

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1313 HB	<b>Title:</b> Health care afford./medicare
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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
Washington State Health Care Authority	0	0	54,882,000	0	0	74,530,000	0	0	74,530,000
Washington State Health Care Authority	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Department of Social and Health Services	0	0	67,000	0	0	88,000	0	0	88,000
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>54,949,000</b>	<b>0</b>	<b>0</b>	<b>74,618,000</b>	<b>0</b>	<b>0</b>	<b>74,618,000</b>

## 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	54,881,000	54,881,000	109,763,000	.0	74,530,000	74,530,000	149,060,000	.0	74,530,000	74,530,000	149,060,000
Washington State Health Care Authority	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Department of Social and Health Services	1.2	159,000	159,000	226,000	1.5	206,000	206,000	294,000	1.5	206,000	206,000	294,000
<b>Total \$</b>	<b>1.2</b>	<b>55,040,000</b>	<b>55,040,000</b>	<b>109,989,000</b>	<b>1.5</b>	<b>74,736,000</b>	<b>74,736,000</b>	<b>149,354,000</b>	<b>1.5</b>	<b>74,736,000</b>	<b>74,736,000</b>	<b>149,354,000</b>

## 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
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

NONE

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**Date Published:**  
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# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 1313 HB	<b>Title:</b> Health care afford./medicare	<b>Agency:</b> 107-Washington State Health Care Authority
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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	17,617,000	37,265,000	54,882,000	74,530,000	74,530,000
<b>Total \$</b>	17,617,000	37,265,000	54,882,000	74,530,000	74,530,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### Estimated Operating Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-State 001-1	17,616,000	37,265,000	54,881,000	74,530,000	74,530,000
General Fund-Federal 001-2	17,617,000	37,265,000	54,882,000	74,530,000	74,530,000
<b>Total \$</b>	35,233,000	74,530,000	109,763,000	149,060,000	149,060,000

In addition to the estimates above, there are additional indeterminate costs 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: 01/16/2023
Agency Preparation: Sue Eckroth	Phone: 360-725-1899	Date: 02/15/2023
Agency Approval: SUMAN MAJUMDAR	Phone: 360-725-1319	Date: 02/15/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/17/2023

## 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

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	17,616,000	37,265,000	54,881,000	74,530,000	74,530,000
001-2	General Fund	Federal	17,617,000	37,265,000	54,882,000	74,530,000	74,530,000
<b>Total \$</b>			<b>35,233,000</b>	<b>74,530,000</b>	<b>109,763,000</b>	<b>149,060,000</b>	<b>149,060,000</b>

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### 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	35,233,000	74,530,000	109,763,000	149,060,000	149,060,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	<b>35,233,000</b>	<b>74,530,000</b>	<b>109,763,000</b>	<b>149,060,000</b>	<b>149,060,000</b>

In addition to the estimates above, there are additional indeterminate costs 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)**

<b>Program</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>2023-25</b>	<b>2025-27</b>	<b>2027-29</b>
HCA Other (200)	35,233,000	74,530,000	109,763,000	149,060,000	149,060,000
<b>Total \$</b>	<b>35,233,000</b>	<b>74,530,000</b>	<b>109,763,000</b>	<b>149,060,000</b>	<b>149,060,000</b>

**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: 1313 HB

HCA Request #: 23-042-04

## Part II: Narrative Explanation

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

An act relating to improving health care affordability for individuals on Medicare by increasing the current income limits for the Medicare Savings Programs (MSPs).

Section 2 requires the Washington State Health Care Authority (HCA) to expand MSPs.

Section 2 (3)(a) requires that client is income eligible for the Qualified Medicare Beneficiary (QMB) program if the client's countable income is less than or equal to 138 percent of the federal poverty level (FPL).

Section 2 (3)(b) allows, but does not require, HCA to establish income limits higher than the federally required minimum levels for the QMB and other MSP programs. HCA is required to seek to maximize the availability of the Qualified Individual (QI-1) program through the Centers for Medicare and Medicaid Services (CMS).

Section 2 (3)(c) requires that the MSPs do not require a resource test.

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### II. B - Cash Receipts Impact

Indeterminate

- Section 2 (3)(a) is assumed to be eligible for federal matching funds at 50 percent.
- Section 2 (3)(b) is indeterminate, and would be 100% federal funds.

II. B - Estimated Cash Receipts to:

ACCOUNT	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
General Fund-Medicaid 001-C	17,617,000	37,265,000	37,265,000	37,265,000	37,265,000	37,265,000	54,882,000	74,530,000	74,530,000
<b>Totals</b>	<b>\$ 17,617,000</b>	<b>\$ 37,265,000</b>	<b>\$ 37,265,000</b>	<b>\$ 37,265,000</b>	<b>\$ 37,265,000</b>	<b>\$ 37,265,000</b>	<b>\$ 54,882,000</b>	<b>\$ 74,530,000</b>	<b>\$ 74,530,000</b>

### II. C – Expenditures

The fiscal impact is greater than \$50,000 but indeterminate to actual cost.

This bill increases the QMB income eligibility threshold from the current 100% of FPL to 138%. Increasing the income eligibility threshold for the QMB program is expected to result in an increased number of eligibles which, in turn, will lead to increased costs for HCA. Implementation of the bill will require adequate time to update rules, written documents including applications and outreach materials, and the Automated Client Eligibility System (ACES). HCA believes that a start date prior to January 1, 2024 would not be feasible for the proposed policy.

Based on a recent study conducted by the Washington State Department of Social and Health Services (DSHS, 2022), the total service-related fiscal impact is expected to be \$35,232,307 in State Fiscal Year (SFY) 2024 and \$74,529,719 during each year thereafter. The General Fund-State costs are estimated to be \$17,616,154 in SFY 2024 and \$37,264,860 each year thereafter. These estimates assume an implementation date of January 1, 2024; and fixed annual caseload and per capita costs after SFY 2025. According to the DSHS report, about 50,000 new enrollees are expected in the QMB program, some of whom would be transferring from other MSP programs.

# HCA Fiscal Note

Bill Number: 1313 HB

HCA Request #: 23-042-04

This bill allows, but does not require, HCA to establish income limits higher than the federally required minimum levels for the QMB and other Medicare savings programs (MSPs). If HCA decides to pursue the allowed expansions, there would be additional fiscal impact. The bill does, however, require that HCA seeks to maximize the availability of the QI-1 program through CMS. Since any expansion of the QI-1 program will have to be negotiated with CMS, the fiscal impact of such change is indeterminate at this time. The QI-1 program is federally funded and, therefore, the relevant fiscal impact will be entirely General Fund-Federal. Finally, this bill also requires that MSP programs do not require a resource test. No fiscal impact is expected from this requirement as this has already been implemented effective January 2023.

**II. C - Operating Budget Expenditures**

Account	Account Title	Type	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
001-1	General Fund	State	17,616,000	37,265,000	37,265,000	37,265,000	37,265,000	37,265,000	54,881,000	74,530,000	74,530,000
001-C	General Fund	Medicaid	17,617,000	37,265,000	37,265,000	37,265,000	37,265,000	37,265,000	54,882,000	74,530,000	74,530,000
<b>Totals</b>			<b>\$ 35,233,000</b>	<b>\$ 74,530,000</b>	<b>\$ 74,530,000</b>	<b>\$ 74,530,000</b>	<b>\$ 74,530,000</b>	<b>\$ 74,530,000</b>	<b>\$ 109,763,000</b>	<b>\$ 149,060,000</b>	<b>\$ 149,060,000</b>

**II. C - Expenditures by Object Or Purpose**

		FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
N	Grants, Benefits & Client Services	35,233,000	74,530,000	74,530,000	74,530,000	74,530,000	74,530,000	109,763,000	149,060,000	149,060,000
<b>Totals</b>		<b>\$ 35,233,000</b>	<b>\$ 74,530,000</b>	<b>\$ 74,530,000</b>	<b>\$ 74,530,000</b>	<b>\$ 74,530,000</b>	<b>\$ 74,530,000</b>	<b>\$ 109,763,000</b>	<b>\$ 149,060,000</b>	<b>\$ 149,060,000</b>

**II. C - Expenditures By Program (optional)**

Program		FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
200	200 - HCA - Other	35,233,000	74,530,000	74,530,000	74,530,000	74,530,000	74,530,000	109,763,000	149,060,000	149,060,000
<b>Totals</b>		<b>\$ 35,233,000</b>	<b>\$ 74,530,000</b>	<b>\$ 74,530,000</b>	<b>\$ 74,530,000</b>	<b>\$ 74,530,000</b>	<b>\$ 74,530,000</b>	<b>\$ 109,763,000</b>	<b>\$ 149,060,000</b>	<b>\$ 149,060,000</b>

**Reference**

Washington State Department of Social and Health Services. 2022. Costs and Benefits of Expanding Medicare Savings Programs and Classic Medicaid Programs to Promote Affordable Care, Premiums, and Cost Sharing for Medicare Enrollees. RDA Report Number 9.124. Available online at: [https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Medicare%20Cliff%20Proviso%20Report%20-%20FINAL%2001-11-23\\_c3f3dc6f-f440-4647-ac90-2029b26ae22a.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Medicare%20Cliff%20Proviso%20Report%20-%20FINAL%2001-11-23_c3f3dc6f-f440-4647-ac90-2029b26ae22a.pdf) (accessed January 25, 2023).

**Part IV: Capital Budget Impact**

None.

**Part V: New Rule Making Require**

None.

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 1313 HB	<b>Title:</b> Health care afford./medicare	<b>Agency:</b> 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	23,000	44,000	67,000	88,000	88,000
<b>Total \$</b>	23,000	44,000	67,000	88,000	88,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.8	1.5	1.2	1.5	1.5
<b>Account</b>					
General Fund-State 001-1	56,000	103,000	159,000	206,000	206,000
General Fund-Federal 001-2	23,000	44,000	67,000	88,000	88,000
<b>Total \$</b>	79,000	147,000	226,000	294,000	294,000

### 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: Kim Weidenaar	Phone: 360-786-7120	Date: 01/16/2023
Agency Preparation: Mitchell Close	Phone: 3600000000	Date: 02/17/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 02/17/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/17/2023



## 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.*

This bill adds a new section to chapter 74.09 RCW that increases the income limit for the Qualified Medicare Beneficiary (QMB) program from 100 to 138 percent of the federal poverty level (FPL). The bill also allows the Health Care Authority to establish income limits higher than the federal minimum for QMB and other Medicare savings programs (MSP).

The bill would have an impact on the Department of Social and Health Services (DSHS) Economic Services Administration (ESA), which currently administers eligibility for the MSP and holds the largest caseload of the program. There would be impacts to no other DSHS administrations.

### 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.*

FY24: \$23,000 total  
- 001-C Medicaid: \$2,000  
- 001-2 Other: \$21,000

FY25 and beyond: \$44,000 total  
- 001-C Medicaid: \$5,000  
- 001-2 Other: \$39,000

No federal dollars earned will be 001-D TANF. TANF is a lidded block grant, and therefore these costs are assumed to be General Fund-State.

### 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 ESA Community Services Division (CSD) currently administers eligibility for the MSP and holds the largest caseload of the program. The proposed income limit would cause an increase in the workload for CSD eligibility staff. An estimated 3,876 adults, 65 or older, and people with disabilities could become eligible, as noted in the bill. This would require updates to training materials, procedures and communication to staff. Additional FTEs are necessary to support the increased caseload size.

The estimated 3,876 increase in caseload size would require staff to process a medical application (MAP) and medical eligibility review (MER) for every new eligible individual. Based on processing times of 16.48 minutes per MAP and 19.31 minutes per MER, 1.5 FTEs would be needed to handle the additional caseload. Assuming a start date of January 1, 2024, the staff by year are listed below.

- FY24: 0.8 FTE - Public Benefits Specialist 3  
- FY25 and beyond: 1.5 FTEs - Public Benefits Specialist 3

The total cost for these FTEs would be \$84,000 in FY24 and \$157,000 in FY25 and beyond.

Additionally, individuals who are not currently eligible for MSP are able to use their Medicare Premium expense as a deduction for food assistance. Increasing eligibility for MSP would cause food benefits to decrease. This decrease is estimated at \$5,000 in FY24 and \$10,000 annually thereafter to the State Food Assistance Program (FAP).

With the assumption that existing income methodology and eligibility rules would not change and all income parameters would be updated at the same time, the DSHS Technology Innovation Administration (TIA) anticipates a minor impact to update income parameters to the new FPL percentage. TIA-ESA does not anticipate an additional information technology cost as this work can be performed within existing resources.

**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	56,000	103,000	159,000	206,000	206,000
001-2	General Fund	Federal	23,000	44,000	67,000	88,000	88,000
<b>Total \$</b>			79,000	147,000	226,000	294,000	294,000

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.8	1.5	1.2	1.5	1.5
A-Salaries and Wages	48,000	95,000	143,000	190,000	190,000
B-Employee Benefits	23,000	46,000	69,000	92,000	92,000
C-Professional Service Contracts					
E-Goods and Other Services	5,000	9,000	14,000	18,000	18,000
G-Travel					
J-Capital Outlays	5,000		5,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	(5,000)	(10,000)	(15,000)	(20,000)	(20,000)
P-Debt Service		1,000	1,000	2,000	2,000
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	3,000	6,000	9,000	12,000	12,000
9-					
<b>Total \$</b>	79,000	147,000	226,000	294,000	294,000

**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
Public Benefits Specialist 3	63,214	0.8	1.5	1.2	1.5	1.5
<b>Total FTEs</b>		0.8	1.5	1.2	1.5	1.5

**III. D - Expenditures By Program (optional)**

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Economic Services Administration (060)	79,000	147,000	226,000	294,000	294,000
<b>Total \$</b>	79,000	147,000	226,000	294,000	294,000

**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.*