary to preserve enrollee's ability to claim tax exempt contributions and withdrawals from their account.

Section 2(1) prohibits health plans offered to public employees and their covered dependents from imposing cost sharing for abortion of a pregnancy for plans issued or renewed on or after January 1, 2024.

Section 2(2) requires HSA compatible health plans that provide coverage for abortion of a pregnancy to establish the plan's cost sharing for abortion coverage at the minimum level necessary to preserve enrollee's ability to claim tax exempt contributions and withdrawals from their account.

II. B - Cash Receipts Impact

Indeterminate. New mandated benefits typically increase premiums, but the expected premium increase amount attributable to just this new benefit is unknown at this time.

II. C - Expenditures

No fiscal impact, changes that require inclusion of this health care benefit in qualified health plans offered in the Exchange marketplace are not expected to require significant operational or Healthplanfinder system changes.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 5242 SB	Title: Abortion cost sharing	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
Account					
Insurance Commissioners Regulatory Account-State 138-1	44,710	7,445	52,155	14,890	14,890
Total \$	44,710	7,445	52,155	14,890	14,890

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: 01/18/2023
Agency Preparation: Shari Maier	Phone: 360-725-7173	Date: 01/23/2023
Agency Approval: Michael Wood	Phone: 360-725-7007	Date: 01/23/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/23/2023

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)(b) prohibits, except as provided in Section 1(1)(c), for health plans issued or renewed on or after January 1, 2024, a health carrier from imposing cost sharing for abortion of a pregnancy.

Section 1(1)(c), for health plans that provide coverage for abortion of a pregnancy and is offered as a qualifying health plan for a health savings account, requires health carriers to establish the plan's cost sharing for the coverage the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions.

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)(b) prohibits, except as provided in Section 1(1)(c), for health plans issued or renewed on or after January 1, 2024, a health carrier from imposing cost sharing for abortion of a pregnancy.

Section 1(1)(c), for health plans that provide coverage for abortion of a pregnancy and is offered as a qualifying health plan for a health savings account, requires health carriers to establish the plan's cost sharing for the coverage the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions.

Section 1 will require additional review of health plan form filings to ensure plans do not impose cost sharing for abortion of a pregnancy and that qualifying health plans have established the plan's cost sharing for the required coverage at the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions from a health savings account. The Office of Insurance Commissioner (OIC) will require one-time costs, in FY2024, of 6 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 15 minutes of review per form filing in FY2024 and an additional 5 minutes of review per form filing in FY2025 and thereafter requiring 78 hours (312 form filings x 15 minutes) of a Functional Program Analyst 3 (FPA3) in FY2024 and 26 hours (312 form filings x 5 minutes) of a FPA3 in FY2025 and thereafter.

The provisions in Section 1 will lead to an increase in enforcement actions. The OIC anticipates an average of one additional enforcement action per year to address allegations specific to cost sharing for abortion of a pregnancy. Enforcement actions require the equivalent of approximately 40 hours per case requiring 40 hours (1 case x 40 hours) of an Insurance Enforcement Specialist beginning in FY2024.

Section 1 will require 'normal' rulemaking, in FY2024, to align current WACs, such as WAC 284-43-7200, with the new law.

Ongoing Costs:

Salary, benefits and associated costs for .02 FTE Functional Program Analyst 3 and .03 FTE Insurance Enforcement Specialist.

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	44,710	7,445	52,155	14,890	14,890
Total \$			44,710	7,445	52,155	14,890	14,890

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages	26,961	4,450	31,411	8,900	8,900
B-Employee Benefits	8,807	1,506	10,313	3,012	3,012
C-Professional Service Contracts					
E-Goods and Other Services	8,942	1,489	10,431	2,978	2,978
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 \$	44,710	7,445	52,155	14,890	14,890

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

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 will require 'normal' rulemaking, in FY2024, to align current WACs, such as WAC 284-43-7200, with the new law.