

Individual State Agency Fiscal Note

Bill Number: 5920 SB	Title: Psychiatric/cert. of need	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
General Fund-Private/Local 001-7				(81,000)	(81,000)
Total \$				(81,000)	(81,000)

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					
General Fund-Private/Local 001-7	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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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.

This bill eliminates Certificate of Need (CN) review of the establishment of new psychiatric hospitals, the addition of psychiatric beds at an acute care hospital, and conversions of licensed acute care beds to psychiatric beds at an acute care hospital.

Section 1(11): This section states the department of health (department) may not require a certificate of need for a hospital licensed under chapter 70.41 RCW (hospital licensing and regulation) that changes the use of licensed beds to increase the number of beds to provide psychiatric services, the addition of new psychiatric beds for a hospital licensed under chapter 70.41 RCW, or the construction, development, or establishment of a psychiatric hospital licensed as an establishment under chapter 71.12 RCW (private establishments).

Section 2: This section repeals all or parts of RCW 70.38.260 (Certain hospitals not subject to certificate of need requirements for the addition of the number of new psychiatric beds) and RCW 70.38.270 (Psychiatric beds added under RCW 70.38.260).

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.

Current law, RCW 43.70.250 (License fees for professions, occupations, and businesses), requires that a business-licensing program be self-supporting and sufficient revenue be collected through fees to fund expenditures. The loss of revenue and costs to implement this bill will continue to draw down the fund balance for this program. The department is currently conducting a fee study for Certificate of Need and will take costs associated with implementing this bill into consideration when adjusting fees.

Loss of Revenue:

FY 2026: (\$81,000) (GF-L)
FY 2027: \$0
FY 2028: (\$81,000) (GF-L)
FY 2029: \$0

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

Sections 1 and 2: The department will develop and adopt rules to Chapter 246-322-020 (Licensure—Initial, renewal, modifications) and Chapter 246-310 WAC (Certificate of Need). 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 (GF-L).

Total costs to implement this bill:

FY 2025: 0.2 FTE and \$29,000 (GF-L).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-7	General Fund	Private/Local	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		16,000	16,000		
B-Employee Benefits		6,000	6,000		
C-Professional Service Contracts		1,000	1,000		
E-Goods and Other Services		5,000	5,000		
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.

Section 1 and 2: The department will adopts rules in WAC 246-322-020 (Licensure—Initial, renewal, modifications) and Chapter 246-310 WAC (Certificate of Need) as necessary to implement this bill.