

Multiple Agency Fiscal Note Summary

Bill Number: 6258 SB	Title: Standardized health plans
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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	75,000	.0	0	0	225,000	.0	0	0	200,000
Office of Insurance Commissioner	.0	0	0	0	.0	0	0	12,010	.0	0	0	0
Total \$	0.0	0	0	75,000	0.0	0	0	237,010	0.0	0	0	200,000

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: Preliminary 1/25/2024
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Individual State Agency Fiscal Note

Bill Number: 6258 SB	Title: Standardized health plans	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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
Health Benefit Exchange Account-State 17T-1	0	75,000	75,000	225,000	200,000
Total \$	0	75,000	75,000	225,000	200,000

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: 01/17/2024
Agency Preparation: Janeth Rangel	Phone: 360-725-0000	Date: 01/22/2024
Agency Approval: Cliff Hicks	Phone: 360-725-0875	Date: 01/22/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	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.

See attached documents.

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 documents.

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 documents.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
17T-1	Health Benefit Exchange Account	State	0	75,000	75,000	225,000	200,000
Total \$			0	75,000	75,000	225,000	200,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts		75,000	75,000	225,000	200,000
E-Goods and Other Services					
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	75,000	75,000	225,000	200,000

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
Health Benefit Exchange (300)		75,000	75,000	225,000	200,000
Total \$		75,000	75,000	225,000	200,000

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.

HCA Fiscal Note

Bill Number: **6258 SB**

HCA Request #: 24-069

Title: **Standardized Health Plans**

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: **6258 SB**

HCA Request #: 24-069

Title: **Standardized Health Plans**

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 is directing the Health Benefit Exchange (HBE) to add new plans.

Section 2 is directing HBE to develop at least one standardized gold plan.

No Fiscal impact to the Health Care Authority. Please see HBE's fiscal note assumptions for HBE fiscal impacts.

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.

NONE

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)

HCA Fiscal Note

Bill Number: **6258 SB**

HCA Request #: 24-069

Title: **Standardized Health Plans**

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: 6258 SB

HBE Request #: 24-10-01

Part II: Narrative Explanation

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

This bill phases in the requirement that only standardized health plans may be offered on the health benefit exchange; amending RCW 43.71.095; and adding a new section to chapter 43.71 RCW.

Section 1: Amends current statute (RCW 43.71.095):

(1) Clarifies that, beginning in 2027, the exchange may establish additional standardized plans at other actuarial value levels, including catastrophic and platinum.

(2)(b)(i) Establishes that up until Jan. 1, 2026, a health carrier offering a standardized health plan under this section may also offer up to two non-standardized gold health plans, two non-standardized bronze health plans, one non-standardized silver health plan, one non-standardized, platinum health plan, and one non-standardized catastrophic health plan in each county where the carrier offers a qualified health plan.

(2)(b)(ii) Establishes that beginning January 1, 2026, and until January 1, 2027, a health carrier offering a standardized health plan under this section may also offer up to two non-standardized gold health plans, two non-standardized bronze health plans, one non-standardized platinum health plan, and one non-standardized catastrophic health plan in each county where the carrier offers a qualified health plan.

(2)(b)(iii) Establishes that beginning January 1, 2027, a health carrier offering health plans on the exchange may only offer standardized health plans.

Section 2: Adds a new section to RCW 43.71 which establishes that:

(1) For 2027, the exchange must develop at least one standardized gold plan at the lower range of allowable actuarial value, at least one standardized high deductible health plan that is compatible with a health savings account, and at least one standardized catastrophic health plan. The exchange may also establish additional standardized health plans at other actuarial value levels, including platinum and catastrophic. Also requires that when developing standardized health plans under this section, the existing consultation process must be used and that relevant requirements in RCW 41.71.095 be met.

(2) Beginning January 1, 2027, a health carrier may elect to offer standardized health plans developed under this section only if the health carrier is also offering standardized health plans in full compliance with RCW 43.71.095.30 31

(3) The exchange may designate a standardized health plan developed under this section for purposes of RCW 43.71.095.

(4) The exchange, using the consultation process established in 34 RCW 43.71.095(1), may evaluate and adjust standardized health plans developed under this section to respond to changes in consumers' choice of health plans offered on the exchange and market conditions.

HBE Fiscal Note

Bill Number: 6258 SB

HBE Request #: 24-10-01

II. B - Cash Receipts Impact

Indeterminate. In December 2023, the Health Benefit Exchange submitted a report to the legislature on the impact of offering only standardized plans on the Exchange, [Legislative Reports & Presentations | Washington Health Benefit Exchange \(wahbexchange.org\)](#).



In the report, the Exchange’s actuarial contractor used spring 2023 data to make estimates for plan year 2025. The report included an analysis of the impacts on enrollment and premiums that may result from the elimination of non-standard plans on Washington Healthplanfinder. The report intentionally used conservative estimates for the scenarios reflected in the bill (elimination of non-standard Silver plans and simultaneous elimination off all non-standard plans complimented by the design of additional standard plans). The modeling approach used was described by the actuaries as a “high out-flow scenario” in which the highest estimated number of Exchange customers exit the Exchange.

The actuary’s estimates indicate that eliminating non-standard Silver plans (proposed in the bill for plan year 2026) would have no net impact on premiums or enrollment.

The elimination of all non-standard plans and the simultaneous addition of new standard plans (proposed in the bill for plan year 2027) could result in:

- An average net increase in premiums of up to one percent with dollar amounts representing an increase of up to eight dollars per member per month. This is a result of plan mix changes. In plan year 2023, the Exchange averaged around 220,000 enrollees per month. An increase of up to eight dollars to premiums per member per month would lead to an average revenue increase of up to \$422,400 per year, based on 2023 enrollment. Since the report was submitted, Exchange enrollment has notably increased for 2024 and will change over the next biennia as this bill is implemented.
- A net decrease in enrollment of up to 6,000 Qualified Health Plan Enrollees. This loss of enrollment could result in a net revenue loss of up to \$1,080,000. The report did not include estimates of new potential enrollment due to simplified plan choice or the addition of new standard plans.

II. C - Expenditures

Total Cost: The Exchange estimates a total fiscal impact of \$75,000 in the 2023-25 Biennium with ongoing actuarial funding beginning in the 2025-27 Biennium.

Expenditures		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
17T	Health Benefit Exchange	1	-	75,000	125,000	100,000	100,000
Biennial Total			75,000		225,000		200,000

HBE Fiscal Note

Bill Number: 6258 SB

HBE Request #: 24-10-01

Objects		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
A	Salaries & Wages	-	-	-	-	-	-
B	Employee Benefits	-	-	-	-	-	-
C	Personal Serv Contr	-	75,000	125,000	100,000	100,000	100,000
E	Goods and Services	-	-	-	-	-	-
G	Travel	-	-	-	-	-	-
	Total	-	75,000	125,000	100,000	100,000	100,000

Exchange estimates a fiscal impact of \$150,000 attributable to actuarial work necessary to design the additional standard plans required in Sec 2 (1) for plan year 2027; and \$100,000 attributable to actuarial work each year thereafter for (a) required maintenance and updating of those plans designed under Secs 2(1) and (b) evaluation and adjustment of standard plans designed under sections 1 and 2 in response to consumers' choice of health plans and market conditions, as provided in Sec 2(4).

Objects of Expenditure:	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
A - Salaries And Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B - Employee Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C - Personal Service Contracts	\$ -	\$ 75,000	\$ 125,000	\$ 100,000	\$ 100,000	\$ 100,000
E - Goods And Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G - Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 75,000	\$ 125,000	\$ 100,000	\$ 100,000	\$ 100,000

The Exchange also recognizes the possibility for increased call volumes at the customer support center to address consumer questions, however the impact of this cannot currently be quantified.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 6258 SB	Title: Standardized health plans	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	0.0	0.0	0.1	0.0
Account					
Insurance Commissioners Regulatory Account-State 138-1	0	0	0	12,010	0
Total \$	0	0	0	12,010	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:

- 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: 01/17/2024
Agency Preparation: Jane Beyer	Phone: 360-725-7043	Date: 01/17/2024
Agency Approval: Stacey Warick	Phone: 360-725-7030	Date: 01/17/2024
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.

Section 1(2)(b)(iii) requires only standardized health plans to be sold on the Health Benefit Exchange beginning January 1, 2027.

Section 2 requires the Health Benefit Exchange to develop at least one standardized gold plan at the lower range of actuarial value, at least one standardized high deductible health plan compatible with a health savings account, and at least one standardized catastrophic plan.

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(2)(b)(iii) requires only standardized health plans to be sold on the Health Benefit Exchange beginning January 1, 2027.

Section 2 requires the Health Benefit Exchange to develop at least one standardized gold plan at the lower range of actuarial value, at least one standardized high deductible health plan compatible with a health savings account, and at least one standardized catastrophic plan.

Section 1 and 2 will drive additional written inquiries, calls and complaints to the Office of Insurance Commissioner (OIC) as consumers on non-standardized plans are migrated onto standardized plans by 2027. In 2023, the OIC received 863 complaints and 391 calls related to the Health Benefit Exchange. As a result of potential migration-related confusion, problems, and frustration from enrollees, the OIC anticipates a one-time 5% increase in these complaints and calls, and an additional 25 inquiries in FY2027. 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 147.25 hours (45 info cases x 10 minutes + 43 complaint cases x 3.25 hours) of a Functional Program Analyst 3 in FY2027.

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	0	0	12,010	0
Total \$			0	0	0	12,010	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				0.1	
A-Salaries and Wages				7,062	
B-Employee Benefits				2,546	
C-Professional Service Contracts					
E-Goods and Other Services				2,402	
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	0	0	12,010	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
Functional Program Analyst 3	78,468				0.1	
Total FTEs					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.