

Multiple Agency Fiscal Note Summary

Bill Number: 5821 SB	Title: Audio-only telemedicine
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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	.3	0	0	86,441	.4	0	0	106,766	.4	0	0	106,766
Total \$	0.3	0	0	86,441	0.4	0	0	106,766	0.4	0	0	106,766

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 1/19/2024
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Individual State Agency Fiscal Note

Revised

Bill Number: 5821 SB	Title: Audio-only telemedicine	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: Greg Attanasio	Phone: 360-786-7410	Date: 01/02/2024
Agency Preparation: Melinda Helberg	Phone: 360-725-0000	Date: 01/19/2024
Agency Approval: SUMAN MAJUMDAR	Phone: 360-725-1319	Date: 01/19/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/19/2024

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: 5821 SB

HCA Request #: 24-008

Title: Audio-only Telemedicine

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: 5821 SB

HCA Request #: 24-008

Title: Audio-only Telemedicine

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.

Previous legislation made it so only behavioral health care required a covered person to have an in person or at least on real-time interactive appointment using both audio and video technology with the provider within the past three years to receive audio only services while other health services was two years; this bill extends the time frame for all other health services to the past three years. Additionally, this legislation removes the expiration of provisions allowing for the use of real-time interactive appointments using both audio and video technology which was going to expire in July 2024; amends RCW 41.05.700 and RCW 48.43.735; and reenacts and amends RCW 74.09.325.

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 Service-related Impact

No fiscal impact.

Section 1 and 2 of this bill amends RCW 41.05.700 and RCW 48.43.735 to remove criteria for a covered person to use audio-only telemedicine services.

41.05.700 governs audio-only telemedicine under the self-insured Uniform Medical Plans (UMP) and 48.43.735 governs audio-only telemedicine under the fully-insured health plans, which are offered by the PEBB and SEBB programs. The Health Care Authority (HCA) does not anticipate any changes to utilization or costs as a result of this bill as members currently have access to these services.

Apple Health Service-related Impact

No fiscal impact.

Administrative Cost Impact

HCA Fiscal Note

Bill Number: 5821 SB

HCA Request #: 24-008

Title: Audio-only Telemedicine

No fiscal impact, the requirements of this bill can be absorbed using existing resources.

Nationally, and within Washington State, there has been a marked uptick in fraud cases resulting from the expansion of telehealth services. Extension of the time requirement in which a health care provider must have seen an established patient to provide audio-only telehealth services for all health services will result in an increase in audio-only telehealth visits and require increased oversight by DPI and the MCOs to mitigate fraud, waste and abuse (FWA). Oversight efforts include audits, fraud investigations, technical assistance and provider education.

Additionally, the bill requires minimal updates to managed care organization and employee and retiree benefits contracts which would occur during a normal amendment cycle. HCA assumes that this work can be accomplished with existing staff.

Part III: Expenditure Detail

III. A - Operating Budget Expenditure

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)

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.

HCA Fiscal Note

Bill Number: 5821 SB

HCA Request #: 24-008

Title: Audio-only Telemedicine

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

Bill Number: 5821 SB	Title: Audio-only telemedicine	Agency: 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	0.6	0.3	0.4	0.4
Account					
Insurance Commissioners Regulatory Account-State 138-1	0	86,441	86,441	106,766	106,766
Total \$	0	86,441	86,441	106,766	106,766

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: Jane Beyer	Phone: 360-725-7043	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: 01/18/2024

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.

Sections 1 and 3 address PEBB/SEBB and Medicaid contracting, making this same change to 41.05 RCW and 74.09 RCW. The Office of Insurance Commissioner is responsible for the review and approval of all provider contracts regardless of whether they are submitted for health care purchased under chapters 41.05, 48.43, or 74.09 RCW.

Section 2(9) changes the current state law definition for an enrollee and practitioner to enter an “established relationship” to participate in audio-only telemedicine visits. It aligns the standards for all health care services, rather than having separate standards for behavioral health and all other services.

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.

Sections 1 and 3 address PEBB/SEBB and Medicaid contracting, making this same change to 41.05 RCW and 74.09 RCW. The Office of Insurance Commissioner (OIC) is responsible for the review and approval of all provider contracts regardless of whether they are submitted for health care purchased under chapters 41.05, 48.43, or 74.09 RCW.

Section 2(9)(d) changes the current state law definition for an enrollee and practitioner to enter an “established relationship” to participate in audio-only telemedicine visits. It aligns the standards for all health care services, rather than having separate standards for behavioral health and all other services.

Sections 1 through 3 will require all health provider contracts to be updated to reflect the changes to the definition of “established relationship”; and will also require additional review of the health plan form filings to ensure form language complies with the definition of “established relationship”. The 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 staff, and provide additional oversight and assistance to staff. The OIC receives approximately 7,350 health provider contract filings each year and assumes an additional 5 minutes of review per provider contract filing, or a total of 612.5 hours (7,350 provider contracts filings x 5 minutes) of a Functional Program Analyst 3 (FPA3), will be required each year beginning in FY2025 to ensure the addition of the amended “established relationship” criteria. The OIC receives approximately 502 health plan form filings each year and assumes an additional 10 minutes per form filing, or a total of 84 hours (502 form filings x 10 minutes), of a FPA3 will be required, in FY2025 to ensure compliance with the definition of “established relationship”. For each year thereafter, it is assumed that the health form filing review will take an additional 5 minutes per filing, or a total of 42 hours (502 form filings x 5 minutes) of a FPA3.

Sections 1 through 3 will require ‘Simple’ rulemaking, in FY2025, to amend WAC 284-170-433 to align with the updated definition of “established relationship”.

Ongoing Costs:

Salary, benefits and associated costs for .40 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	86,441	86,441	106,766	106,766
Total \$			0	86,441	86,441	106,766	106,766

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.6	0.3	0.4	0.4
A-Salaries and Wages		51,426	51,426	62,774	62,774
B-Employee Benefits		17,727	17,727	22,638	22,638
C-Professional Service Contracts					
E-Goods and Other Services		17,288	17,288	21,354	21,354
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	86,441	86,441	106,766	106,766

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		0.4	0.2	0.4	0.4
Functional Program Analyst 4	86,712		0.1	0.0		
Senior Policy Analyst	116,148		0.1	0.1		
Total FTEs			0.6	0.3	0.4	0.4

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 1 through 3 will require ‘Simple’ rulemaking, in FY2025, to amend WAC 284-170-433 to align with the updated definition of “established relationship”.