

Multiple Agency Fiscal Note Summary

Bill Number: 1725 HB	Title: Insulin/access under 21
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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
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Washington State Health Care Authority	0	0	998,000	0	0	854,000	0	0	854,000
Washington State Health Care Authority	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Total \$	0	0	998,000	0	0	854,000	0	0	854,000

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
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Health Care Authority	4.3	1,234,000	1,234,000	2,232,000	3.3	1,058,000	1,058,000	1,912,000	3.3	1,058,000	1,058,000	1,912,000
Washington State Health Care Authority	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Office of Insurance Commissioner	.1	0	0	36,780	.0	0	0	0	.0	0	0	0
Total \$	4.4	1,234,000	1,234,000	2,268,780	3.3	1,058,000	1,058,000	1,912,000	3.3	1,058,000	1,058,000	1,912,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
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

NONE

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Prepared by: Jason Brown, OFM	Phone: (360) 742-7277	Date Published: Final 2/22/2023
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Individual State Agency Fiscal Note

Bill Number: 1725 HB	Title: Insulin/access under 21	Agency: 090-Office of State Treasurer
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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:

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: Ingrid Lewis	Phone: 360-786-7293	Date: 02/02/2023
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 02/03/2023
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 02/03/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/06/2023

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.

HB 1725 creates the insulin account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.79A.040(4).

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.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Changes to the earnings credited to the general fund impacts, by an equal amount, general state revenues.

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

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.

Individual State Agency Fiscal Note

Bill Number: 1725 HB	Title: Insulin/access under 21	Agency: 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	522,000	476,000	998,000	854,000	854,000
Total \$	522,000	476,000	998,000	854,000	854,000

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

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.6	3.9	4.3	3.3	3.3
Account					
General Fund-State 001-1	646,000	588,000	1,234,000	1,058,000	1,058,000
General Fund-Federal 001-2	522,000	476,000	998,000	854,000	854,000
Total \$	1,168,000	1,064,000	2,232,000	1,912,000	1,912,000

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: Ingrid Lewis	Phone: 360-786-7293	Date: 02/02/2023
Agency Preparation: Michael Grund	Phone: 360-725-1949	Date: 02/16/2023
Agency Approval: SUMAN MAJUMDAR	Phone: 360-725-1319	Date: 02/16/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/22/2023

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	646,000	588,000	1,234,000	1,058,000	1,058,000
001-2	General Fund	Federal	522,000	476,000	998,000	854,000	854,000
Total \$			1,168,000	1,064,000	2,232,000	1,912,000	1,912,000

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	4.6	3.9	4.3	3.3	3.3
A-Salaries and Wages	399,000	332,000	731,000	530,000	530,000
B-Employee Benefits	124,000	107,000	231,000	174,000	174,000
C-Professional Service Contracts	500,000	500,000	1,000,000	1,000,000	1,000,000
E-Goods and Other Services	8,000	8,000	16,000	12,000	12,000
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	137,000	117,000	254,000	196,000	196,000
9-					
Total \$	1,168,000	1,064,000	2,232,000	1,912,000	1,912,000

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

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
CONTRACTS SPECIALIST 3	81,000	0.5	0.5	0.5	0.5	0.5
FISCAL ANALYST 3	65,000	1.1	0.9	1.0	0.8	0.8
MEDICAL PROGRAM SPECIALIS 3	90,000	1.0	1.0	1.0	1.0	1.0
WMS BAND 03	134,000	2.0	1.5	1.8	1.0	1.0
Total FTEs		4.6	3.9	4.3	3.3	3.3

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: 1725 HB

HCA Request #: 23-108

Part II: Narrative Explanation

This bill relates to increased access to insulin for individuals under the age of 21.

This bill will have an indeterminate fiscal impact to the Health Care Authority (HCA).

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

Section 1 – Adds a new section to RCW 70.14 Health care services purchased by state agencies. HCA shall establish the insulin for individuals under the age of 21 bulk purchasing and distribution program.

(1) HCA is authorized to:

- Purchase and distribute insulin, collect an assessment, and administer the program.
- Bill, charge, and receive payment from health carriers, managed health care systems, and participating self-insured health plans.
- Establish and administer the program.

(2) HCA may adopt rules providing the following:

- A dosage-based assessment and formula to determine the assessment for insulin provided through the program that includes administrative costs.
- The mechanism, requirements, and timeline for health carriers, managed health care systems, and self-insured health plans to pay the assessments.
- The types of health care facilities, health care providers, or other entities that are required to or are permitted to participate in the program.
- The billing procedures.
- Any other rules necessary to establish, implement, or administer the program.

(3) The following agencies, health plans, and insurers shall participate in the program:

- Health carriers.
- Managed health care systems administering a Medicaid managed care plan.
- HCA for purposes of:
 - Health plans offered to public employees and their dependents.
 - Individuals enrolled in medical assistance under RCW 74.09 that are not enrolled in a managed care plan.
 - Uninsured individuals.

(4) HCA may establish an interest charge for late payment of an assessment. HCA shall assess a civil penalty for failure to pay an assessment within three months of billing. The civil penalty is 150% of such assessment.

(5) HCA, in coordination with the Office of the Insurance Commissioner, may recommend to the legislature the termination of the program if it finds that the original intent of its formation and operation has not been achieved.

(6) By January 1, 2024, HCA shall submit a report to the legislature on the progress towards establishing the program. HCA shall submit an updated report on the progress by January 1, 2025.

HCA Fiscal Note

Bill Number: 1725 HB

HCA Request #: 23-108

(7) By July 1, 2026, HCA shall submit recommendations to the legislature on whether and how the program may be expanded to include other prescription drugs.

Section 2 – Adds a new section to RCW 70.14 Health care services purchased by state agencies. The insulin account is created in the custody of the state treasurer. All receipts from collections under section 1 must be deposited into the account. Expenditures from the account may be used only for the operation and administration of the program. Only the director of the HCA may authorize expenditures from the account. The account is subject to allotment procedures, but an appropriation is not required.

Section 3 – Amends RCW 39.26.125 Procurement of goods and services. Contracts for the purchase of insulin under this program are excluded from the requirements of the competitive solicitation process.

Section 4 – Adds a new section to RCW 41.05 State Health Care Authority. A health plan offered to public employees and their covered dependents that is issued or renewed on or after January 1, 2024, shall participate in the program.

Section 5 – Adds a new section to RCW 48.43 Insurance reform. For health plans issued or renewed on or after January 1, 2024, health carriers shall participate in the program.

Section 6 – Adds a new section to RCW 74.09 Medical care. Upon the initiation or renewal of a contract with HCA to administer a Medicaid managed care plan, a managed health care system shall participate in the program. HCA shall participate in the program for purposes of individuals enrolled in medical assistance that are not enrolled in a managed care plan and are uninsured individuals.

Section 7 – Adds a new section. HCA may adopt rules necessary to implement this act.

II. B - Cash Receipts Impact

The overall fiscal impact to HCA is indeterminate.

For the administration portion, fiscal impacts within this bill would be eligible for Federal Financial Participation (FFP). HCA estimates an average FFP of 45 percent.

II. B - Estimated Cash Receipts to:

ACCOUNT	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
General Fund-Medicaid 001-C	522,000	476,000	427,000	427,000	427,000	427,000
Totals	\$ 522,000	\$ 476,000	\$ 427,000	\$ 427,000	\$ 427,000	\$ 427,000

II. C – Expenditures

The overall fiscal impact to HCA is indeterminate.

Apple Health

The fiscal impact is indeterminate.

This bill directs HCA to establish a bulk purchasing and distribution program to provide insulin for individuals under 21 years of age. Medicaid managed care plans and HCA, for its fee-for-service Apple Health enrollees and for uninsured individuals, are required to participate in the bulk purchasing and distribution program.

HCA Fiscal Note

Bill Number: 1725 HB

HCA Request #: 23-108

Insulin is currently covered for Apple Health clients in both fee-for-service and managed care arrangements. Any changes to insulin costs would have direct impact on HCA's fee-for-service expenditures. Such changes would also be captured in future managed care rates. This would impact the premiums paid by HCA to managed care organizations. Therefore, the fiscal impact of HCA and its contracted managed care plans participating in the proposed program would depend on the rates negotiated for insulin, which are currently unknown. For context, there were 79 fee-for-service and 2,590 managed care clients under 21 with insulin utilization in calendar year 2021.

The bill also requires HCA to participate in the bulk purchasing and distribution program on behalf of uninsured individuals under 21 years of age. This would constitute an expansion of Apple Health coverage and is expected to result in additional costs. Using population estimates from the Office of Financial Management, uninsured rates from the Office of the Insurance Commissioner, and diabetes prevalence rates from the American Diabetes Association, HCA estimates that this may imply providing insulin to about 270 uninsured individuals.

Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) Programs

The fiscal impact is indeterminate.

Sections 4 and 5 of this bill would apply to PEBB and SEBB.

RCW 41.05 governs the self-insured Uniform Medical Plans (UMP), and RCW 48.43 governs the fully insured health plans offered by the PEBB and SEBB programs. This bill requires UMP and the fully insured plans to participate in the insulin for individuals under the age of 21 bulk purchasing and distribution program once established. This will require the fully insured plans to pay for insulin for those that meet the criteria of the insulin program.

Currently, insulin is a covered drug in all plans offered by the PEBB and SEBB programs. Because the cost of insulin through this program is unknown, HCA cannot determine the impact to the claims costs for the UMP, or the impacts to the fully insured health carriers. However, HCA anticipates members that receive insulin through the program will still be responsible for the member cost-share and subject to deductibles, consistent with current practice. HCA also assumes that members of UMP and the fully insured plans may still chose to access insulin through their pharmacy.

Because this bill requires the UMP and fully insured health carriers to pay an assessment of administrative fees, which will be determined by the insulin for individuals under the age of 21 bulk purchasing and distribution program, costs will be included in future rate setting for the PEBB and SEBB UMP plans. Implementation of this bill could result in increased premiums for the self-insured medical plans which may impact the state medical benefit contribution and employee contributions for health benefits.

Additionally, because this bill allows other prescription drugs to be added to the purchasing program in the future, HCA cannot predict all costs for the fully insured health plans as a result of this bill.

Administration

HCA requests \$2,232,000 (\$1,234,000 GF-S) and 4.2 Full Time Equivalent (FTE) staff in the 2023-2025 Biennium.

HCA Fiscal Note

Bill Number: 1725 HB

HCA Request #: 23-108

HCA assumes 1.0 FTE Washington Management Service (WMS) Band 03 project manager for 18 months will be required for the initial study, proposal, and set up of the insulin bulk purchasing and distribution program. This position is assumed to start July 1, 2023.

HCA assumes 1.0 FTE WMS Band 03 will be required in the Clinical Quality and Care Transformation (CQCT) pharmacy division to provide supervision of the insulin program, leadership and rulemaking, expert-advice regarding pharmacy distribution, and evaluating additional drugs for bulk purchasing and distribution. This position would start July 1, 2023.

HCA assumes 1.0 FTE Medical Program Specialist 3 will be required in the CQCT division to provide operational support, including communications between manufacturers, wholesalers, hospitals, pharmacies, payers, and patients. This position would start July 1, 2023.

Pharmacy will need \$250,000 in consulting dollars to hire a consultant to assist in the design of the program.

Pharmacy will need to contract with a clearing house to manage the collection of the assessment. This cost is \$250,000 annually.

HCA assumes 0.5 FTE Contracts Specialist 3 will be required to develop contracts to purchase bulk insulin, professional service contracts for individual assessments, contracts for distribution of insulin, updates to Managed Care Organization contracts, and updates to Employee and Retiree Benefits carrier contracts. This position would start July 1, 2023.

Administrative costs are calculated at \$39,000 per 1.0 FTE. This cost is included in Object T based on HCA's federally approved cost allocation plan and are capture and/or included as Fiscal Analyst 3 classification.

II. C - Operating Budget Expenditures

Account	Account Title	Type	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
001-1	General Fund	State	646,000	588,000	529,000	529,000	529,000	529,000
001-C	General Fund	Medicaid	522,000	476,000	427,000	427,000	427,000	427,000
Totals			\$ 1,168,000	\$ 1,064,000	\$ 956,000	\$ 956,000	\$ 956,000	\$ 956,000

II. C - Expenditures by Object Or Purpose

		FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
FTE		4.6	3.9	3.3	3.3	3.3	3.3
A	Salaries and Wages	399,000	332,000	265,000	265,000	265,000	265,000
B	Employee Benefits	124,000	107,000	87,000	87,000	87,000	87,000
C	Professional Service Contracts	500,000	500,000	500,000	500,000	500,000	500,000
E	Goods and Other Services	8,000	8,000	6,000	6,000	6,000	6,000
T	Intra-Agency Reimbursements	137,000	117,000	98,000	98,000	98,000	98,000
Totals		\$ 1,168,000	\$ 1,064,000	\$ 956,000	\$ 956,000	\$ 956,000	\$ 956,000

II. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation.

Job title	Salary	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
CONTRACTS SPECIALIST 3	81,000	0.5	0.5	0.5	0.5	0.5	0.5
FISCAL ANALYST 3	65,000	1.1	0.9	0.8	0.8	0.8	0.8
MEDICAL PROGRAM SPECIALIST 3	90,000	1.0	1.0	1.0	1.0	1.0	1.0
WMS BAND 03	134,000	2.0	1.5	1.0	1.0	1.0	1.0
Totals		4.6	3.9	3.3	3.3	3.3	3.3

HCA Fiscal Note

Bill Number: 1725 HB

HCA Request #: 23-108

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Require

None.

Individual State Agency Fiscal Note

Bill Number: 1725 HB	Title: Insulin/access under 21	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	0.2	0.0	0.1	0.0	0.0
Account					
Insurance Commissioners Regulatory Account-State 138-1	36,780	0	36,780	0	0
Total \$	36,780	0	36,780	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: Ingrid Lewis	Phone: 360-786-7293	Date: 02/02/2023
Agency Preparation: Shari Maier	Phone: 360-725-7173	Date: 02/08/2023
Agency Approval: Michael Wood	Phone: 360-725-7007	Date: 02/08/2023
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(1) requires the Health Care Authority to establish the insulin for individuals under the age of 21 bulk purchasing and distribution program to purchase or enter into contracts necessary to purchase and distribute insulin, collect an assessment, and administer the program.

Section 5 adds a new section to Chapter 48.43 RCW requiring, for health plans issued or renewed on or after January 1, 2024, health carriers to participate in the insulin for individuals under the age of 21 bulk purchasing and distribution program established in Section 1 of this act.

Section 7(2) authorizes the Office of Insurance Commissioner to adopt rules necessary to implement Sections 1 and 5 of this act.

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 the Health Care Authority to establish the insulin for individuals under the age of 21 bulk purchasing and distribution program to purchase or enter into contracts necessary to purchase and distribute insulin, collect an assessment, and administer the program.

Section 5 adds a new section to Chapter 48.43 RCW requiring, for health plans issued or renewed on or after January 1, 2024, health carriers to participate in the insulin for individuals under the age of 21 bulk purchasing and distribution program established in Section 1 of this act. The Office of Insurance Commissioner (OIC) investigates violations of the insurance code and brings enforcement actions against entities and individuals who violate said code. The OIC will require 25 hours of an Insurance Enforcement Specialist, in FY2024, to address advice options and advice requests regarding implementation of this bill.

Section 7(2) authorizes the OIC to adopt rules necessary to implement Sections 1 and 5 of this act. 'Normal' rulemaking, in FY2024, will be required to address the required participation of health carriers in the bulk purchasing and distribution program and to coordinate with how the Health Care Authority establishes the program.

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	36,780	0	36,780	0	0
Total \$			36,780	0	36,780	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2		0.1		
A-Salaries and Wages	22,303		22,303		
B-Employee Benefits	7,121		7,121		
C-Professional Service Contracts					
E-Goods and Other Services	7,356		7,356		
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 \$	36,780	0	36,780	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 4	80,952	0.1		0.0		
Insurance Enforcement Specialist	99,516	0.0		0.0		
Senior Policy Analyst	108,432	0.2		0.1		
Total FTEs		0.2		0.1		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.

Section 7(2) authorizes the Office of Insurance Commissioner to adopt rules necessary to implement Sections 1 and 5 of this act. ‘Normal’ rulemaking, in FY2024, will be required to address the required participation of health carriers in the bulk purchasing and distribution program and to coordinate with how the Health Care Authority establishes the program.