

Multiple Agency Fiscal Note Summary

Bill Number: 5775 SB	Title: Epinephrine autoinjectors
-----------------------------	---

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	.1	0	0	13,466	.0	0	0	8,008	.0	0	0	8,008
Total \$	0.1	0	0	13,466	0.0	0	0	8,008	0.0	0	0	8,008

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

NONE

Prepared by: Jason Brown, OFM	Phone: (360) 742-7277	Date Published: Final 1/10/2024
--------------------------------------	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 5775 SB	Title: Epinephrine autoinjectors	Agency: 107-Washington State Health Care Authority
-----------------------------	---	---

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: Greg Attanasio	Phone: 360-786-7410	Date: 01/02/2024
Agency Preparation: Molly Christie	Phone: 360-725-5138	Date: 01/08/2024
Agency Approval: Tanya Deuel	Phone: 360-725-0908	Date: 01/08/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/10/2024

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.

See attached HCA and HBE narratives.

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 HCA and HBE narratives.

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 HCA and HBE narratives.

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: 5775 SB

HCA Request #: 24-006

Title: Epinephrine Autoinjectors

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.

HCA Fiscal Note

Bill Number: 5775 SB

HCA Request #: 24-006

Title: Epinephrine Autoinjectors

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.

SB 5775 sets an enrollee cost-sharing cap of \$60 per 2-pack of epinephrine autoinjectors, without being subject to a deductible, effective January 1, 2025. The proposed legislation applies to health plans under chapter 48.43 RCW (Insurance Reform) and chapter 41.05 RCW (State Health Care Authority).

Section 1 – New Section under chapter 48.43 RCW

1(1) Requires health plans issued or renewed on or after January 1, 2025 to set the total enrollee cost-sharing for all covered prescription epinephrine autoinjectors at no more than \$60 for a two-pack. Coverage may not be subject to a deductible, and any cost-sharing must apply toward an enrollee's deductible.

1(2) Qualifying high deductible health plans (HDHPs) with a health savings account (HSA) must establish cost-sharing for epinephrine autoinjectors at the minimum level necessary preserve enrollees' ability to claim tax exempt HSA contributions and withdrawals per IRS laws and regulations.

Section 2 – Amends RCW 41.05.017

Makes all medical plans offered under chapter 41.05 RCW subject to Section 1 of the bill.

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. Distinguish between one time and ongoing functions.

NONE

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. Distinguish between one time and ongoing functions.

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

There is no estimated fiscal impact because any additional claims liability resulting from this change is not sufficient to impact the state's contribution to medical benefits for employees under the PEBB and SEBB programs (Employer Medical Contribution, or EMC).

Section 1(1) requires health plans under chapter 48.43 RCW to cap enrollee cost-sharing for all covered prescription epinephrine injectors at \$60 for a 2-pack, without being subject to a deductible. Section 1(2)

HCA Fiscal Note

Bill Number: 5775 SB

HCA Request #: 24-006

Title: Epinephrine Autoinjectors

mandates that qualifying high deductible health plans with an HSA must set cost sharing at the lowest amount necessary to retain IRS tax exemption for HSA contributions and withdrawals.

Section 1 would require compliance by fully insured health plans offered through the PEBB and SEBB programs. Generic prescription epinephrine autoinjectors are covered by all PEBB and SEBB medical plans at preferred tiering, which means that most members pay less than \$60 per 2-pack prescription. This bill would shift costs above the \$60 limit for non-preferred epinephrine autoinjectors to the plans. Premera estimates that this bill could result in an increase of \$0.02 per member per month (PMPM), based upon an estimated 100 impacted members. Kaiser estimates an increase of \$0.05 PMPM, based upon data for impacted members across its entire Washington commercial book of business. Any increase in costs for the fully insured health plans would be borne by member premiums since this bill would not impact the state's EMC.

HCA assumes that HSA qualified HDHPs would be required to set cost-sharing for covered epinephrine injectors at \$60 or less, but these prescriptions must still be subject to the plan's deductible according to federal laws and regulations.

Section 2 applies the requirements under Section 1 to all medical plans offered by the Health Care Authority. This includes the self-insured Uniform Medical Plans (UMP). Currently UMP's preferred epinephrine autoinjector products have a maximum copay of \$10 and are not subject to the deductible (except for the UMP HDHP, per IRS rules). This accounts for over 99.5% of epinephrine utilization across UMP. Non-preferred products have a maximum copay of \$75 and are subject to the deductible; however, utilization of these products is so low that the incremental cost to the plan of lowering the copay from \$75 to \$60 and eliminating the deductible for these claims is negligible and would not increase state costs to the EMC.

Medicaid:

No fiscal impact.

No impacts on the Medicaid lines of business because there is no cost sharing in Apple Health (see WAC 182-502-0160, which applies to pharmacies in AH).

Part III: Expenditure Detail

III. A - Operating Budget Expenditure

See Section II, above.

HCA Fiscal Note

Bill Number: 5775 SB

HCA Request #: 24-006

Title: Epinephrine Autoinjectors

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

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.

NONE

HBE Fiscal Note

Bill Number: 5775 SB

HBE Request #: 24-02-01

Part II: Narrative Explanation

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

This bill would require health plans issued or renewed after January 1, 2025, that provide coverage for prescription epinephrine autoinjectors, to cap the total amount that an enrollee is required to pay at \$60 for a two-pack. Prescription epinephrine autoinjectors must be covered without being subject to a deductible, and any cost sharing paid by an enrollee must be applied toward the enrollee's deductible obligation. Health carriers shall establish the plan's cost sharing for the coverage required by this section at the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions and withdrawals from the enrollee's health savings account under internal revenue service laws and regulations.

II. B - Cash Receipts Impact

Indeterminate. New mandated cost sharing designs 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: 5775 SB	Title: Epinephrine autoinjectors	Agency: 160-Office of Insurance Commissioner
-----------------------------	---	---

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	0.1	0.0	0.0
Account					
Insurance Commissioners Regulatory Account-State 138-1	0	13,466	13,466	8,008	8,008
Total \$	0	13,466	13,466	8,008	8,008

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: Greg Attanasio	Phone: 360-786-7410	Date: 01/02/2024
Agency Preparation: Joyce Brake	Phone: 360-725-7041	Date: 01/05/2024
Agency Approval: Joyce Brake	Phone: 360-725-7041	Date: 01/05/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/10/2024

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.

Section 1(1) requires health plans issued or renewed on or after January 1, 2025, to cap the enrollee's cost for prescription epinephrine autoinjectors at \$60 per two-pack. These prescriptions must be covered without being subject to a deductible and the cost-sharing amount must be applied to the enrollee's deductible.

Section 1(2) requires health carriers, for health plans that provide coverage for prescription epinephrine autoinjectors and is offered as a qualifying health plan for a health savings account, to establish the plan's cost-sharing for the coverage required under Section 1(1) at the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions and withdrawals.

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 health plans issued or renewed on or after January 1, 2025, to cap the enrollee's cost for prescription epinephrine autoinjectors at \$60 per two-pack. These prescriptions must be covered without being subject to a deductible and the cost-sharing amount must be applied to the enrollee's deductible.

Section 1(2) requires health carriers, for health plans that provide coverage for prescription epinephrine autoinjectors and is offered as a qualifying health plan for a health savings account, to establish the plan's cost-sharing for the coverage required under Section 1(1) at the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions and withdrawals.

Section 1 will require additional review of health plan form filings to ensure plans have updated the requirements for capping the cost sharing for prescription epinephrine autoinjectors. The Office of Insurance Commissioner (OIC) will require one-time costs, in FY2025, of 19 hours of a Functional Program Analyst 4 to update filing review standards, update checklists and speed-to-market tools, and train staff. The OIC receives approximately 504 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 FY2025 and an additional 5 minutes of review per form filing in FY2026 and thereafter requiring 126 hours (504 form filings x 15 minutes) in FY2025 and 42 hours (504 form filings x 5 minutes) in FY2026 and thereafter of a Functional Program Analyst 3.

The cost sharing cap requirements in Section 1 will drive additional written inquiries, calls and complaints to the OIC. Based on OIC's experience when cost controls for diabetic insulin were enacted, a one-time spike of 30 consumer calls, 3 written inquires and 4 complaints relating to cost sharing for prescription epinephrine autoinjectors are expected in FY2025. Informational cases generally take 10 minutes per case and complaint cases generally take between 1.0 and 3.25 hours per case. For purposes of this fiscal note, it is assumed informational cases will require 10 minutes per case and complaint cases will require an average of 3.25 hours per case requiring one-time costs of 18.5 hours (33 info cases x 10 minutes + 4 complaint cases x 3.25 hours) of a Functional Program Analyst 3 in FY2025.

Ongoing Costs:

Salary, benefits and associated costs for .03 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	13,466	13,466	8,008	8,008
Total \$			0	13,466	13,466	8,008	8,008

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.1	0.0	0.0
A-Salaries and Wages		7,929	7,929	4,708	4,708
B-Employee Benefits		2,844	2,844	1,698	1,698
C-Professional Service Contracts					
E-Goods and Other Services		2,693	2,693	1,602	1,602
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 \$	0	13,466	13,466	8,008	8,008

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	78,468		0.1	0.1	0.0	0.0
Functional Program Analyst 4	86,712		0.0	0.0		
Total FTEs			0.1	0.1	0.0	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.