

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1957 HB	<b>Title:</b> Preventive service coverage
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## Estimated Cash Receipts

NONE

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Insurance Commissioner	.2	0	0	49,161	.0	0	0	8,008	.0	0	0	8,008
<b>Total \$</b>	<b>0.2</b>	<b>0</b>	<b>0</b>	<b>49,161</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>8,008</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>8,008</b>

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

NONE

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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1957 HB	<b>Title:</b> Preventive service coverage	<b>Agency:</b> 107-Washington State Health Care Authority
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kim Weidenaar	Phone: 360-786-7120	Date: 01/02/2024
Agency Preparation: Kate LaBelle	Phone: 360-725-1918	Date: 01/09/2024
Agency Approval: Tanya Deuel	Phone: 360-725-0908	Date: 01/09/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/15/2024

## 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 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: **1957 HB**

HCA Request #: 24-011

Title: **Preventive Service Coverage**

## 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 of this bill amends RCW 48.43.047 (Health plans—Minimum coverage for preventative services—No cost-sharing requirements) that states health plans issued on or after the effective date of this bill must provide coverage for the following preventive services:

- Evidence-based items or services carrying an A or B recommendation from the U.S. Preventive Services Task Force.
- Routine immunizations for children, adolescents, and adults recommended by the advisory committee on immunization practices of the Centers for Disease Control and Prevention.
- Preventive care and screenings based on comprehensive guidelines endorsed by the Health Resources and Services Administration for infants, children, and adolescents.
- Additional preventive care and screenings for women, not rated A or B by the U.S. Preventive Services Task Force but included in comprehensive guidelines by the Health Resources and Services Administration.

When a guideline is updated to exclude a specific preventive item or service, this bill mandates health carriers to annually assess whether any additional items or services need to be covered without cost-sharing or are no longer obligatory to cover.

This bill introduces an amendment to RCW 48.43.047, stipulating that the health plan cannot enforce cost-sharing for preventive services delivered by an in-network provider. If the plan lacks an in-network provider, it is required to cover services or items offered by an out-of-network provider and is prohibited from imposing cost-sharing.

For health plans meeting the criteria of a high deductible health plan with a health savings account, the carrier is permitted to impose cost-sharing only at the minimum level essential to retain its qualifying status.

### 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**

# HCA Fiscal Note

Bill Number: **1957 HB**

HCA Request #: 24-011

Title: **Preventive Service Coverage**

## **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**

No fiscal impact.

Section 1 of this bill amends RCW 48.43.047 to provide requirements for health carriers to cover preventative services as outlined by the U.S. Preventive Services Task Force with no cost-share to members. This bill states health plan may not impose cost-sharing for preventive services provided by an in-network provider. If the plan does not have an in-network provider for the listed services, the health plan must cover services or items performed by an out-of-network provider and may not impose cost sharing.

There is no fiscal impact as a result of this bill because all carriers in the PEBB and SEBB programs currently cover preventative services as outline by the U.S. Preventive Services Task Force with no member cost-share. All preventive services outlined by the U.S. Preventive Services Task Force currently have in-network providers accessible. If new services or items are included in the U.S. Preventive Services Task Force list without in-network providers, HCA expects UMP to cover the billed charges for those services completed by out-of-network providers, potentially leading to a fiscal impact.

In high deductible health plans with health savings accounts, carriers can apply cost-sharing but only at the minimum necessary level to maintain their eligibility as qualifying plans. There is no fiscal impact associated with this change as this is current practice for the PEBB and SEBB high deductible health plans.

#### **Medicaid**

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

## **Part III: Expenditure Detail**

### **III. A - Operating Budget Expenditure**

No Fiscal Impact.

# HCA Fiscal Note

Bill Number: **1957 HB**

HCA Request #: 24-011

Title: **Preventive Service Coverage**

## 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.

**NONE**

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1957 HB	<b>Title:</b> Preventive service coverage	<b>Agency:</b> 160-Office of Insurance Commissioner
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.3	0.2	0.0	0.0
<b>Account</b>					
Insurance Commissioners Regulatory Account-State 138-1	0	49,161	49,161	8,008	8,008
<b>Total \$</b>	0	49,161	49,161	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: Kim Weidenaar	Phone: 360-786-7120	Date: 01/02/2024
Agency Preparation: Sydney Rogalla	Phone: 360-725-7042	Date: 01/08/2024
Agency Approval: Joyce Brake	Phone: 360-725-7041	Date: 01/08/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/15/2024

## 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 carriers to cover preventive health services within certain federal recommendations or guidelines without cost-sharing requirements.

Section 1(3) requires carriers to assess any changes to preventive services federal guidelines annually and adjust their health plans accordingly.

Section 1(4)(a) requires carriers to cover these applicable preventive services without cost-sharing for out-of-network providers when no in-network provider offers those services.

Section 1(7) provides OIC with rulemaking authority to implement this legislation.

### 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 carriers to cover preventive health services within certain federal recommendations or guidelines without cost-sharing requirements.

Section 1(3) requires carriers to assess any changes to preventive services federal guidelines annually and adjust their health plans accordingly.

Section 1(4)(a) requires carriers to cover these applicable preventive services without cost-sharing for out-of-network providers when no in-network provider offers those services.

Section 1 will require additional review of health plan form filings to ensure plans have updated the changes to coverage of preventative health services without cost sharing. The Office of Insurance Commissioner (OIC) will require one-time costs, in FY2025, of 25 hours of a Functional Program Analyst 4 to update filing review standards and speed-to-market tools, update checklist documents and filing instructions, train health forms analysts, and educate issuers. The OIC receives approximately 502 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 125.5 hours (502 form filings x 15 minutes) in FY 2025 and 42 hours (502 form filings x 5 minutes) in FY2026 and thereafter of a Functional Program Analyst 3,

Section 1(7) provides OIC with rulemaking authority to implement this legislation. Section 1 will require 'normal' rulemaking in FY2025 to incorporate by reference into the OIC's annual health plan filing instructions to carriers some or all of the health care services added to or removed from the list of preventive services by federal entities referenced in Section 1(1). It will also update existing WAC 284-43-5800(4) and WAC 284-43-5642 (9)(c) to remove explicit mention of PPACA and 42 U.S.C. 300gg-1 to ensure consistency with new RCW language.

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	49,161	49,161	8,008	8,008
<b>Total \$</b>			0	49,161	49,161	8,008	8,008

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.3	0.2	0.0	0.0
A-Salaries and Wages		29,769	29,769	4,708	4,708
B-Employee Benefits		9,560	9,560	1,698	1,698
C-Professional Service Contracts					
E-Goods and Other Services		9,832	9,832	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-					
<b>Total \$</b>	0	49,161	49,161	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	0.0	0.0	0.0
Functional Program Analyst 4	86,712		0.1	0.0		
Senior Policy Analyst	116,148		0.2	0.1		
<b>Total FTEs</b>			0.3	0.2	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.*

Section 1(7) provides OIC with rulemaking authority to implement this legislation. Section 1 will require 'normal' rulemaking in FY2025 to incorporate by reference into the Office of Insurance Commissioner's annual health plan filing instructions to carriers some or all of the health care services added to or removed from the list of preventive services by federal entities referenced in Section 1(1). It will also update existing WAC 284-43-5800(4) and WAC 284-43-5642 (9)(c) to remove explicit mention of PPACA and 42 U.S.C. 300gg-1 to ensure consistency with new RCW language.