

Multiple Agency Fiscal Note Summary

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|--------------------------------------|---|
| Bill Number: 1776 S HB 1776-S | Title: Applied behavior analysis |
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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 | .1 | 0 | 0 | 62,298 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Total \$ | 0.1 | 0 | 0 | 62,298 | 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

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|--------------------------------------|---------------------------------|---|
| Prepared by: Jason Brown, OFM | Phone: (360) 742-7277 | Date Published: Final 2/27/2023 |
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Individual State Agency Fiscal Note

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|--------------------------------------|---|---|
| Bill Number: 1776 S HB 1776-S | Title: Applied behavior analysis | 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: Ingrid Lewis | Phone: 360-786-7293 | Date: 02/17/2023 |
| Agency Preparation: Sara Whitley | Phone: 360-725-0944 | Date: 02/21/2023 |
| Agency Approval: Tanya Deuel | Phone: 360-725-0908 | Date: 02/21/2023 |
| OFM Review: Marcus Ehrlander | Phone: (360) 489-4327 | Date: 02/23/2023 |

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

See attached narrative.

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: SHB 1776

HCA Request #: 23-151

Part II: Narrative Explanation

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

This version of the bill differs from the original version in the following ways:

- This bill no longer amends RCW 48.43 (Insurance Reform), but now requires the Office of the Insurance Commissioner (OIC), with assistance from the University of Washington (UW) to review coverage and authorization of applied behavioral analysis (ABA) treatment; a report to the legislature is due December 31, 2023.

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.

No impacts to HCA, this bill includes directives for the Office of the Insurance Commissioner (OIC) and University of Washington (UW). There are no fiscal impacts to PEBB and SEBB programs.

Medicaid (Apple Health)

No fiscal impact.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

| | | |
|-------------------------------------|---|---|
| Bill Number: 1776 S HB 1776- | Title: Applied behavior analysis | 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 | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 |
| Account | | | | | |
| Insurance Commissioners Regulatory Account-State 138-1 | 62,298 | 0 | 62,298 | 0 | 0 |
| Total \$ | 62,298 | 0 | 62,298 | 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: 02/17/2023 |
| Agency Preparation: Jane Beyer | Phone: 360-725-7043 | Date: 02/21/2023 |
| Agency Approval: Michael Wood | Phone: 360-725-7007 | Date: 02/21/2023 |
| OFM Review: Jason Brown | Phone: (360) 742-7277 | Date: 02/27/2023 |

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 requires the Office of Insurance Commissioner (OIC), with clinical assistance from the University of Washington school of medicine department of psychiatry and behavioral sciences, to review coverage and authorization of applied behavioral analysis treatment including, but not limited to, coverage and authorization of applied behavioral analysis for treatment of children with autism or other intellectual or developmental disabilities, and to report the results of the review to the legislature by December 31, 2023. The review must include the extent to which carriers' clinical coverage and medical necessity standards are evidence based and consistent with generally accepted standards of care, and whether carriers' applied behavioral analysis coverage policies are compliant with mental health parity law. The bill authorizes OIC to obtain necessary documentation from carriers and to obtain claims data from the Washington All Payer Claims Database.

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 requires the Office of Insurance Commissioner (OIC), with clinical assistance from the University of Washington school of medicine department of psychiatry and behavioral sciences, to review coverage and authorization of applied behavioral analysis treatment including, but not limited to, coverage and authorization of applied behavioral analysis for treatment of children with autism or other intellectual or developmental disabilities, and to report the results of the review to the legislature by December 31, 2023. The review must include the extent to which carriers' clinical coverage and medical necessity standards are evidence based and consistent with generally accepted standards of care, and whether carriers' applied behavioral analysis coverage policies are compliant with mental health parity law. The bill authorizes OIC to obtain necessary documentation from carriers and to obtain claims data from the Washington All Payer Claims Database (APCD). In FY2024, the review and report development will require the following:

- 20 hours per month, or 120 hours of a Senior Policy Analyst to prepare the request for carriers' clinical policies and criteria related to coverage and authorization of applied behavioral analysis services for treatment of autism and other intellectual or development disabilities, obtain the necessary information from the carriers, coordinate the clinical review of those policies with the University of Washington School of Medicine and compile the required findings into a report.
- 100 hours of an Insurance Enforcement Specialist to review carrier compliance with Washington state mental health parity statute and rules.
- \$40,000 professional services contract with Onpoint, the data vendor for the APCD, to obtain the claims information necessary to determine how and to what extent carriers are covering applied behavioral analysis treatment for autism and other intellectual or developmental disabilities. Obtaining claims information through Onpoint is a more efficient, timely and accurate alternative than OIC administering a data call to carriers to obtain the claims data.

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 | 62,298 | 0 | 62,298 | 0 | 0 |
| Total \$ | | | 62,298 | 0 | 62,298 | 0 | 0 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.1 | | 0.1 | | |
| A-Salaries and Wages | 13,561 | | 13,561 | | |
| B-Employee Benefits | 4,277 | | 4,277 | | |
| C-Professional Service Contracts | 40,000 | | 40,000 | | |
| E-Goods and Other Services | 4,460 | | 4,460 | | |
| 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 \$ | 62,298 | 0 | 62,298 | 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 |
|----------------------------------|---------|---------|---------|---------|---------|---------|
| Insurance Enforcement Specialist | 99,516 | 0.1 | | 0.0 | | |
| Senior Policy Analyst | 108,432 | 0.1 | | 0.0 | | |
| Total FTEs | | 0.1 | | 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.