

Individual State Agency Fiscal Note

Bill Number: 1972 HB	Title: Physicians health prg. fees	Agency: 303-Department of Health
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Health Professions Account-State 02G-1				2,332,200	1,434,200
Total \$				2,332,200	1,434,200

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.2	0.1	0.0	0.0
Account					
Health Professions Account-State 02G-1	0	29,000	29,000	0	0
Total \$	0	29,000	29,000	0	0

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:

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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.

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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).

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

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Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 01/08/2024
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 01/08/2024
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 01/09/2024

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 bill increases the Washington Physicians Health Program (WPHP) surcharges.

Section 2: Amends RCW 18.71.310 (Physicians) increasing the physician health program surcharge from \$50 a year to \$70 a year for physicians, surgeons, and physician assistants.

Section 3: Amends RCW 18.71A.020 (Physicians Assistants) increasing the physician health program surcharge from \$50 a year to \$70 a year for physician assistants in training.

Section 4: Amends RCW 18.57.015 (Osteopathy—Osteopathic medicine and surgery) increasing the osteopathic physician health program surcharge from \$50 a year to \$70 a year for osteopathic physicians.

Section 5: Amends RCW 18.22.250 (Podiatric medicine and surgery) increasing the podiatric physician health program surcharge from \$50 a year to \$70 a year for podiatric physicians.

Section 6: Amends RCW 18.32.534 (Dentistry) increasing the dentist health program surcharge from \$50 a year to \$70 a year for dentists.

Section 7: Amends RCW 18.92.047 (Veterinary medicine, surgery, and dentistry) increasing the veterinarian health program surcharge from \$25 a year to \$35 a year for veterinarians.

Section 8: Changes the effective date for Section 6 to January 1, 2026.

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 2 to 8: This bill increases the WPHP surcharge for physicians, surgeons, physician assistants, interim physician assistants, osteopathic physicians, and podiatric physicians from \$50 to \$70 and veterinarians from \$25 to \$35 effective July 1, 2025. It also increases the WPHP surcharge for dentists from \$50 to \$70, effective January 1, 2026.

The department assumes new revenue based on the following data:

- Physicians, surgeons, and physician assistants - 37,640 active licensees with a varying growth rate depending on each profession’s renewal cycle. One year surcharge fee transactions grew at a rate of 4.69% while two-year surcharge fee transactions had a growth rate of 3.58%.
- Physician assistant’s interim (training) – 9 active permits however due to the historical fluctuation of this permit the department estimates an average of 5 permits each year.
- Osteopathic physicians - 3,902 active licensees with an average growth rate of 9.9%.
- Podiatric physicians - 393 active licensees with an annual growth rate of 1.0%.
- Dentists - 7,059 active licensees with an annual average growth rate of 1.17%.
- Veterinarians - 4,526 active licensees with an annual average growth rate of 2.57%.

(see attached fee revenue table)

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.

Rulemaking

Section 2-8: The department will adopt rules increasing the impaired physician health program surcharge. 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 identify underreached communities and engage them in the rulemaking process. This process will include two meetings with interested parties 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 2025 one-time costs will be 0.2 FTE and \$29,000.

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	0	29,000	29,000	0	0
Total \$			0	29,000	29,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.2	0.1		
A-Salaries and Wages		13,000	13,000		
B-Employee Benefits		5,000	5,000		
C-Professional Service Contracts		1,000	1,000		
E-Goods and Other Services		9,000	9,000		
T-Intra-Agency Reimbursements		1,000	1,000		
9-					
Total \$	0	29,000	29,000	0	0

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
Health Services Consultant 4	86,208		0.1	0.1		
Management Analyst 4	86,208		0.1	0.1		
Total FTEs			0.2	0.1		0.0

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 2-8: The secretary will adopt rules to amend language in WAC 246-817-990 (Dental quality assurance commission), 246-853-990 (Osteopathic physicians and surgeons), 246-918-990 (Physician assistants—Washington medical commission), 246-919-990 (Washington medical commission), 246-922-990 (Podiatric physicians and surgeons), and 246-933-990 (Veterinarians—Veterinary board) as necessary to implement the bill.

	2026	2027	2028	2029	2030	2031	2032	2033	2034
Physician/ Physician Asst	858,000	920,000	896,000	961,000	936,000	1,004,000	979,000	1,049,000	1,023,000
Physician Asst Interim (Training)	100	100	100	100	100	100	100	100	100
Osteopath	104,000	114,000	125,000	138,000	151,000	166,000	183,000	201,000	221,000
Podiatrist	8,000	8,000	8,000	8,000	8,000	9,000	9,000	9,000	9,000
Dentist	73,000	148,000	150,000	151,000	153,000	155,000	157,000	159,000	160,000
Veterinarian	49,000	50,000	51,000	53,000	54,000	55,000	57,000	58,000	60,000
Total	1,092,100	1,240,100	1,230,100	1,311,100	1,302,100	1,389,100	1,385,100	1,476,100	1,473,100



Ten-Year Analysis

Bill Number 1972 HB	Title Physicians health prg. fees	Agency 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
Dentist	02G			73,000	148,000	150,000	151,000	153,000	155,000	157,000	159,000	1,146,000
Osteopath	02G			104,000	225,000	125,000	138,000	151,000	166,000	183,000	201,000	1,293,000
Physican Asst Interim (Training	02G			100	100	100	100	100	100	100	100	800
Physician/Physician Assistant	02G			858,000	920,000	896,000	961,000	936,000	1,004,000	979,000	1,049,000	7,603,000
Podiatrist	02G			8,000	8,000	8,000	8,000	8,000	9,000	9,000	9,000	67,000
Veterinarian	02G			49,000	50,000	51,000	53,000	54,000	55,000	57,000	58,000	427,000
Total				1,092,100	1,351,100	1,230,100	1,311,100	1,302,100	1,389,100	1,385,100	1,476,100	10,536,800
Biennial Totals				2,443,200	2,541,200	2,691,200	2,861,200	10,536,800				

Narrative Explanation (Required for Indeterminate Cash Receipts)

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Narrative Explanation (Required for Indeterminate Cash Receipts)

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