

Multiple Agency Fiscal Note Summary

Bill Number: 1313 S HB 1313 AMH HCW WEIK 003	Title: 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	47,279,000	0	0	64,206,000	0	0	64,206,000
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	47,279,000	0	0	64,206,000	0	0	64,206,000

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	47,278,000	47,278,000	94,557,000	.0	64,204,000	64,204,000	128,410,000	.0	64,204,000	64,204,000	128,410,000
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	(15,000)	(15,000)	(15,000)	.0	(20,000)	(20,000)	(20,000)	.0	(20,000)	(20,000)	(20,000)
Total \$	0.0	47,263,000	47,263,000	94,542,000	0.0	64,184,000	64,184,000	128,390,000	0.0	64,184,000	64,184,000	128,390,000

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

Revised

Bill Number: 1313 S HB 1313 AMH HCW WEIK 003	Title: Health care afford./medicare	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	15,176,000	32,103,000	47,279,000	64,206,000	64,206,000
Total \$	15,176,000	32,103,000	47,279,000	64,206,000	64,206,000

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	15,176,000	32,102,000	47,278,000	64,204,000	64,204,000
General Fund-Federal 001-2	15,176,000	32,103,000	47,279,000	64,206,000	64,206,000
Total \$	30,352,000	64,205,000	94,557,000	128,410,000	128,410,000

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: 02/03/2023
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	15,176,000	32,102,000	47,278,000	64,204,000	64,204,000
001-2	General Fund	Federal	15,176,000	32,103,000	47,279,000	64,206,000	64,206,000
Total \$			30,352,000	64,205,000	94,557,000	128,410,000	128,410,000

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					
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	30,352,000	64,205,000	94,557,000	128,410,000	128,410,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	30,352,000	64,205,000	94,557,000	128,410,000	128,410,000

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)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
HCA-Other (200)	30,352,000	64,205,000	94,557,000	128,410,000	128,410,000
Total \$	30,352,000	64,205,000	94,557,000	128,410,000	128,410,000

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.

HCA Fiscal Note

Bill Number: 1313 SHB

HCA Request #: 23-109

Part II: Narrative Explanation

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

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

The substitute bill makes the following changes to Section 2 of the bill:

Section 2 (3)(a) changes the federal poverty level percent from 138 down to 135.
 Section 2 (3)(b) adds wording – “states subject to appropriations”.

- 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 135 percent of the federal poverty level (FPL).
- Section 2 (3)(b) states subject to appropriations, the Washington State Health Care Authority (HCA) may establish by rule higher income limits to 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.

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	15,176,000	32,103,000	32,103,000	32,103,000	32,103,000	32,103,000	47,279,000	64,206,000	64,206,000
Totals	\$ 15,176,000	\$ 32,103,000	\$ 32,103,000	\$ 32,103,000	\$ 32,103,000	\$ 32,103,000	\$ 47,279,000	\$ 64,206,000	\$ 64,206,000

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 135%. 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.

HCA Fiscal Note

Bill Number: 1313 SHB

HCA Request #: 23-109

Based on a recent study conducted by the Washington State Department of Social and Health Services (DSHS, 2022) and other related analyses obtained directly from DSHS, the total service-related fiscal impact is expected to be \$30,351,512 in State Fiscal Year 2024 and \$64,204,984 during each year thereafter. The General Fund-State costs are estimated to be \$15,175,756 in in State Fiscal Year 2024 and \$32,102,492 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 DSHS analysis, about 46,150 new enrollees are expected in the QMB program, some of whom would be transferring from other MSP programs.

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). It does, however, require that HCA seeks to maximize the availability of the qualified individual (QI-1) program through the Centers for Medicare and Medicaid Services (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. It is worth noting that 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	15,176,000	32,102,000	32,102,000	32,102,000	32,102,000	32,102,000	47,278,000	64,204,000	64,204,000
001-C	General Fund	Medicaid	15,176,000	32,103,000	32,103,000	32,103,000	32,103,000	32,103,000	47,279,000	64,206,000	64,206,000
Totals			\$ 30,352,000	\$ 64,205,000	\$ 64,205,000	\$ 64,205,000	\$ 64,205,000	\$ 64,205,000	\$ 94,557,000	\$ 128,410,000	\$ 128,410,000

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	30,352,000	64,205,000	64,205,000	64,205,000	64,205,000	64,205,000	94,557,000	128,410,000	128,410,000
Totals		\$ 30,352,000	\$ 64,205,000	\$ 64,205,000	\$ 64,205,000	\$ 64,205,000	\$ 64,205,000	\$ 94,557,000	\$ 128,410,000	\$ 128,410,000

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	30,352,000	64,205,000	64,205,000	64,205,000	64,205,000	64,205,000	94,557,000	128,410,000	128,410,000
Totals		\$ 30,352,000	\$ 64,205,000	\$ 64,205,000	\$ 64,205,000	\$ 64,205,000	\$ 64,205,000	\$ 94,557,000	\$ 128,410,000	\$ 128,410,000

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 (accessed January 25, 2023).

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Require

None.

Individual State Agency Fiscal Note

Revised

Bill Number: 1313 S HB 1313 AMH HCW WEIK 003	Title: Health care afford./medicare	Agency: 300-Department of Social and Health Services
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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
Account					
General Fund-State 001-1	(5,000)	(10,000)	(15,000)	(20,000)	(20,000)
Total \$	(5,000)	(10,000)	(15,000)	(20,000)	(20,000)

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: 02/03/2023
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 135 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.

There are no cash receipts.

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 not affect caseload size because clients will already be recipients of either the Specified Low-Income Medicare Beneficiary (SLMB) or Qualifying Individual (QI-1) programs and would move from the lower coverage programs to QMB.

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 to the State Food Assistance Program (FAP). Based on a starting date of January 1, 2024, the impact per year is listed below.

- FY24: (\$5,000)

- FY25 and beyond: (\$10,000)

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	(5,000)	(10,000)	(15,000)	(20,000)	(20,000)
Total \$			(5,000)	(10,000)	(15,000)	(20,000)	(20,000)

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	(5,000)	(10,000)	(15,000)	(20,000)	(20,000)
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	(5,000)	(10,000)	(15,000)	(20,000)	(20,000)

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
Economic Services Administration (060)	(5,000)	(10,000)	(15,000)	(20,000)	(20,000)
Total \$	(5,000)	(10,000)	(15,000)	(20,000)	(20,000)

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.