

Individual State Agency Fiscal Note

Bill Number: 5632 SB	Title: Labor disputes/health care	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.

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Agency Approval: Catrina Lucero	Phone: 360-725-7192	Date: 02/08/2023
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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.

Please 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.

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

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: SB 5632

HCA Request #: 23-090

Part II: Narrative Explanation

AN ACT Relating to protecting the health care of workers exercising their right to participate in a labor dispute; adding a new section to chapter 49.64 RCW; and creating a new section.

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

Section 1 is a new section added to chapter 49.64 RCW that reads by January 1, 2024, the health benefit exchange created under 43.71 RCW must administer a worker health care premium assistance program.

Section 2 states this act may be known as the worker health care protection act.

II. B - Cash Receipts Impact

None.

II. C – Expenditures

No fiscal impact.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Require

None.

HBE Fiscal Note

Bill Number: 5632 SB

HBE Request #: 23-11-01

Part II: Narrative Explanation

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

This bill requires the Health Benefit Exchange (Exchange) to administer a worker health care premium assistance program to help Washington residents who lose employer-based health care coverage resulting from a labor dispute.

Section 1(1) – Starting January 1, 2024, the Exchange must administer a worker health care premium assistance program.

Section 1(2) – Subject to the availability of state funds for this purpose, workers are eligible for the premium assistance program if they:

- a) provide self-attestation regarding loss of minimum health care coverage from an employer or joint labor management trust fund as a result of a strike, lockout, or other labor dispute,
- b) enrolls in a Cascade Silver standardized health plan,
- c) applies for and accepts all federal advance premium tax credits for which they may be eligible,
- d) is ineligible for minimum coverage through Medicare, a federal or state medical assistance program administered by the health care authority, or for COFA premium assistance, and
- e) is otherwise eligible to purchase a qualified health plan on the exchange

Section 1(3) – Subject to state funding appropriated for this act, the Exchange must pay the total premium for eligible individuals after all applicable federal and state subsidies are applied.

Section 1(4) – The Exchange may disqualify a participant from the program if the individual:

- a) no longer meets eligibility criteria,
- b) fails, without good cause, to comply with documentation requirements,
- c) fails, without good cause, to notify the exchange of a change of address in a timely manner,
- d) voluntarily withdraws from the program, or
- e) commits fraud.

Section 1(5) – The Exchange must establish procedural requirements for eligibility and continued participation for the worker health care premium assistance program as well as procedural requirements for facilitating payments to and from carriers.

II. B - Cash Receipts Impact

Indeterminate. Given the unknown size and frequency of future labor disputes impacting Washington workers, and uncertainty as to how many of those impacted would qualify for qualified health plan coverage, the expected total population that will be served by this program is unknown. Available historical data suggests that disputes in Washington that are large in size and prolonged in duration are infrequent. To the extent qualified health plan

HBE Fiscal Note

Bill Number: 5632 SB

HBE Request #: 23-11-01

enrollment is increased, it will result in additional health insurance tax premiums and carrier assessments collected under RCW 43.71 for the length of time the worker is enrolled. Assuming an unknown increase in enrollment, and no specified appropriation in the bill language, there is an indeterminate revenue and cash receipt impact to the state. All funding for the Exchange is appropriated, and any change in resources to the Exchange would be subject to future appropriation

II. C - Expenditures

Indeterminate. The requirements of the bill are subject to appropriation. Given the unknowns regarding the number of potential enrollees, and, therefore, the size and scale of the worker health care premium assistance program, the Exchange cannot identify specific fiscal impacts. However, the Exchange has identified known activities necessary to setup sponsorship programs and administer payments based on previous experience administering similar programs. Exchange assumptions are provided below.

Using available data from the Bureau of Labor Statistics over the last 30 years, the Exchange assumes future labor disputes may impact about 3,000 total workers per year. In recent experience with the premium assistance program for employees of licensed child care facilities – and accounting for the relatively short duration of most labor disputes – the Exchange estimates about 5-10% of total striking workers might be motivated to seek health insurance coverage through the Exchange. Of those who seek coverage through the Exchange, many may qualify for Washington Apple Health. The Exchange also assumes that some workers will maintain their employer coverage through the duration of the strike, some workers who do lose coverage may not seek alternative coverage in the interim, and some will obtain coverage through a family member or another source. Based on these assumptions, the Exchange anticipates less than 50 enrollees per year in the worker premium assistance program.

If an appropriation is provided for premium assistance payments and annual enrollment for the worker health care premium assistance program is less than 50 enrollees per year, the Exchange assumes it can operate the program within existing administrative resources. However, if an appropriation is provided for premium assistance payments and annual enrollment in the program exceeds 50 enrollees per year, the Exchange would need additional administrative resources to support the program and administer payments.

Implementation and administration of the program would require manual processes to support enrollment and eligibility determinations, manual opening of a special enrollment period (SEP), facilitating payments to carriers, generating reports, and monthly payment reconciliation. There could also be downstream advanced premium tax credit (APTC) and IRS tax implications, as well as retroactive enrollment changes if/when the employer sponsored insurance (ESI) is restored that could have an impact on expected staffing to support the program.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.