

Multiple Agency Fiscal Note Summary

Bill Number: 5396 S SB AMH HCW H1659.2	Title: Breast exam cost sharing
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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.											
Office of Insurance Commissioner	.2	0	0	52,155	.1	0	0	14,890	.1	0	0	14,890
Total \$	0.2	0	0	52,155	0.1	0	0	14,890	0.1	0	0	14,890

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

Prepared by: Jason Brown, OFM	Phone: (360) 742-7277	Date Published: Final 3/23/2023
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Individual State Agency Fiscal Note

Bill Number: 5396 S SB AMH HCW H1659.2	Title: Breast exam cost sharing	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: Meghan Morris	Phone: 360-786-7119	Date: 03/17/2023
Agency Preparation: Sara Whitley	Phone: 360-725-0944	Date: 03/21/2023
Agency Approval: Tanya Deuel	Phone: 360-725-0908	Date: 03/21/2023
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 03/21/2023

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.

HCA: Indeterminate expenditure impact

HBE: Indeterminate cash receipts impact

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.

HCA: No impact

HBE: Indeterminate impact

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.

HCA: Indeterminate impact

HBE: No impact

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

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 5396

HCA Request #: 23-212

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:

- Additional RCWs are amended that require prohibition of cost sharing for certain types of breast screening covered under this legislation, to include: RCW 48.20.393 (Disability Insurance), 48.21.225 (Group and Blanket Disability Insurance), 48.44.325 (Health care services).
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Section 1 establishes intent of this legislation to prohibit cost sharing for certain types of breast screening.

Section 2 adds a new section to RCW 48.43 (Insurance Reform) that requires health plans issued or renewed on or after January 1, 2024 not impose cost sharing requirements for coverage of supplemental breast examinations and diagnostic breast examinations.

Section 2(2) requires that any cost sharing imposed for qualified health plans with a health savings account (HSA) be set at the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions from their HSA account under internal revenue service laws and regulations.

Section 2(3a) establishes the definition of "diagnostic breast examination" to mean medically necessary and appropriate examination of the breast, including examination using breast ultrasound, diagnostic mammography, breast magnetic resonance imaging (MRI) to be used when there are abnormalities seen or suspected from a screening or examination for breast cancer.

Section 2(3b) establishes the definition of "supplemental breast examination" to mean medically necessary and appropriate examination of the breast including an examination using breast MRI or ultrasound when there is no abnormality seen or expected and is based on personal or family medical history that may increase a member's risk of developing breast cancer.

II. B - Cash Receipts Impact

None.

II. C – Expenditures

Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) Program Impacts

Indeterminate fiscal impact.

Section 2 adds a new section to RCW 48.43 (Insurance Reform) that requires health plans issued or renewed on or after January 1, 2024 not impose cost sharing requirements for coverage of supplemental breast examinations and diagnostic breast examinations. Diagnostic and supplemental screenings are currently subject to deductible and member cost share across all PEBB and SEBB health plans, including the PEBB and SEBB High Deductible Health Plans (HDHPs).

HCA Fiscal Note

Bill Number: SSB 5396

HCA Request #: 23-212

Section 2(2) of this legislation requires that any cost sharing imposed for qualified health plans with a health savings account (HSA) be set at the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions from their HSA account under internal revenue service laws and regulations. We assume complying with the "minimum requirements" would require diagnostic screenings and examinations not be subject to cost shares in any PEBB or SEBB HDHPs. This is because, for the services included in this bill, federal laws and regulations allow for a full range of cost shares for Health Savings Account (HSA)-qualified HDHPs, thus minimum compliance would require establishing no cost shares in such instances.

It is assumed that by requiring diagnostic and supplemental breast examinations not be subject to member cost share in the PEBB and SEBB fully-insured health plans healthcare cost liability for the plans will increase which could lead to increased premiums.

Should diagnostic breast cancer screening and examinations be covered at zero member cost share for all PEBB and SEBB fully-insured health plans, including HDHPs, there is an assumed increase to health care plan costs. Feedback from PEBB and SEBB fully-insured carriers, Kaiser and Premera, indicate the possibility of minimal increases to health plan cost liability. Any increases in health care cost liability may result in increases to plan bid rates, the state's employer contribution, and member premiums.

As drafted, the bill does not impact the self insured Uniform Medical Plan, established and governed by RCW 41.05, 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 benefit coverage levels. Assuming no increase to historical rates of utilization for these services, and based on average utilization of supplemental and diagnostic breast examinations and screenings for plan years 2019 through 2021 the estimated increase in annual claims liability across all PEBB and SEBB UMP plans is approximately:

- PEBB non-Medicare UMP cost impacts: between \$400,000 and \$600,000 annually
- SEBB UMP cost impacts: between \$300,000 and \$500,000 annually

Medicaid Impacts

No fiscal impact.

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

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

HBE Fiscal Note

Bill Number: 5396 SSB

HBE Request #: 23-27-01

Part II: Narrative Explanation

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

This bill adds a new section to 48.43, relating to cost sharing for diagnostic and supplemental breast examinations.

Section 2(1) – Requires that starting in 2024, non-grandfathered health plans that cover supplemental breast examinations and diagnostic breast examinations may not impose cost sharing for them.

Section 2(2) – Requires that HSA compatible health plans that provide the same coverage as 2(1), “establish the plan’s cost sharing for the coverage of the services described in this section at the minimum level necessary to preserve the enrollee’s ability to claim tax exempt contributions from their health savings account under internal revenue service laws and regulations.”

II. B - Cash Receipts Impact

Indeterminate. New mandated benefits typically increase premiums, but the expected premium increase amount attributable to just this new benefit is unknown at this time.

II. C - Expenditures

No fiscal impact, changes that require inclusion of this health care benefit in qualified health plans offered in the Exchange marketplace are not expected to require significant operational or Healthplanfinder system changes.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 5396 S SB AMH HCW H1659.2	Title: Breast exam cost sharing	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	0.3	0.1	0.2	0.1	0.1
Account					
Insurance Commissioners Regulatory Account-State 138-1	44,710	7,445	52,155	14,890	14,890
Total \$	44,710	7,445	52,155	14,890	14,890

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: Meghan Morris	Phone: 360-786-7119	Date: 03/17/2023
Agency Preparation: Shari Maier	Phone: 360-725-7173	Date: 03/21/2023
Agency Approval: Michael Wood	Phone: 360-725-7007	Date: 03/21/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 03/23/2023

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.

Section 2(1) prohibits, except as provided in Section 2(2), nongrandfathered health plans issued or renewed after January 1, 2024, that include coverage of supplemental and diagnostic breast examinations, from imposing cost-sharing for these examinations.

Section 2(2), for health plans that provide coverage of supplemental and diagnostic breast examinations and are offered as qualifying health plans for health savings accounts, requires health carriers to establish the plan's cost sharing for the coverage at the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions.

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 2(1) prohibits, except as provided in Section 2(2), nongrandfathered health plans issued or renewed after January 1, 2024, that include coverage of supplemental and diagnostic breast examinations, from imposing cost-sharing for these examinations.

Section 2(2), for health plans that provide coverage of supplemental and diagnostic breast examinations and are offered as qualifying health plans for health savings accounts, requires health carriers to establish the plan's cost sharing for the coverage at the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions.

Section 2 will require additional review of health plan form filings to ensure the supplemental and diagnostic breast examination benefit is accurately disclosed to enrollees in the forms. The Office of Insurance Commissioner (OIC) will require one-time costs, in FY2024, of 6 hours of a Functional Program Analyst 4 to update filing review standards and speed-to-market tools, update checklist documents and filing instructions, train staff, and educate issuers. The OIC receives approximately 312 health plan form filings each year and assumes the new review standards will result in an additional 15 minutes of review per form filing in FY2024 and an additional 5 minutes of review per form filing in FY2025 and thereafter requiring 78 hours (312 form filings x 15 minutes) of a Functional Program Analyst 3 (FPA3) in FY2024 and 26 hours (312 form filings x 5 minutes) of a FPA3 in FY2025 and thereafter.

The provisions in Section 2 will lead to an increase in enforcement actions. The OIC anticipates an average of one additional enforcement action per year to address allegations specific to coverage for supplemental and diagnostic breast examinations. Enforcement actions require the equivalent of approximately 40 hours per case requiring 40 hours (1 case x 40 hours) of an Insurance Enforcement Specialist beginning in FY2024.

Section 2 will require 'normal' rulemaking, in FY2024, to align current WACs, such as WAC 284-44-046 and WAC 284-50-270, with the new law and add a new rule under WAC 284-46 (Health Maintenance Organizations) since that chapter does not currently have a corresponding rule requiring mammography services.

Ongoing Costs:

Salary, benefits and associated costs for .02 FTE Functional Program Analyst 3 and .03 FTE Insurance Enforcement Specialist.

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	44,710	7,445	52,155	14,890	14,890
Total \$			44,710	7,445	52,155	14,890	14,890

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.1	0.2	0.1	0.1
A-Salaries and Wages	26,961	4,450	31,411	8,900	8,900
B-Employee Benefits	8,807	1,506	10,313	3,012	3,012
C-Professional Service Contracts					
E-Goods and Other Services	8,942	1,489	10,431	2,978	2,978
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 \$	44,710	7,445	52,155	14,890	14,890

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	0.0	0.0	0.0
Functional Program Analyst 4	80,952	0.1		0.0		
Insurance Enforcement Specialist	99,516	0.0	0.0	0.0	0.0	0.0
Senior Policy Analyst	108,432	0.2		0.1		
Total FTEs		0.3	0.1	0.2	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.

Section 2 will require 'normal' rulemaking, in FY2024, to align current WACs, such as WAC 284-44-046 and WAC 284-50-270, with the new law and add a new rule under WAC 284-46 (Health Maintenance Organizations) since that chapter does not currently have a corresponding rule requiring mammography services.