

Multiple Agency Fiscal Note Summary

Bill Number: 1776 HB	Title: Applied behavior analysis
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Estimated Cash Receipts

NONE

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	8,798	.0	0	0	5,026	.0	0	0	5,026
Total \$	0.0	0	0	8,798	0.0	0	0	5,026	0.0	0	0	5,026

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 2/15/2023
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Individual State Agency Fiscal Note

Bill Number: 1776 HB	Title: Applied behavior analysis	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:

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: Kim Weidenaar	Phone: 360-786-7120	Date: 02/06/2023
Agency Preparation: Sara Whitley	Phone: 360-725-0944	Date: 02/09/2023
Agency Approval: Megan Atkinson	Phone: 360-725-1222	Date: 02/09/2023
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 02/14/2023

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.

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

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: HB 1776

HCA Request #: 23-119

Part II: Narrative Explanation

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

Section 1 adds a new section to RCW 48.43 (Insurance Reform) to require health plans issued or renewed on or after January 1, 2024 to provide coverage for applied behavior analysis therapy (ABA) for members with a intellectual disability diagnosis.

II. B - Cash Receipts Impact

None.

II. C – Expenditures

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

Indeterminate fiscal impact.

Section 1 adds a new section to RCW 48.43 (Insurance Reform) to require health plans issued or renewed on or after January 1, 2024 to provide coverage for applied behavior analysis therapy (ABA) for members with an intellectual disability diagnosis. Currently, PEBB and SEBB fully-insured carriers provide coverage for ABA therapy under specific condition categories. Feedback from Kaiser indicates ABA therapy services are currently covered under all health plans offered in the PEBB and SEBB programs; therefore, there is no assumed fiscal impact as a result of this legislation to the Kaiser plans. Premera currently covers ABA therapy for a wide range of diagnoses; feedback from Premera indicates the possibility of cost impacts should payment be required for services provided by providers that are not licensed in the State. While Premera was not able to quantify a possible impact at this time, there is the possibility for increased cost liability to the health plan should coverage requirements be expanded, which may increase member premiums.

As drafted, the bill does not impact the self insured Uniform Medical Plan (UMP) established and governed by RCW 41.05 (State Health Care Authority), which are offered in the PEBB and SEBB programs. There is a historic practice of implementing benefit changes in UMP when coverage is required in PEBB and SEBB fully-insured plans to ensure alignment of benefits in medical plans and reduce adverse selection. Feedback from Regence, the UMP third-party administrator (TPA), indicates ABA therapy is currently covered for treatment of autism spectrum disorders. Should this bill require coverage for additional intellectual disability categories, it is assumed healthcare cost liability could increase in UMP.

Implementation of this bill could result in increased premiums for the fully-insured plans which may impact the state medical benefit contribution and employee contributions for health benefits.

Medicaid (Apple Health)

No fiscal impact.

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

HCA Fiscal Note

Bill Number: HB 1776

HCA Request #: 23-119

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 1776 HB	Title: Applied behavior analysis	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
FTE Staff Years	0.1	0.0	0.0	0.0	0.0
Account					
Insurance Commissioners Regulatory Account-State 138-1	6,285	2,513	8,798	5,026	5,026
Total \$	6,285	2,513	8,798	5,026	5,026

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: Kim Weidenaar	Phone: 360-786-7120	Date: 02/06/2023
Agency Preparation: Jane Beyer	Phone: 360-725-7043	Date: 02/09/2023
Agency Approval: Michael Wood	Phone: 360-725-7007	Date: 02/09/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/09/2023

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 requires, for health plans issued or renewed on or after January 1, 2024, health carriers to provide coverage for applied behavior analysis therapy for the diagnostic category of intellectual disabilities.

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 requires, for health plans issued or renewed on or after January 1, 2024, health carriers to provide coverage for applied behavior analysis therapy for the diagnostic category of intellectual disabilities.

Section 1 will require additional review of health plan form filings to ensure the applied behavior analysis therapy benefit is accurately disclosed or not excluded from coverage in the forms. 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.

Ongoing Costs:

Salary, benefits and associated costs for .02 FTE Functional Program Analyst 3.

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	6,285	2,513	8,798	5,026	5,026
Total \$			6,285	2,513	8,798	5,026	5,026

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.0	0.0	0.0	0.0
A-Salaries and Wages	3,663	1,465	5,128	2,930	2,930
B-Employee Benefits	1,365	545	1,910	1,090	1,090
C-Professional Service Contracts					
E-Goods and Other Services	1,257	503	1,760	1,006	1,006
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 \$	6,285	2,513	8,798	5,026	5,026

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
Functional Program Analyst 3	73,260	0.1	0.0	0.0	0.0	0.0
Total FTEs		0.1	0.0	0.0	0.0	0.0

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.