

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1576 E S HB	<b>Title:</b> Dentist compact	<b>Agency:</b> 303-Department of Health
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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
Health Professions Account-State 02G-1		28,000	28,000	113,000	184,000
<b>Total \$</b>		28,000	28,000	113,000	184,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.4	0.4	0.4	0.6	0.6
<b>Account</b>					
Health Professions Account-State 02G-1	60,000	98,000	158,000	149,000	148,000
<b>Total \$</b>	60,000	98,000	158,000	149,000	148,000

### 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.

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## 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 engrossed substitute changes the definition of active-duty military to active military member and active uniformed service to armed forces. The department assumes no change in fiscal impact as a result of these changes.

Adds a new section in Title 18 RCW for the dentist and dental hygienist compact act to align with Washington State licensure requirements with the compact.

Section 3(b): Requires the department participate in the data system.

Section 3(c): Requires the department to notify the dentist and dental hygienist compact commission (commission) and other member states of any disciplinary action on any licensee practicing under a participating license.

Section 3(e): Adds that a licensed who holds a participating state license and has the privilege to work in another member state needs to complete FBI background checks.

Section 8: Adds it is a responsibility of the participating state to monitor the 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.*

Section 3: Current law, RCW 43.70.250, requires that health professions be fully self-supporting and that sufficient revenue collected through fees fund expenditures in the Health Professions Account. The calculation of specific fees will happen during rulemaking and a fee proposal presented as part of the rules package. For the purpose of this fiscal note, a license fee is estimated between \$165 and \$215 to cover the regulation of licensed dentists and dental hygienists from out-of-state who request a compact privilege in Washington state. During the rulemaking process, a fee study will be prepared with proposed fees and provided for stakeholder input. The department will monitor the fund balance and will adjust fees over a six (6) year period to ensure that fees are sufficient to cover all program expenditures.

The department currently licenses 13,705 dentists and dental hygienists. Based on the Physical Therapy compact, the department assumes that 466 (3.4%) of licensees will apply for the compact. The department assumes a 10% growth rate in applications after four years and a 92% renewal rate.

Washington Administration Code (WAC) 246-12-020 (3) states the initial credential will expire on the practitioner's birthday, except for faculty or postgraduate education credentials authorized by law. Initial credentials issued within ninety days of the practitioner's birthday do not expire until the practitioner's next birthday. Based on this WAC, the department assumes a standard 25 percent of the first-year applications will need to renew their license in the first year as their birthday will fall outside of ninety days from issuance of initial credential. Renewals starting in the second year and each year thereafter are based on the professions current renewal rate.

Estimated revenue for dentists and dental hygienists (out-of-state requesting privilege)

FY 2025 - \$28,000 (116 applications and 29 renewals)

FY 2026 - \$47,000 (116 applications and 133 renewals)

FY 2027 - \$66,000 (117 applications and 229 renewals)

FY 2028 - \$83,000 (117 applications and 318 renewals)

FY 2029 - \$101,000 (129 applications and 400 renewals)

### II. C - Expenditures

Dentist compact

Form FN (Rev 1/00) 185,952.00

FNS063 Individual State Agency Fiscal Note

303-Department of Health

Request # FN23-224-2

Bill # 1576 E S HB

*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.*

Note: Each applicant who is a member of this compact will get a compact privilege credential. The compact is not effective until seven states have adopted it and currently no states have adopted this compact.

Assumption: For purposes of this fiscal note the department is writing as though the compact will be effective FY 2025.

#### Rulemaking

Section 3: This bill will require two sets of rulemaking – one for Dental Hygienists (department) and one for the Dental Quality Assurance commission (commission) to set rules aligning with the compact. The department anticipates both sets of rules to utilize a team of subject matter experts to implement this bill. This team will consist of the program manager and a community engagement specialist to reach disadvantaged communities and engage them in the rulemaking process. Each set of rules will include two stakeholder meetings as well as one formal rules hearing, all held virtually, and will take approximately 12 months to complete. The department anticipates providing the rules hearing announcement and materials in both English and Spanish and providing ASL and Spanish interpretation services at the rules hearing.

Costs include staff, associated expenses (including goods and services, travel, intra-agency, and indirect charges), and Office of Attorney General support in the amount of \$8,000.

FY 2024 one-time costs will be 0.4 FTE and \$58,000

#### Health Technology Solutions (HTS)

Section 3 and 8: Configuration in department's Healthcare Enforcement and Licensing Modernization System will require 192 hours from the integration vendor at a rate of \$262.50 per hour. Work will include the initial vendor configuration and agency staff time for ongoing maintenance of two new credentials as well as reports and support. This bill would require the department to share licensing data with the dentist and dental hygienist compact commission. This requires a new data export to be created, monitored, and managed.

FY 2025 costs will be \$51,000 (02G)

FY 2026 and ongoing, costs will be \$5,000 (02G)

#### Office of Customer Service (OCS)

Section 3: The department will develop a process to convert participating state licenses into a privilege credential. This process will increase workload in the credentialing section. New application forms for a privilege credential will be created in both electronic and paper forms. Those forms will be developed and tested, along with use case development.

FY 2024, costs will be \$2,000 (02G)

FY 2025, costs will be \$3,000 (02G)

FY 2026, costs will be \$2,000 (02G)

FY 2027 and ongoing, costs will be \$3,000 (02G)

#### Federal Background Checks

This bill requires all new dentist and dental hygienist license applicants to obtain fingerprints through an FBI background check at initial licensure. Residents that apply for the Washington state license are currently not subject to the FBI background check. Per section 3, the department assumes FBI background checks will be performed on all new in-state

applicants. Based on the amount of applications in 2022 that were not required to complete the FBI background check, the department assumes an increase of 360 FBI background checks each year based on all new applications.

FY 2025 and ongoing costs are 0.1 FTE and \$14,000 (02G)

**Office of Investigations and Legal Services (OILS)**

Section 3: Based on the current complaint rate for Washington-licensed dentists and dental hygienists of 3.0%, the department assumes that of the 466 compact it will receive 14 new complaints annually. The department estimates these complaints will result in four additional discipline cases in the first year and six cases each year thereafter.

The complaint response process includes five steps: 1) intake, 2) assessment, 3) investigation, 4) case disposition, and 5) adjudication. Staff review the complaint, identify the history of the person complained about, and help assess whether an investigation is needed. In more than half the cases, investigation is needed. The investigator obtains information about the complaint and the respondent and prepares a report detailing the findings. After investigation, the disciplining authority decides whether to pursue legal action. Staff attorneys, paralegals, assistant attorney general and other staff work to develop the legal documents and charge the violation. Most cases are settled, and the staff attorney manages that process. If the respondent asks for a hearing, staff must schedule the hearing, and the health law judge considers all legal motions, presides over the hearing, and drafts the final order. Also, the Office of the Attorney General will represent the department at hearing and may provide advice throughout the disciplinary process. Cost estimates for the complaint response process associated with this bill were calculated using the department’s Disciplinary Workload Model. Estimated discipline costs include staff, associated costs (goods and services, intra-agency and indirect charges).

FY 2025 costs will be 0.3 FTE and \$30,000 (02G)

FY 2026 costs will be 0.4 FTE and \$54,000 (02G)

FY 2027 and ongoing, costs will be 0.4 FTE and \$52,000 (02G)

**TOTAL COSTS TO IMPLEMENT THIS BILL**

FY 2024: 0.4 FTE and \$60,000 (02G)

FY 2025: 0.4 FTE and \$98,000 (02G)

FY 2026: 0.6 FTE and \$75,000 (02G)

FY 2027 and ongoing: 0.6 FTE and \$74,000 (02G)

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
02G-1	Health Professions Account	State	60,000	98,000	158,000	149,000	148,000
<b>Total \$</b>			60,000	98,000	158,000	149,000	148,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29	
FTE Staff Years	0.4	0.4	0.4	0.6	0.6	
A-Salaries and Wages	33,000	30,000	63,000	87,000	88,000	
B-Employee Benefits	13,000	11,000	24,000	34,000	34,000	
C-Professional Service Contracts	2,000	50,000	52,000			
E-Goods and Other Services	10,000	4,000	14,000	22,000	20,000	
T-Intra-Agency Reimbursements	2,000	3,000	5,000	6,000	6,000	
<b>Total \$</b>		60,000	98,000	158,000	149,000	148,000

**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
Fiscal Analyst 2	53,000	0.1	0.1	0.1	0.1	0.1
HEALTH CARE INVESTIGATOR 3	78,900		0.1	0.1	0.1	0.1
HEALTH SERVICES CONSULTAN 1	55,872		0.1	0.1	0.1	0.1
HEALTH SERVICES CONSULTAN 3	75,120		0.1	0.1	0.1	0.1
HEALTH SERVICES CONSULTAN 4	82,896	0.2		0.1		
Health Svcs Conslt 1	53,000				0.1	0.1
HEARINGS EXAMINER 3	96,156				0.1	0.1
MANAGEMENT ANALYST 4	82,896	0.1		0.1		
<b>Total FTEs</b>		0.4	0.4	0.4	0.6	0.6

**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.*

The department will adopt rules in Title 246.815 WAC (Dental Hygienists) and in Title 246.817 (Dental Quality Assurance Commission) as necessary to implement this bill.



# Ten-Year Analysis

<b>Bill Number</b> 1576 E S HB	<b>Title</b> Dentist compact	<b>Agency</b> 303 Department of Health
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

**No Cash Receipts**
                 
  **Partially Indeterminate Cash Receipts**
                 
  **Indeterminate Cash Receipts**

## Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	2024-33 TOTAL
02G Dentist & Dental Hygienist Compact	02G		28,000	47,000	66,000	83,000	101,000	120,000	140,000	161,000	184,000	930,000
<b>Total</b>			28,000	47,000	66,000	83,000	101,000	120,000	140,000	161,000	184,000	930,000
<b>Biennial Totals</b>			28,000	113,000	184,000	260,000	345,000	930,000				

## Narrative Explanation (Required for Indeterminate Cash Receipts)

Current law RCW 43.70.250 requires that the health professions administered by the Department of Health (department) be fully self-supporting and that sufficient revenue be collected through fees to fund expenditures in the Health Professions Account. The calculation of specific fees will occur during rulemaking and a fee proposal presented as part of the rules package. Revenue collection will begin July 1, 2024. The department estimates 116, 116, 117, and 117 applications in the first four years of the program with a 10% growth rate thereafter, and a renewal rate of 92.0%. The revenue projections are based on an annual fee of \$190.

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