

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5729 S SB	<b>Title:</b> Insulin cost-sharing cap
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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	.0	0	0	8,798	.1	0	0	17,596	.1	0	0	17,596
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>8,798</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>17,596</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>17,596</b>

## 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
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Jason Brown, OFM	<b>Phone:</b> (360) 742-7277	<b>Date Published:</b> Final 3/17/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5729 S SB	<b>Title:</b> Insulin cost-sharing cap	<b>Agency:</b> 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: 03/13/2023
Agency Preparation: Sara Whitley	Phone: 360-725-0944	Date: 03/15/2023
Agency Approval: Tanya Deuel	Phone: 360-725-0908	Date: 03/15/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 03/17/2023

## 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

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: SSB 5729

HCA Request #: 23-208

## Part II: Narrative Explanation

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

**This bill differs from the previous version in the following ways:**

- Removes the expiration date of the legislation.
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Section 1(1) limits enrollee's out of pocket expenses for prescription insulin drugs for the treatment of diabetes to an amount not to exceed \$35 per 30-day supply.

Section1(3) removes the expiration date of this legislation.

### 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

Section 1(1) limits enrollee's out of pocket expenses for prescription insulin drugs for the treatment of diabetes to an amount not to exceed \$35 per 30-day supply. Section1(3) removes the expiration date of this legislation.

Currently, PEBB and SEBB fully insured carriers align with previously passed legislation and provide coverage of prescription insulin drugs for the treatment of diabetes with a \$35 per 30-day insulin cost share cap. Feedback from Kaiser and Premera indicate no change to current coverage levels resulting from this legislation. Therefore, there is no assumed fiscal impact to the fully-insured Kaiser and Premera PEBB and SEBB plans.

As drafted, the bill does not impact the self insured Uniform Medical Plan (UMP) established and governed by RCW 41.05 (State Health Care Authority), which are offered in the PEBB and SEBB programs. There is a historic practice of implementing benefit changes in UMP when coverage is required in PEBB and SEBB fully insured plans to ensure alignment of benefits in medical plans and reduce adverse selection. Health Care Authority (HCA) assumes no change to current coverage levels, which include coverage of insulin for the treatment of diabetes with a \$35 per 30-day insulin cost share cap. Therefore, there is no assumed fiscal impact to UMP.

#### **Medicaid (Apple Health)**

No fiscal impact.

No impacts on the Medicaid lines of business because this legislation places the requirements under RCW 48.43.

## HCA Fiscal Note

Bill Number: SSB 5729

HCA Request #: 23-208

### **Part IV: Capital Budget Impact**

None.

### **Part V: New Rule Making Required**

None.

# HBE Fiscal Note

Bill Number: 5729 SSB

HBE Request #: 23-25-01

## **Part II: Narrative Explanation**

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

This bill extends the requirement of health plans to provide coverage for prescription insulin drugs for diabetes treatment capped at \$35 per 30-day supply.

### **II. B - Cash Receipts Impact**

None.

### **II. C - Expenditures**

No fiscal impact, prior changes to Healthplanfinder in 2021 to reflect the prescription insulin cost sharing structure for consumers are still in effect. There are no further changes anticipated for Healthplanfinder as a result of this bill.

## **Part IV: Capital Budget Impact**

None.

## **Part V: New Rule Making Required**

None.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5729 S SB	<b>Title:</b> Insulin cost-sharing cap	<b>Agency:</b> 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	0.0	0.1	0.0	0.1	0.1
<b>Account</b>					
Insurance Commissioners Regulatory Account-State 138-1	0	8,798	8,798	17,596	17,596
<b>Total \$</b>	0	8,798	8,798	17,596	17,596

### 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: 03/13/2023
Agency Preparation: Shari Maier	Phone: 360-725-7173	Date: 03/15/2023
Agency Approval: Michael Wood	Phone: 360-725-7007	Date: 03/15/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 03/17/2023



## 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.*

Section 1(1) requires a \$35 cap on a 30-day supply of insulin for all health plans issued or renewed on or after January 1, 2023.

Section 1 removes the current section expiration date of January 1, 2024.

### 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 a \$35 cap on a 30-day supply of insulin for all health plans issued or renewed on or after January 1, 2023. Section 1 removes the current section expiration date of January 1, 2024.

Section 1 will require the Office of Insurance Commissioner (OIC) to continue to apply new review standards to health plan form filings for plan year 2024 and beyond to ensure that the \$35 cap for a 30-day supply of insulin is maintained. The OIC receives approximately 481 applicable filings each year. Beginning in FY2024, 15 minutes of additional review time per health plan filing, or a total of 120 hours (15 minutes x 481 filings), of a Functional Program Analyst 3 will be required. Because the OIC already accounted for FY2024 reversion costs in the 2022 session's SSB5546 fiscal note, no additional costs for FY2024 are reflected in this fiscal note.

Ongoing costs:

Salary, benefits and associated costs for .07 FTE Functional Program Analyst 3.

## 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	0	8,798	8,798	17,596	17,596
<b>Total \$</b>			0	8,798	8,798	17,596	17,596

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.0	0.1	0.1
A-Salaries and Wages		5,128	5,128	10,256	10,256
B-Employee Benefits		1,910	1,910	3,820	3,820
C-Professional Service Contracts					
E-Goods and Other Services		1,760	1,760	3,520	3,520
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-					
<b>Total \$</b>	0	8,798	8,798	17,596	17,596

**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 3	73,260		0.1	0.0	0.1	0.1
<b>Total FTEs</b>			0.1	0.0	0.1	0.1

**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.*