

Multiple Agency Fiscal Note Summary

Bill Number: 1694 E 2S HB AMS HLT S2568.1	Title: Home care workforce shortage
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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
Department of Social and Health Services	0	0	(3,031,000)	0	0	(3,212,000)	0	0	(3,212,000)
Department of Health	0	0	(1,208,000)	0	0	(1,188,000)	0	0	(1,183,000)
Total \$	0	0	(4,239,000)	0	0	(4,400,000)	0	0	(4,395,000)

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Fiscal note not available					
Local Gov. Other						
Local Gov. Total						

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
Department of Social and Health Services	.9	(2,293,000)	(2,293,000)	(5,324,000)	1.0	(2,492,000)	(2,492,000)	(5,704,000)	1.0	(2,492,000)	(2,492,000)	(5,704,000)
Department of Health	(4.3)	48,000	48,000	(1,212,000)	(4.5)	12,000	12,000	(1,321,000)	(4.5)	12,000	12,000	(1,324,000)
Community and Technical College System	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	(3.4)	(2,245,000)	(2,245,000)	(6,536,000)	(3.5)	(2,480,000)	(2,480,000)	(7,025,000)	(3.5)	(2,480,000)	(2,480,000)	(7,028,000)

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

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
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Breann Boggs, OFM	Phone: (360) 485-5716	Date Published: Preliminary 4/27/2023
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Individual State Agency Fiscal Note

Bill Number: 1694 E 2S HB AMS HLTC S2568.1	Title: Home care workforce shortage	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: Maria Hovde	Phone: 360-786-7474	Date: 04/13/2023
Agency Preparation: Melinda Helberg	Phone: 360-725-0000	Date: 04/17/2023
Agency Approval: Catrina Lucero	Phone: 360-725-7192	Date: 04/17/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 04/18/2023

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

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: 1694 E2SHB AMS HLTC S2568.1

HCA Request #: 23-251

Part II: Narrative Explanation

This version removes provisions in the bill relating to changing certification examination requirements for home care aides; aligns the effective date for the expanded family member exemption with the rest of the bill instead of applying the effective date to those individuals hired after September 1, 2023; exempts the individuals qualified under the expanded family member definition from the long-term care workers' continuing education training requirements; removes the requirement for Department of Social and Health Services (DSHS) and the Health Care Authority (HCA) to prepare and submit a waiver to the federal Centers for Medicare and Medicaid Services to allow the state to receive federal matching funds to support the pilot project.

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

The sections that have changed that have an impact to HCA are as follows:

Removes the requirement for DSHS and HCA to prepare and submit a waiver to the federal Centers for Medicare and Medicaid Services to allow the state to receive federal matching funds to support the pilot project.

II. B - Cash Receipts Impact

None

II. C – Expenditures

This version of the bill creates no fiscal impact to HCA.

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None

Individual State Agency Fiscal Note

Bill Number: 1694 E 2S HB AMS HLTC S2568.1	Title: Home care workforce shortage	Agency: 300-Department of Social and Health Services
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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
General Fund-Federal 001-2	(1,425,000)	(1,606,000)	(3,031,000)	(3,212,000)	(3,212,000)
Total \$	(1,425,000)	(1,606,000)	(3,031,000)	(3,212,000)	(3,212,000)

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.8	1.0	0.9	1.0	1.0
Account					
General Fund-State 001-1	(1,047,000)	(1,246,000)	(2,293,000)	(2,492,000)	(2,492,000)
General Fund-Federal 001-2	(1,425,000)	(1,606,000)	(3,031,000)	(3,212,000)	(3,212,000)
Total \$	(2,472,000)	(2,852,000)	(5,324,000)	(5,704,000)	(5,704,000)

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.

Legislative Contact: Maria Hovde	Phone: 360-786-7474	Date: 04/13/2023
Agency Preparation: Mitchell Close	Phone: 3600000000	Date: 04/20/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 04/20/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 04/27/2023

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 amends RCW 18.88B.010 to add a "Date of Hire" definition.

Section 2 amends RCW 18.88B.021 to remove the provision that the department may define the date of hire and adopt rules determining under what circumstances may have more than one date of hire. This section also adds that a long-term care worker who is not currently certified or eligible to reactivate an expired credential shall receive a new date of hire when beginning to work with either a new employer or returning to a former employer after the end of their employment.

Sections 3 and 4 create rules for when a certificate may be reinstated and for forgoing late fees on certain certificates.

Section 5 provides identical directives, protections, and time frames for persons with nursing assistant certificates as provided for those with home care aide certificates in section 5.

Section 6 amends RCW 74.39A.341 to allow a person whose certificate has been expired for less than five years to forgo continuing education requirements in order to restore their certificate to active status and expands the list of providers who do not need to complete 12 hours of continuing education each year.

Section 7 amends RCW 18.88B.041 to expand the list of long-term care workers not required to become a certified home care aide.

Section 8 amends RCW 74.39A.076 to expand the list of long-term care workers required to complete 35 hours of training within the first 120 days after becoming an individual provider.

Section 9 adds a new section to chapter 74.39A RCW requiring the Department of Social and Health Services (DSHS) to report annually beginning June 1, 2025, on the long-term care worker supply, the wages of those workers compared with other entry-level positions, projections for service demands, geographic disparities, and demographic data.

Section 10 requires DSHS to design a pilot project to allow the spouse or domestic partner of a person with complex medical needs who is eligible for long-term services and supports to receive payment for providing home care services to the spouse or domestic partner with a report due to the legislature by December 31, 2023.

Section 11 requires DSHS to study the cost of paying the parents of children under 18 years old who are medically complex or have complex support needs related to their behaviors and submit a report by December 31, 2023.

Section 12 adds a new section that voids the legislation if specific funding is not provided.

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.

A portion of the costs incurred to implement this legislation will be funded with federal Title XIX - Medicaid funds.

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 10 directs the design of a pilot project to allow the spouse of a person with complex medical needs who is eligible for long-term services and supports through DSHS to receive payment for providing home care services to spouses. The Aging and Long-Term Support Administration (AL TSA) Home and Community Services (HCS) requests a contracted project manager for \$182,000 in FY24 to provide a report to the Office of Financial Management and the appropriate fiscal committees of the legislature by December 31, 2023. The report will contain the design of this project to consider appropriate acuity level, training needs, payment parameters, fiscal considerations and use of Medicaid matching funds, geographic locations for implementing the pilot project, ways to design the project to aid in future statewide implementation, cost estimates for implementing the pilot project, the projected number of individuals to receive service, and proposed timeline for implementation.

HCS also requests one ongoing staff - WMS2 RDA Research Associate - for annual research and reporting to the legislature of the items in the bulleted list in section 9. This position would start in September 2024 to analyze data and prepare the report.

- FY24: 0.8 FTE for \$129,000

- FY25 and beyond: 1.0 FTE for \$155,000

Section 11 directs DSHS to study the feasibility and cost of paying the parents of children under 18 years old who are medically complex or have complex support needs related to their behaviors. The Developmental Disabilities Administration (DDA) requests a contracted project manager for \$182,000 in FY24 to provide a report to the office of financial management and the appropriate fiscal committees of the legislature by December 31, 2023. The report will address any statutory or regulatory changes needed to authorize the payments, necessary information technology changes for the agency and associated costs, and elements required to prepare a federal waiver or state plan amendments to allow for the use of federal matching funds for the payments to parents. Additionally, the report will provide an estimate of the number of children expected to receive services and the anticipated annual cost to the state, whether federal matching funds are available or not, and make recommendations on the types of training needed for parents to support their children's care needs and a proposed timeline for implementation with phasing, if necessary.

Section 7 exempts certain providers from obtaining home aide certification when they are caring for their sibling, aunt, uncle, cousin, niece, nephew, grandparent, or grandchild. Section 8 states these same providers, when hired after September 1, 2023, must complete 35 hours of training within the first 120 days after becoming a provider. As a result of these changes, there will be cost savings to the Individual Provider Consumer Directed Employer (CDE).

Assuming 30 percent of these providers take the full 75-hour training anyway in order to receive certification for the pay differential track and assuming a savings of 70% for the training tuition costs per hour as FY19, the bill would result in the below cost savings by year.

- FY24: (\$2,160,000)

- FY25 and beyond: (\$2,187,000)

Section 6 exempts certain providers from completing continuing education (CE) requirements when they are caring for their sibling, aunt, uncle, cousin, niece, nephew, grandparent, or grandchild. There will be additional cost savings to the CDE as a result.

Assuming 70 percent of family members voluntarily take the 12-hour CE training anyway and assuming a savings of 30% for the training tuition costs per hour as FY19, the bill would result in the below cost savings by year.

- FY24: (\$805,000)

- FY25 and beyond: (\$820,000)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	(1,047,000)	(1,246,000)	(2,293,000)	(2,492,000)	(2,492,000)
001-2	General Fund	Federal	(1,425,000)	(1,606,000)	(3,031,000)	(3,212,000)	(3,212,000)
Total \$			(2,472,000)	(2,852,000)	(5,324,000)	(5,704,000)	(5,704,000)

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29	
FTE Staff Years	0.8	1.0	0.9	1.0	1.0	
A-Salaries and Wages	88,000	110,000	198,000	220,000	220,000	
B-Employee Benefits	28,000	35,000	63,000	70,000	70,000	
C-Professional Service Contracts	364,000		364,000			
E-Goods and Other Services	5,000	6,000	11,000	12,000	12,000	
G-Travel						
J-Capital Outlays	5,000		5,000			
M-Inter Agency/Fund Transfers						
N-Grants, Benefits & Client Services	(2,965,000)	(3,007,000)	(5,972,000)	(6,014,000)	(6,014,000)	
P-Debt Service						
S-Interagency Reimbursements						
T-Intra-Agency Reimbursements	3,000	4,000	7,000	8,000	8,000	
9-						
Total \$		(2,472,000)	(2,852,000)	(5,324,000)	(5,704,000)	(5,704,000)

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
WMS2 - RDA Research Associate	110,004	0.8	1.0	0.9	1.0	1.0
Total FTEs		0.8	1.0	0.9	1.0	1.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29	
Developmental Disabilities Administration (040)	(708,000)	(902,000)	(1,610,000)	(1,804,000)	(1,804,000)	
Aging and Long-Term Support Administration (050)	(1,764,000)	(1,950,000)	(3,714,000)	(3,900,000)	(3,900,000)	
Total \$		(2,472,000)	(2,852,000)	(5,324,000)	(5,704,000)	(5,704,000)

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.

Rules to be amended would include, but not be limited to, the following:

WAC 388-71-0839

WAC 388-71-0880

WAC 388-71-1001

WAC 388-112A-0090

Individual State Agency Fiscal Note

Bill Number: 1694 E 2S HB AMS HLTC S2568.1	Title: Home care workforce shortage	Agency: 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	(606,000)	(602,000)	(1,208,000)	(1,188,000)	(1,183,000)
Total \$	(606,000)	(602,000)	(1,208,000)	(1,188,000)	(1,183,000)

Estimated Operating Expenditures from:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	(4.0)	(4.5)	(4.3)	(4.5)	(4.5)
Account					
General Fund-State 001-1	0	48,000	48,000	12,000	12,000
Health Professions Account-State 02G-1	(595,000)	(665,000)	(1,260,000)	(1,333,000)	(1,336,000)
Total \$	(595,000)	(617,000)	(1,212,000)	(1,321,000)	(1,324,000)

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.

Legislative Contact: Maria Hovde	Phone: 360-786-7474	Date: 04/13/2023
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 04/18/2023
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 04/18/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 04/27/2023

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.

The fiscal impact has changed from the previous version of the bill, E2SHB 1694. This amendment removes language, in Section 3, expanding the locations in which an examination can be administered and the requirement to examine and authorize innovative ways to reduce barriers to certification and testing. Additionally, this amendment removes the requirement to conduct an analysis of the number of test applications using various geographic measures as well as the requirement to conduct a survey of all approved testing locations in Washington and provide a report on findings by December 1, 2023. The fiscal impact is reduced as a result of the removal of these requirements.

This bill lowers barriers to entering the home care aide and nursing assistant workforce by expanding certification exemptions, providing long-term care workers a new date of hire when beginning work with either a new employer or returning to a former employer after prior employment has ended, providing additional time for an expired certificate to be reinstated, and providing temporary fee waivers for renewals of certain certificates.

Section 2: Amends RCW 18.88B.021 (Long-Term Care Workers – Certification Requirements) to remove the requirement of the Department of Health (department) to adopt rules determining circumstances a long-term care worker may have more than one date of hire, restarting the person's 200-day period to obtain certification as a home care aide. Adds a long-term care worker who is not currently certified or eligible to reactivate an expired credential shall receive a new date of hire when beginning work with either a new employer or returning to a former employer after prior employment has ended.

Section 3: Adds a new section to 18.88B RCW (Long-term care workers) allowing a home care aide certificate expired for five years or less to be reinstated if the person holding the expired certificate: (a) completes an abbreviated application form; (b) pays the necessary fees, including the current certification fee, late renewal fees, and expired credential reissuance fees, unless exempt under section 5 of this bill; (c) provides written declarations; and (e) submits to a state and federal background check as required by RCW 74.39A.056. Additionally, for a home care aide certificate expired more than five years, the bill allows for the certificate to be reinstated by demonstrating competence to the standards established by the Secretary of Health (Secretary) and other requirements established by the Secretary in addition to meeting the same reinstatement requirements for certificates expired less than five years.

Section 4: Adds a new section to 18.88B RCW (Long-term care workers) allowing persons whose home care aide certificate has been expired for more than six months and less than two years to renew their certificate without paying any fees, beginning September 1, 2023. The department must send a notification of this exemption to each person who held a certificate and has failed to renew since January 1, 2020. For persons whose certificates expired since January 1, 2023, the department must allow six months to pass since the expiration prior to sending this notification. The department is also required to adopt rules to assure continuing education requirements are not a barrier for home care aides seeking to reactivate their certificate. This section expires July 1, 2025.

Section 5: Adds a new section to 18.88A RCW (Nursing assistants) allowing persons whose nursing assistant certificate has been expired for more than six months and less than two years to renew their certificate without paying any fees, beginning September 1, 2023. The department must send a notification of this exemption to each person who held a certificate and has failed to renew since January 1, 2020. For persons whose certificates expired since January 1, 2023, the department must allow six months to pass since the expiration prior to sending this notification. The department is also required to adopt rules to assure continuing education requirements are not a barrier for nursing assistants seeking to Home care workforce shortage 303-Department of Health 2 Form FN (Rev 1/00) 184,945.00 Request # FN23-206-1 FNS063 Individual State Agency Fiscal Note Bill # 1694 2S HB reactivate their certificate. This section expires July 1, 2025.

Section 6: Amends RCW 74.39A.341 (Continuing education requirements for long-term care workers.) so that persons

whose certificate has been expired for less than five years do not need to complete the 12-hour continuing education requirements for their certificate to be restored to active status.

Section 7: Amends RCW 18.88B.041 (Exemptions from training requirements.) to add a certification requirement exemption for individual providers who only care for a sibling, aunt, uncle, cousin, niece, nephew, grandparent, or grandchild, including when related by marriage or domestic partnership. Also adds a certification exemption for long-term care workers providing approved services only for a spouse or registered domestic partner and funded through the U.S. Department of Veterans Affairs home and community-based programs.

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.

Assumptions:

- Current law RCW 43.70.250 (License fees for professions, occupations, and businesses.) requires that the health professions administered by the Department of Health (department) be fully self-supporting and that enough revenue be collected through fees to fund the cost of administering the program. Currently, the Home Care Aide program has a negative fund balance of (\$6,741,000), and the Nursing Assistant program has a negative fund balance of (\$3,147,000). Costs to implement this bill, and the estimated reduction in licensing revenue, will further draw down the programs' fund balances and increase the fee adjustments needed for the programs to regain positive fund balances.
- Should General Fund-State (GF-S) funding not be provided, the department will conduct another fee study and costs associated with implementing this bill will be considered when setting the fee.
- All licensing revenue for home care aides and nursing assistants is deposited to the Health Professions Account (02G).

Expired Certificate Fee Waiver

Sections 4 & 5: Beginning September 1, 2023 and ending July 1, 2025, late renewal fees and current renewal fees are waived for persons whose home care aide or nursing assistant certificate has been expired for more than six months and less than two years. As the intent of this temporary fee waiver is to increase the number of certified home care aides and nursing assistants, the department assumes any expired certificates eligible for this fee waiver would not have otherwise been renewed absent the fee waiver. Therefore, the department assumes no loss of anticipated revenue as a result of the temporary fee waiver.

Home Care Aide Certificate Reinstatement

Section 3: Currently, home care aide certificates expired for more than one year, but less than three years, can be reinstated through an abbreviated application process, which includes the requirement to pay the current certification renewal fee, late renewal penalty, and expired certification reactivation fee. This bill doubles the length of time a certificate may be expired and still be eligible for reinstated using the abbreviated application process. The department assumes this bill will encourage some individuals whose certificates have expired within the last three to five years to reinstate their certificate; however, based on the lower-than-average renewal rate for home care aides, the number of reinstated expired certificates is not expected to double.

In FY 2021, the Department received 365 expired home care aide certification reinstatement applications. Based on the department's experience with home care aide certificate renewals, the department assumes this bill will result in a 25% increase in the number of reinstated certification applications. Starting in FY 2024, the department estimates an additional 91 (365 x 25%) home care aide certification reinstated applications each year. The total cost to reinstate an expired home care aide certificate is \$145, including: (1) \$85 certification renewal fee; (2) \$30 late renewal penalty; (3) \$30 expired certification reactivation fee. However, under this bill, these fees are waived for certificates expired for less than 2 years and are required for only those certificates expired between 2 and 5 years. Therefore, the department assumes 25%, or 23 total (91 x 25%) of the reinstated applications will not pay any fees in FY 2024 and FY 2025.

To maintain an active credential status, home care aides must annually renew their certificate and pay the current renewal fee. Washington Administration Code (WAC) 246-12-020 (3) states the initial credential will expire on the practitioner's

birthday. 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 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. Based on the profession's current renewal rate, the department estimates 65% of the reinstated certificates will be renewed each year beginning in FY 2025. Home care aides must pay the \$85 certification renewal fee upon renewal.

Estimated increase in revenue for Home Care Aide Certificate reinstatements:

FY 2024: \$11,000 (68 applications, 15 renewals)
FY 2025: \$15,000 (68 applications, 59 renewals)
FY 2026: \$22,000 (91 applications, 98 renewals)
FY 2027: \$24,000 (91 applications, 123 renewals)
FY 2028: \$25,000 (91 applications, 150 renewals)
FY 2029: \$26,000 (91 applications, 157 renewals)

Family Care Certificate Exemption

Section 7: The Department of Social and Health Services (DSHS) estimates 17% of currently certified long-term care workers qualify for the family care exemption. Based on this assumption, the department assumes a reduction in licensing revenue resulting from the family exemption. In 2022, the department received 8,085 home care aide applications and 21,600 renewals. Based on 2022 applications and renewals, a 17% reduction will result in 1,374 fewer applications and 3,672 fewer renewals for certified home care aides each fiscal year. The current initial application and annual renewal fee for home care aides is \$85, and the examination fee for new applicants is \$137.

Estimated revenue reduction from family care exemption:

FY 2024 and ongoing: (\$617,000) (1,374 applications, 3,672 renewals) each year

Spouse and Registered Domestic Partner Exemption

Section 8: The bill also creates a certification exemption for long-term care workers providing approved services only for a spouse or registered domestic partner and funded through the United States Department of Veteran's Affairs home and community-based programs. Based on the department's experience, very few spouses and domestic partners are certified solely to care for their spouse, therefore the department does not anticipate any impacts resulting from this exemption.

NET CHANGE IN REVENUE AS A RESULT OF THIS BILL:

FY 2024: decrease of (\$606,000)
FY 2025: decrease of (\$602,000)
FY 2026: decrease of (\$595,000)
FY 2027: decrease of (\$593,000)
FY 2028: decrease of (\$592,000)
FY 2029: decrease of (\$591,000)

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.

Assumptions:

- The department assumes the new work required in this bill for providing temporary fee exemptions will be funded by General-Fund State (GF-S) to avoid adding to the current negative fund balance for the Home Care Aide and Nursing Assistant programs.

Rulemaking

Section 2 – 7: The department anticipates engaging in two rulemaking projects to implement this bill: 1) A rules project to

align home care aide certification requirements and exemptions with the changes made in this bill; and 2) A rules project to implement changes described in the bill for examination administration and evaluation.

1) The department will develop and adopt rules to align home care aide certification requirements with the changes made in this bill and assure continuing education requirements are not a barrier for reactivation. The department anticipates utilizing 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. This process 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 \$4,000.

FY 2024 one-time costs will be 0.2 FTE and \$29,000 (02G).

Health Technology Solutions (HTS)

Section 2 - 7: This bill will require configuration in the department's licensing systems and online applications to incorporate the temporary fee exemptions for renewal of expired certificates and changes in requirements for certification.

Starting in FY 2025, configuration in department's Healthcare Enforcement and Licensing Modernization System will require 181 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 updates to user defined fields, creation of 4 new workflows and 4 workflow updates, and updates to interfaces, databases, and reports, and other configuration changes. Costs include staff, associated expenses (including goods and services, intra-agency, and indirect charges), and vendor charges.

FY 2025 costs will be \$48,000 (GF-S).

FY 2026 and ongoing, costs will be \$6,000 (GF-S) each year.

Office of Customer Service (OCS) – Home Care Aide Certificate Reinstatement Applications

Section 3: Starting in FY 2024, there will be costs for credentialing staff to review and process reactivation applications, provide technical assistance, and issue certifications for qualified applicants. In subsequent years, the Department will also process the additional renewals as a result of the increased number of certifications through reactivation. There is also impact to call center, revenue, and renewal units. Costs include staff and associated expenses (goods and services, intra-agency, and indirect charges).

FY 2024 and ongoing, costs will be 0.1 FTE and \$13,000 (02G) each year.

OCS – Family Care Exemption

Section 7: Department of Social and Health Services assumes 17% of currently certified long-term care workers will qualify for the family exemption and will not be required to be certified home care aides. Based on this assumption, the department estimates a 17% reduction in new applications and renewals received each year beginning in FY 2024. In 2022, the department received 8,085 home care aide applications and 21,600 renewals. Based on 2022 applications and renewals, a 17% reduction will result in 1,374 fewer applications and 3,672 fewer renewals for home care aides each fiscal year. There will be a reduction in staff required to process applications and renewals. There will also be a reduction in impact to the call center and revenue sections. Costs include staff and associated expenses (including goods and services, intra-agency, and indirect charges).

FY 2024 cost savings will be -2.9 FTE and (\$288,000) (02G)

FY 2025 cost savings will be -3.1 FTE and (\$307,000) (02G)
FY 2026 cost savings will be -3.1 FTE and (\$307,000) (02G)
FY 2027 and ongoing, cost savings will be -3.1 FTE and (\$310,000) (02G)

Examination Fees

Section 7: In addition to the application fee, a \$137 examination fee is paid to the department for all new applicants. This exam fee is then paid to the exam vendor by the department. Depending on the outcome of the development of a new exam, this fee may change. However, for the purpose of this fiscal note, the current exam fee is assumed for estimating cost savings resulting from expanded family care certificate exemptions provided in this bill. Based on the assumed reduction in applications of 1,374 per year, the department estimates a reduction of (\$188,000) paid each year to the exam vendor.

The department, through the examination vendor, offers the home care aide examination in the following languages: Amharic, Arabic, Chinese, English, Khmer, Korean, Laotian, Russian, Samoan, Spanish, Somali, Tagalog, Ukrainian and Vietnamese. When requested, the department provides an interpreter to read the home care aide examination to accommodate other languages not listed above. Based on 2022 billing data, 31 one-on-one examinations were provided with the support of an individual interpreter, at an average cost to the department of \$732 per examination. Based on the assumed 17% reduction in required exams, the department assumes 5 fewer one-on-one examinations per year, for a savings of (\$4,000). Costs include vendor charges and indirect charges.

FY 2024 and ongoing, cost savings will be (\$193,000) (02G) each year.

Discipline

Sections 2 and 7: Based on the department's experience with agency affiliated counselors, another profession that limits licensure based on a specific employer, the department assumes a 3% increase in home care aide discipline resulting from home care aides failing to report leaving one employer for another or for work with a non-qualified employer. Based on the average number of complaints per year for home care aides, the department estimates 26 additional complaints per year.

Based on the average discipline rate for home care aides (3.8% of licensees), the department estimates 192 fewer complaints per year resulting from the assumed 17% reduction in long-term care workers required to be certified as a home care aide.

The combined net change estimated for home care aide discipline is 166 fewer complaints, resulting in 37 fewer cases in FY 2024, and 38 fewer 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 represents the department at hearing and may provide advice throughout the disciplinary process.

Cost savings estimates for the complaint response process associated with this bill were calculated using the department's Disciplinary Workload Model. Estimated savings in discipline costs include staff, associated costs (goods and services, intra-agency and indirect charges), and Office of Attorney General support in the amount of \$30,000 each year.

FY 2024, costs savings will total -1.4 FTE and (\$156,000) (02G).
 FY 2025 and ongoing, cost savings will be -1.5 FTE and (\$178,000) (02G).

TOTAL FISCAL IMPACT:

FY 2024: (4.0) FTE and (\$595,000) 02G
 FY 2025: (4.5) FTE and (\$665,000) 02G and \$48,000 GF-S
 FY 2026: (4.4) FTE and (\$665,000) 02G and \$6,000 GF-S
 FY 2027 and ongoing: (4.5) FTE and (\$668,000) 02G and \$6,000 GF-S

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	48,000	48,000	12,000	12,000
02G-1	Health Professions Account	State	(595,000)	(665,000)	(1,260,000)	(1,333,000)	(1,336,000)
Total \$			(595,000)	(617,000)	(1,212,000)	(1,321,000)	(1,324,000)

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	(4.0)	(4.5)	(4.3)	(4.5)	(4.5)
A-Salaries and Wages	(251,000)	(293,000)	(544,000)	(581,000)	(584,000)
B-Employee Benefits	(106,000)	(123,000)	(229,000)	(245,000)	(246,000)
C-Professional Service Contracts	(191,000)	(144,000)	(335,000)	(384,000)	(384,000)
E-Goods and Other Services	(25,000)	(32,000)	(57,000)	(61,000)	(60,000)
T-Intra-Agency Reimbursements	(22,000)	(25,000)	(47,000)	(50,000)	(50,000)
Total \$	(595,000)	(617,000)	(1,212,000)	(1,321,000)	(1,324,000)

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
ADMINISTRATIVE ASST 3	50,592	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Fiscal Analyst 2	53,000	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)
FISCAL TECHNICIAN 2	43,800	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)
FORMS & RECORDS ANALYST 1	45,852	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
HEALTH CARE INVESTIGATOR 3	78,900	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
HEALTH CARE INVESTIGATOR 4	87,144	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
HEALTH SERVICES CONSULTAN 1	55,872	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)
HEALTH SERVICES CONSULTAN 2	66,420	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)
HEALTH SERVICES CONSULTAN 3	75,120	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)
HEALTH SERVICES CONSULTAN 4	82,896	0.1		0.1		
Health Svcs Conslt 1	53,000	(0.4)	(0.4)	(0.4)	(0.3)	(0.3)
HEARINGS EXAMINER 3	96,156	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
MANAGEMENT ANALYST 4	82,896	0.1		0.1		
WMS02	114,360	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total FTEs		(4.0)	(4.5)	(4.3)	(4.5)	(4.5)

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.

Sections 2 - 7: The department will adopt rules in Title 246.980 WAC (Home Care Aide Rules).

Individual State Agency Fiscal Note

Bill Number: 1694 E 2S HB AMS HLTC S2568.1	Title: Home care workforce shortage	Agency: 699-Community and Technica College System
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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.

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OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 04/17/2023

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.

The engrossed second substitute bill, as amended by Senate committee, differs from the engrossed second substitute in several ways, including:

Removes the provision to allow home care aide certification exams to be administered and evaluated by community colleges.

Since community colleges are no longer named in the bill, there are no fiscal impacts.

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.

No cash receipts impact.

Since community colleges are no longer named in the bill, there are no fiscal impacts.

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.

No expenditure impact.

Since community colleges are no longer named in the bill, there are no fiscal impacts.

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.