

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1626 HB	<b>Title:</b> Colorectal screening tests	<b>Agency:</b> 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.

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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.*

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

**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: HB 1626

HCA Request #: 23-099

## **Part II: Narrative Explanation**

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

This act relates to coverage for colorectal screening tests under medical assistance programs.

Section 1(12) is a new section. Effective January 1, 2024, the Health Care Authority (HCA) shall require coverage for noninvasive preventive colorectal cancer screening tests assigned either a grade of A or grade of B by the United States preventive services task force and shall require coverage for colonoscopies performed as a result of a positive result from such a test.

### **II. B - Cash Receipts Impact**

Indeterminate.

### **II. C – Expenditures**

The fiscal impact is indeterminate.

Beginning January 1, 2024, this bill requires HCA to cover noninvasive preventive colorectal cancer screening tests assigned either a grade of A or B by the United States Preventive Services Task Force. HCA is also required to cover any colonoscopies that result from a positive test.

Apple Health currently covers two noninvasive colorectal cancer screening tests; Fecal Immunochemical Test (FIT) and Guaiac Fecal Occult Blood Test (FOBT). The only grade A or B noninvasive colorectal cancer screening test that is not already covered is the stool deoxyribonucleic acid FIT (sDNA-FIT) test. While this test has a higher reimbursement rate than the currently covered noninvasive screening tests, it also requires less frequent testing. The potential substitution rate of sDNA-FIT test for other existing screenings and the potential change in the number of colonoscopies performed as a result of covering the sDNA-FIT test are currently unknown. As a result, HCA is unable to estimate the exact fiscal impact of the policy change.

If 50 percent of the current FIT and FOBT utilizers use sDNA-FIT tests and if there is no change in the number of resulting colonoscopies, the fiscal impact of the proposed policy is estimated to be about \$1.7 million in fiscal year (FY) 2024 (six months), and about \$3.1 million each year thereafter. The General Fund State cost is estimated to be about \$300,000 in Fiscal Year (FY) 2024, and about \$560,000 thousand in FY 2025 and beyond.

## **Part IV: Capital Budget Impact**

None.

## **Part V: New Rule Making Require**

None.