

Multiple Agency Fiscal Note Summary

Bill Number: 5729 SB	Title: Insulin cost-sharing cap
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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	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Insurance Commissioner	.0	0	0	8,798	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	8,798	0.0	0	0	0	0.0	0	0	0

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 2/16/2023
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Individual State Agency Fiscal Note

Revised

Bill Number: 5729 SB	Title: Insulin cost-sharing cap	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:

NONE

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: 02/10/2023
Agency Preparation: Izzy Uong	Phone: (360) 725-2113	Date: 02/15/2023
Agency Approval: Tanya Deuel	Phone: 360-725-0908	Date: 02/15/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/16/2023

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.

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.

HBE: No Fiscal 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.

HBE: No Fiscal Impact

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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.

HBE: No Fiscal Impact

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 5729

HCA Request #: 23-131

Part II: Narrative Explanation

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

Section 1(1) limits enrollee's out of pocket expenses for prescription insulin drugs for the treatment of diabetes to an amount not to exceed \$35 per 30-day supply.

Section1(3) extends the expiration date of this legislation from January 1, 2024 to January 1, 2025.

II. B - Cash Receipts Impact

None.

II. C – Expenditures

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

No fiscal impact

Section 1(1) limits enrollee's out of pocket expenses for prescription insulin drugs for the treatment of diabetes to an amount not to exceed \$35 per 30-day supply. Section1(3) extends the expiration date of this legislation from January 1, 2024 to January 1, 2025.

Currently, PEBB and SEBB fully insured carriers provide coverage of prescription insulin drugs for the treatment of diabetes with a \$35 per 30-day insulin cost share cap. Feedback from Kaiser and Premera indicate no change to current coverage levels as a result of this legislation. Therefore there is no assumed fiscal impact as a result of this legislation to the Kaiser and Premera plans.

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. Health Care Authority (HCA) assumes no change to current coverage levels as a result of this legislation. Therefore there is no assumed fiscal impact.

Medicaid (Apple Health)

No fiscal impact.

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

Part IV: Capital Budget Impact

None.

HCA Fiscal Note

Bill Number: SB 5729

HCA Request #: 23-131

Part V: New Rule Making Required

None.

HBE Fiscal Note

Bill Number: 5729 SB

HBE Request #: 23-16-01

Part II: Narrative Explanation

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

This bill extends the requirement of health plans to provide coverage for prescription insulin drugs for diabetes treatment capped at \$35 per 30-day supply from January 1, 2024, to January 1, 2025.

II. B - Cash Receipts Impact

None.

II. C - Expenditures

No fiscal impact, prior changes to Healthplanfinder in 2021 to reflect the prescription insulin cost sharing structure for consumers are still in effect. There are no further changes anticipated for Healthplanfinder as a result of this bill.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 5729 SB	Title: Insulin cost-sharing cap	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	0.0	0.1	0.0	0.0	0.0
Account					
Insurance Commissioners Regulatory Account-State 138-1	0	8,798	8,798	0	0
Total \$	0	8,798	8,798	0	0

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: 02/10/2023
Agency Preparation: Shari Maier	Phone: 360-725-7173	Date: 02/15/2023
Agency Approval: Michael Wood	Phone: 360-725-7007	Date: 02/15/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/16/2023

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) requires a \$35 cap on a 30-day supply of insulin for all health plans issued or renewed on or after January 1, 2023.

Section 1(3) extends the expiration of Section 1 from January 1, 2024, to January 1, 2025.

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) requires a \$35 cap on a 30-day supply of insulin for all health plans issued or renewed on or after January 1, 2023. Section 1(3) extends the expiration of Section 1 from January 1, 2024, to January 1, 2025, so the \$35 cap for a 30-day supply of insulin only applies to health plans issued or renewed between January 1, 2023, and December 31, 2024.

Section 1 will require the Office of Insurance Commissioner (OIC) to continue to apply new review standards to plan year 2024 health plan form filings to ensure that the \$35 cap for a 30-day supply of insulin is maintained. The OIC receives approximately 481 applicable filings each year. In FY2024, 15 minutes of additional review time per health plan filing, or a total of 120 hours (15 minutes x 481 filings), of a Functional Program Analyst 3 will be required. Because the OIC already accounted for FY2024 reversion costs in the 2022 session's SSB5546 fiscal note, no additional costs for FY2024 are reflected in this fiscal note. In FY2025, it is assumed that health plan forms will revert to prior language requiring 15 minutes of additional review time per health plan filing, or a total of 120 hours (15 minutes x 481 filings), of a 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	0	8,798	8,798	0	0
Total \$			0	8,798	8,798	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.0		
A-Salaries and Wages		5,128	5,128		
B-Employee Benefits		1,910	1,910		
C-Professional Service Contracts					
E-Goods and Other Services		1,760	1,760		
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 \$	0	8,798	8,798	0	0

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		
Total FTEs			0.1	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.