

Multiple Agency Fiscal Note Summary

Bill Number: 5318 S SB	Title: Estate recovery
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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
Department of Social and Health Services	0	0	1,796,000	0	0	1,796,000	0	0	1,796,000
Total \$	0	0	1,796,000	0	0	1,796,000	0	0	1,796,000

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
Department of Social and Health Services	.0	1,798,000	1,798,000	3,594,000	.0	1,798,000	1,798,000	3,594,000	.0	1,798,000	1,798,000	3,594,000
Total \$	0.0	1,798,000	1,798,000	3,594,000	0.0	1,798,000	1,798,000	3,594,000	0.0	1,798,000	1,798,000	3,594,000

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
Department of Social and Health Services	.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

NONE

Prepared by: Breann Boggs, OFM

Phone:
(360) 485-5716

Date Published:
Final 2/16/2023

Individual State Agency Fiscal Note

Bill Number: 5318 S SB	Title: Estate recovery	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: Sandy Stith	Phone: 786-7710	Date: 02/07/2023
Agency Preparation: Melinda Helberg	Phone: 360-725-0000	Date: 02/10/2023
Agency Approval: Cliff Hicks	Phone: 360-725-0875	Date: 02/10/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/15/2023

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

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

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: 5318 SSB

HCA Request #: 23-120

Part II: Narrative Explanation

An act relating to limiting estate recovery; and amending RCW 41.05A.090, 43.20B.080 and 70.129.040.

This bill removes the Department of Social and Health Services (DSHS) and the Washington State Health Care Authority (HCA) authorization to file a pre-death lien against an individual's property, for certain institutionalized individuals who receive some medical services and long-term services and supports. The Office of Financial Recovery will not be sent personal resident funds held by long-term care facilities on behalf of residents who had their long-term care paid for by the state and will not release those funds for burial expenses. DSHS and HCA retain the authority to file liens against a person's estate to recover State funds.

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

This bill differs from the previous version to amend RCW 41.05A.090 by removing Section 1(8) consistent with the changes to be made to RCW 43.20B.080, so that the pre-death estate recovery authorization will be removed.

II. B - Cash Receipts Impact

None.

II. C - Expenditures

No fiscal impacts.

There would be no policy or operational impacts to HCA Casualty third party recovery program, or tasks to implement this bill. The work required by the law as it currently exists is performed by the DSHS Office of Financial Recovery. None of this work is performed by HCA's Casualty third party recovery program.

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None

Individual State Agency Fiscal Note

Bill Number: 5318 S SB	Title: Estate recovery	Agency: 300-Department of Social and Health Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-Federal 001-2	898,000	898,000	1,796,000	1,796,000	1,796,000
Total \$	898,000	898,000	1,796,000	1,796,000	1,796,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	899,000	899,000	1,798,000	1,798,000	1,798,000
General Fund-Federal 001-2	898,000	898,000	1,796,000	1,796,000	1,796,000
Total \$	1,797,000	1,797,000	3,594,000	3,594,000	3,594,000

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: Sandy Stith	Phone: 786-7710	Date: 02/07/2023
Agency Preparation: Mitchell Close	Phone: 3600000000	Date: 02/10/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 02/10/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/13/2023

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(8) removes the Health Care Authority authorization to file a lien against the property of an individual before their death.

Section 2(8) removes the Department of Social and Health Services (DSHS) authorization to file a lien against the property of an individual before their death.

Section 3(4) removes the requirement that upon the death of a resident with personal funds deposited with the facility, those funds are returned to DSHS if the resident received long-term care services paid by the state.

The substitute bill adds section 1, which does not change the fiscal impact to DSHS.

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.

A portion of the costs incurred to implement this legislation will be funded with federal Title XIX - Medicaid funds.

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.

* The fiscal impact is due to DSHS no longer recovering personal funds from providers, decreasing fund recovery.

* The elimination of the collection of Tax Equity and Fiscal Responsibility Act (TEFRA) funds does not have a fiscal impact because TEFRA funds will become part of the estate post-death and will therefore still be recovered. TEFRA is the name of the federal law that enables the states (as an option) to impose pre-death liens on the property of a long-term services and support recipient who becomes institutionalized and is not expected to return home.

See attached "5318 SSB Estate Recovery Backup" for more details.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	899,000	899,000	1,798,000	1,798,000	1,798,000
001-2	General Fund	Federal	898,000	898,000	1,796,000	1,796,000	1,796,000
Total \$			1,797,000	1,797,000	3,594,000	3,594,000	3,594,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	1,797,000	1,797,000	3,594,000	3,594,000	3,594,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	1,797,000	1,797,000	3,594,000	3,594,000	3,594,000

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)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Developmental Disabilities Administration (040)	628,000	628,000	1,256,000	1,256,000	1,256,000
Aging and Long-Term Services Administration (050)	1,169,000	1,169,000	2,338,000	2,338,000	2,338,000
Total \$	1,797,000	1,797,000	3,594,000	3,594,000	3,594,000

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.

New rules will be required.

**Department of Social and Health Services
2023 Legislative Session
Fiscal Note - SSB 5318**

5318 SSB Fiscal Impact Summary

	23-25		
DSHS Total	State	Federal	Biennium
FY24	899,000	898,000	1,797,000
FY25	899,000	898,000	1,797,000
Total	1,798,000	1,796,000	3,594,000

	25-27		
DSHS Total	State	Federal	Biennium
FY26	899,000	898,000	1,797,000
FY27	899,000	898,000	1,797,000
Total	1,798,000	1,796,000	3,594,000

	23-25		
ALTSA Recoveries (X49)	State	Federal	Biennium
FY24	585,000	584,000	1,169,000
FY25	585,000	584,000	1,169,000
Total	1,170,000	1,168,000	2,338,000

	25-27		
ALTSA Recoveries (X49)	State	Federal	Biennium
FY26	585,000	584,000	1,169,000
FY27	585,000	584,000	1,169,000
Total	1,170,000	1,168,000	2,338,000

	23-25		
DDA Category 1000	State	Federal	Biennium
FY24	314,000	314,000	628,000
FY25	314,000	314,000	628,000
Total	628,000	628,000	1,256,000

	25-27		
DDA Category 1000	State	Federal	Biennium
FY26	314,000	314,000	628,000
FY27	314,000	314,000	628,000
Total	628,000	628,000	1,256,000

Assumptions:

Eliminates recovered personal funds directly from providers.

Eliminates pre-death liens related to collection of TEFRA funds.

TEFRA funds will become part of the estate post-death and will still be recovered.

Department of Social and Health Services
2023 Legislative Session
Fiscal Note - SSB 5318

Sum of EXPENDITURE		SFY			FY19-FY21	
SUBSUBJECT	SSO_TITLE	BUDGETUNIT	2019	2020	2021	Average
1125	RECOVERY OF PERSONAL FUNDS	H51	(467,282)	(638,605)	(383,048)	
		H52	(101,113)	(68,697)	(104,420)	
		H53	-	(4,197)	-	
		H54	(3,763)	(3,538)	(6,455)	
		H55	(23,037)	(48,238)	(24,280)	
		H58	(8,089)	-	-	
Grand Total			(603,284)	(763,275)	(518,203)	(628,254)

Department of Social and Health Services
2023 Legislative Session
Fiscal Note - SSB 5318

ER Recoveries by Business Line Per Fiscal Year

Fiscal Year	Resident Personal Funds
2021	\$ 1,451,792
2020	\$ 1,056,728
2019	\$ 999,687
FY19-FY21 Average	\$ 1,169,402

Department of Social and Health Services
2023 Legislative Session
Fiscal Note - SSB 5318

Recovery Type (All)

Values							
FY	Range	Count of clientID	Sum of RecoveredForAL TSA	Sum of RecoveredForDDA	Sum of RecoveredForESA	Annual Total	
FY19	\$1-\$24,999.99	830	3,112,388	212,968	14,462		
	\$25,000-\$49,999.99	135	3,484,971	187,120	2,458		
FY19 Total		965	6,597,359	400,087	16,920	7,014,366	
FY20	\$1-\$24,999.99	687	2,672,301	191,753	10,924		
	\$25,000-\$49,999.99	107	2,951,331	55,961	53,483		
FY20 Total		794	5,623,632	247,715	64,407	5,935,754	
FY21	\$1-\$24,999.99	775	2,968,665	246,225	2,490		
	\$25,000-\$49,999.99	116	3,040,345	200,763	2,553		
FY21 Total		891	6,009,010	446,988	5,043	6,461,040	
Grand Total		2,650	18,230,000	1,094,789	86,370		
						FY19-FY21 Annual Average	
						AL TSA (X49)	6,470,387
						DDA	628,254

Estimates from DP 050/040-PL-NK Estate Recovery Equity

Assumed policy change to also eliminate TEFRA/Estate Recovery up to \$50,000.

The change in RCW proposed by 5318 SSB does not require the policy change assumed in DP, so fiscal impact estimates have been adjusted.

Sum of EXPENDITURE		SFY					
SUBSUBJECT	SSO_TITLE	BUDGETUNIT	2019	2020	2021	2022	Grand Total
1125	RECOVERY OF PERSONAL FUNDS	H51	(467,282)	(638,605)	(383,048)	(504,199)	(1,993,135)
		H52	(101,113)	(68,697)	(104,420)	(91,440)	(365,670)
		H53	-	(4,197)	-	-	(4,197)
		H54	(3,763)	(3,538)	(6,455)	(6,081)	(19,837)
		H55	(23,037)	(48,238)	(24,280)	(6,817)	(102,372)
		H58	(8,089)	-	-	-	(8,089)
Grand Total			(603,284)	(763,275)	(518,203)	(608,538)	(2,493,300)