

Multiple Agency Fiscal Note Summary

Bill Number: 1079 S HB	Title: Whole genome sequencing
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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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

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	Non-zero but indeterminate cost and/or savings. Please see discussion.											
University of Washington	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	0	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
University of Washington	.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 3/ 8/2023
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Individual State Agency Fiscal Note

Bill Number: 1079 S HB	Title: Whole genome sequencing	Agency: 107-Washington State Health Care Authority
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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:

Non-zero but indeterminate cost 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: Julie Tran	Phone: 360-786-7283	Date: 03/02/2023
Agency Preparation: Michael Grund	Phone: 360-725-1949	Date: 03/07/2023
Agency Approval: SUMAN MAJUMDAR	Phone: 360-725-1319	Date: 03/07/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 03/08/2023

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

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost 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)

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: 1079 SHB

HCA Request #: 23-188

Part II: Narrative Explanation

This bill relates to rapid whole genome sequencing. The Health Care Authority (HCA) assumes this bill will have an indeterminate fiscal impact.

The original bill was for enrollees age 21 and younger. The substitute bill changes this to enrollees up to age one. The substitute bill also removes section 3 related to the University of Washington collaborative for the advancement of telemedicine.

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

Section 1 – Amends RCW 74.09.520 Medical assistance. Effective January 1, 2024, HCA shall require provider payment for rapid whole genome sequencing for enrollees up to age one in accordance with medical necessity criteria.

Section 2 – Adds a new section. By January 1, 2024, HCA shall submit to the committees of the legislature with jurisdiction over health policy matters a brief summary of the process used to adopt the medical necessity criteria for rapid whole genome sequencing and the final medical necessity criteria.

II. B - Cash Receipts Impact

Indeterminate.

II. C – Expenditures

Indeterminate.

This bill requires HCA to ensure provider payment for rapid Whole Genome Sequencing (WGS) for clients under one year of age with an adopted set of medical necessity criteria. Standard WGS is currently covered for clients with prior authorization. Rapid WGS is an alternative with the potential to offer a quick and accurate diagnosis of rare genetic diseases.

The proposed policy is expected to result in new utilization of rapid WGS and, therefore, a fiscal impact for HCA. HCA is unable to develop a precise estimate of the fiscal impact at this time primarily because the total volume of potential utilization is unpredictable. Sufficient information on expected utilization trends for rapid WGS is not available in the existing literature. The fiscal impact would also depend on the coverage and medical necessity policies developed by HCA and its contracted managed care organizations, delineating standard WGS versus rapid WGS. An approximate fiscal impact estimate is however developed based on some broad assumptions.

HCA assumes that the potential utilization of rapid WGS would be limited to inpatient settings, where the rapid nature of the testing can lead to a quicker diagnosis and changes in the active medical management of the patient. Outpatient testing, when medically necessary, does not need to be 'rapid' and is currently available via prior authorization. If rapid WGS is provided in certified public expenditure (CPE) fee-for-service or critical access hospitals, the service would be payable separately. These hospitals are paid based on the annual cost-to-charge ratio and the amount billed. For other hospitals, testing is bundled with the relevant Diagnosis Related Groups (DRGs) and, therefore, unlikely to generate new cost.

HCA Fiscal Note

Bill Number: 1079 SHB

HCA Request #: 23-188

Assuming (i) that about 5% of intensive care unit (ICU) utilizers aged less than a year would receive rapid WGS, and (ii) that the average cost of rapid WGS would be about \$6,900 (based on known cost of billing code 0094U), the annual cost of the proposed policy is estimated to be about \$124 thousand. This also assumes that rapid WGS will be payable only in CPE and critical access hospitals. Assuming a federal medical assistance percentage of about 65%, the approximate annual General Fund State cost is estimated to be \$44 thousand.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Require

None.

Individual State Agency Fiscal Note

Bill Number: 1079 S HB	Title: Whole genome sequencing	Agency: 360-University of Washington
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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: Julie Tran	Phone: 360-786-7283	Date: 03/02/2023
Agency Preparation: Michael Lantz	Phone: 2065437466	Date: 03/06/2023
Agency Approval: Charlotte Shannon	Phone: 2066858868	Date: 03/06/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/07/2023

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.

Substitute House Bill 1079 concerns rapid whole genome sequencing for medical care.

Section 1 defines “rapid whole genome sequencing” and requires state medical assistance programs to cover this sequencing for those up to age one in accordance with the medical necessity criteria adopted by the Washington State Health Care Authority. This requirement is effective January 1, 2024.

Section 2 requires the Health Care Authority to submit the final medical necessity criteria, and a brief summary of the process used to adopt the criteria, to the Legislature’s health policy committees by January 1, 2024.

Neither of these provisions will directly affect the University of Washington (UW) and therefore there is no fiscal impact to the UW.

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.

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.