

Multiple Agency Fiscal Note Summary

Bill Number: 2263 HB	Title: Assisted living facilities
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Social and Health Services	0	0	37,000	0	0	0	0	0	0
Department of Social and Health Services	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Total \$	0	0	37,000	0	0	0	0	0	0

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
Department of Commerce	.2	48,362	48,362	48,362	.3	90,924	90,924	90,924	.3	90,924	90,924	90,924
Department of Social and Health Services	.0	37,000	37,000	74,000	.0	0	0	0	.0	0	0	0
Department of Social and Health Services	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total \$	0.2	85,362	85,362	122,362	0.3	90,924	90,924	90,924	0.3	90,924	90,924	90,924

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.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

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Phone:
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Individual State Agency Fiscal Note

Bill Number: 2263 HB	Title: Assisted living facilities	Agency: 103-Department of Commerce
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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	0.3	0.3
Account					
General Fund-State 001-1	0	48,362	48,362	90,924	90,924
Total \$	0	48,362	48,362	90,924	90,924

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: Chris Blake	Phone: 360-786-7392	Date: 01/10/2024
Agency Preparation: Hayley Tresenriter	Phone: 360-725-3042	Date: 01/23/2024
Agency Approval: Hayley Tresenriter	Phone: 360-725-3042	Date: 01/23/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/23/2024

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.

This bill proposes the ability of licensed assisted living facilities to provide permanent supportive housing.

Section 2: Amends RCW 74.39A.009 definitions of Assisted Living Facilities and Permanent Supportive Housing.

Section 5(6): Excludes costs associated with daily living assistance from supportive housing costs. This could have a significant impact on existing state resources and Commerce staff regarding coordination with ALTSA to ensure resources are not supplanting or duplicating the comprehensive rate paid through the ALTSA contract.

Section 6(5): Excludes costs associated with intermittent nursing services from supportive housing costs. This could have a significant impact on existing state resources and Commerce staff regarding coordination with ALTSA to ensure resources are not supplanting or duplicating the comprehensive rate paid through the ALTSA contract.

Section 7(4): Excludes costs associated with health support services from supportive housing costs. This could have a significant impact on existing state resources and Commerce staff regarding coordination with ALTSA to ensure resources are not supplanting or duplicating the comprehensive rate paid through the ALTSA contract.

Section 10(31): Allows licensed assisted living facilities (ALFs) to access permanent supportive housing resources. This could have a significant impact on existing state resources and Commerce staff regarding coordination with ALTSA to ensure resources are not supplanting or duplicating the comprehensive rate paid through the ALTSA contract. There are approximately 500 licensed ALFs in WA State that will presumably want access to rent assistance funds to complement their rates.

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.

In order to meet the needs of HB 2263, Commerce estimates that each year, one WMS Band 2 will spend 80 hours working with ALTSA to develop and update supplanting criteria and related review processes in FY25. Additionally, Commerce will assume this WMS2 will be part of the application process moving forward; each application would take, on average, one hour to review in coordination with the ALTSA team at DSHS. There are approximately 500 licensed ALFs in WA State that will presumably want access to rent assistance funds to complement their rates.

A total of 380 hours of WMS Band 2 time will cost commerce \$48,362 in FY25 and \$45,462 in years FY26-29. These costs will be ongoing.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	48,362	48,362	90,924	90,924
Total \$			0	48,362	48,362	90,924	90,924

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.3	0.2	0.3	0.3
A-Salaries and Wages		25,306	25,306	50,612	50,612
B-Employee Benefits		7,823	7,823	15,646	15,646
C-Professional Service Contracts					
E-Goods and Other Services		1,434	1,434	2,868	2,868
G-Travel					
J-Capital Outlays		2,900	2,900		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		10,899	10,899	21,798	21,798
9-					
Total \$	0	48,362	48,362	90,924	90,924

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
Administrative Services	111,168		0.1	0.1	0.1	0.1
WMS 2	126,529		0.2	0.1	0.2	0.2
Total FTEs			0.3	0.2	0.3	0.3

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.

Individual State Agency Fiscal Note

Bill Number: 2263 HB	Title: Assisted living facilities	Agency: 300-Department of Social and Health Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-Federal 001-2		37,000	37,000		
Total \$		37,000	37,000		

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-State 001-1	0	37,000	37,000	0	0
General Fund-Federal 001-2	0	37,000	37,000	0	0
Total \$	0	74,000	74,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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: Chris Blake	Phone: 360-786-7392	Date: 01/10/2024
Agency Preparation: Mitchell Close	Phone: 3600000000	Date: 01/23/2024
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 01/23/2024
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 01/25/2024

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.

In Sections 1 through 11, this proposed legislation amends RCW to define supportive houses services and allow these services to be provided within assisted living facilities.

Section 12 amends RCW 74.39A.032 to require the Department of Social and Health Services (DSHS), by June 30, 2025, to establish a specialty rate enhancement for contracted assisted living, adult residential care, and enhanced adult residential care providers to compensate them for costs associated with the delivery of supportive housing services. The section adds supportive housing services as a component of the DSHS payment system for contracted assisted living, adult residential care, and enhanced adult residential care. The section excludes supportive housing services from the client care and operations components of the system and establishes the supportive housing services component as the cost for services solely to maintain housing stability and supplement assisted living 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.

A portion of the costs incurred to implement this legislation will be funded with federal Title XIX - Medicaid funds.

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.

The Aging and Long-Term Support Administration (AL TSA) will need 0.5 FTE from July 1, 2024, to June 30, 2025, to work with the Centers for Medicare and Medicaid Services (CMS) and complete necessary rule changes to ensure there is no duplication of services to implement this type of rate change as it is not currently supported by existing RCW and WAC. The cost for this FTE would be \$74,000.

This bill establishes a specialty rate enhancement for contracted assisted living, adult residential care, and enhanced adult residential care providers to compensate providers for costs associated with delivering supportive housing services. Supportive housing is currently funded in Washington with the 1115 Waiver through both CMS and state general funds in AL TSA and the Health Care Authority (HCA). Existing funding would not support this increase for an enhanced rate and DSHS would need to create a new and separate funding stream.

It is unknown what the potential caseload and utilization of the supportive housing enhanced rate would be, how clients would be assessed and authorized for the rate, or what the supportive housing component would be prior to the establishment of the rate methodology as prescribed in Section 12(5)(b). As a result, the client services impact is indeterminate.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	37,000	37,000	0	0
001-2	General Fund	Federal	0	37,000	37,000	0	0
Total \$			0	74,000	74,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages		50,000	50,000		
B-Employee Benefits		16,000	16,000		
C-Professional Service Contracts					
E-Goods and Other Services		3,000	3,000		
G-Travel					
J-Capital Outlays		3,000	3,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		2,000	2,000		
9-					
Total \$	0	74,000	74,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Aging and Long-Term Support Administration (050)		74,000	74,000		
Total \$		74,000	74,000		

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.

New or amended rules will be needed to implement this legislation.