

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 6257 SB	<b>Title:</b> Hospital charity/residency
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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 Health	0	0	113,000	0	0	102,000	0	0	102,000
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>113,000</b>	<b>0</b>	<b>0</b>	<b>102,000</b>	<b>0</b>	<b>0</b>	<b>102,000</b>

## 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
Office of Attorney General	Fiscal note not available											
Department of Health	.6	79,000	79,000	192,000	.3	0	0	102,000	.3	0	0	102,000
University of Washington	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.6</b>	<b>79,000</b>	<b>79,000</b>	<b>192,000</b>	<b>0.3</b>	<b>0</b>	<b>0</b>	<b>102,000</b>	<b>0.3</b>	<b>0</b>	<b>0</b>	<b>102,000</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	Fiscal note not available								
Department of Health	.0	0	0	.0	0	0	.0	0	0
University of Washington	.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>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

**Estimated Capital Budget Breakout**

NONE

<b>Prepared by:</b> Breann Boggs, OFM	<b>Phone:</b> (360) 485-5716	<b>Date Published:</b> Preliminary 1/26/2024
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# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 6257 SB	<b>Title:</b> Hospital charity/residency	<b>Agency:</b> 303-Department of Health
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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
Hospital Data Collection Account-State 002-1		113,000	113,000	102,000	102,000
<b>Total \$</b>		113,000	113,000	102,000	102,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	0.6	0.6	0.3	0.3
<b>Account</b>					
General Fund-State 001-1	79,000	0	79,000	0	0
Hospital Data Collection Account-State 002-1	0	113,000	113,000	102,000	102,000
<b>Total \$</b>	79,000	113,000	192,000	102,000	102,000

### 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: Donna Compton	Phone: 360-236-4538	Date: 01/25/2024
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 01/25/2024
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 01/26/2024

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.

Senate Bill 6257 Adds a new section to 70.170 RCW (Health Data and Charity Care) limiting charity care eligibility to Washington state residents and provides context for determining if an individual would be considered a resident. This act takes effect immediately.

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.

The Department of Health (department) collects an assessment against hospitals to support hospital data collection and reporting activities in accordance with RCW 70.170.080 (Assessments-Costs). As of July 1, 2023, the charity care program had a fund balance of \$139,000. The department will increase the assessment within the percentages outlined as needed to support this work in FY 2025. The department will monitor the program fund balance and increase the assessment to ensure enough to cover all program expenditures.

Net change in revenue to the department:  
FY 2025: \$113,000 (002)  
FY 2026 and ongoing: \$51,000 (002)

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.

This act is necessary for the immediate preservation of public peace, health, or safety and takes effect immediately. Due to the immediate need, the department is requesting general fund state (GF-S) for expenditures in FY 2024 until the assessment can be increased in FY 2025.

Rulemaking  
Section 2: The department will develop and adopt rules to operationalize the eligibility requirements listed in this section. 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. Based on the departments experience with charity care rulemaking, the department anticipates rulemaking to be complex. Complex rulemaking will require a rules project coordinator to support subject matter experts and ensure timely completion of rulemaking. This rule package is extended to identify specific groups who have previously had access barrier to engagement with the department as well as giving the department the ability to expand community engagement and conduct additional workshops and listening sessions. This process will include six meetings with interested parties as well as one formal rules hearing, all held virtually, and will take approximately 18 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 \$15,000 .

FY 2024 costs will be 0.2 FTE and \$29,000 (GF-S)  
FY 2025 costs will be 0.3 FTE and \$62,000 (002)

## Charity Care Program

Section 2: The department anticipates increased technical assistance to hospital staff and the public to interpret resident eligibility. Charity care policies will be updated to reflect new eligibility requirements and hospitals must submit those updated documents to the department for review and approval. Costs include staff, associated expenses (including goods and services, intra-agency, and indirect charges).

FY 2024 costs will be 0.3 FTE and \$50,000 (GF-S)

FY 2025 and ongoing, costs will be 0.3 FTE and \$51,000 (002)

Total Costs to Implement this Bill:

FY 2024 costs will be 0.5 FTE and \$79,000 (GF-S)

FY 2025 costs will be 0.6 FTE and \$113,000 (002)

FY 2026 and ongoing, costs will be 0.3 FTE and \$51,000 (002)

## 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	79,000	0	79,000	0	0
002-1	Hospital Data Collection Account	State	0	113,000	113,000	102,000	102,000
Total \$			79,000	113,000	192,000	102,000	102,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	0.6	0.6	0.3	0.3
A-Salaries and Wages	39,000	54,000	93,000	54,000	54,000
B-Employee Benefits	14,000	20,000	34,000	20,000	20,000
C-Professional Service Contracts		1,000	1,000		
E-Goods and Other Services	21,000	32,000	53,000	22,000	22,000
J-Capital Outlays	1,000		1,000		
T-Intra-Agency Reimbursements	4,000	6,000	10,000	6,000	6,000
9-					
Total \$	79,000	113,000	192,000	102,000	102,000

### 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	0.4	0.5	0.5	0.3	0.3
MANAGEMENT ANALYST 4	86,208	0.1	0.1	0.1		
Total FTEs		0.5	0.6	0.6	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.*

Section 2: The department will adopt rules in chapter 246-453 WAC (Hospital Charity Care) as necessary to implement the bill.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6257 SB	<b>Title:</b> Hospital charity/residency	<b>Agency:</b> 360-University of Washington
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## Part I: Estimates

☐

No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.
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### 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: 01/17/2024
Agency Preparation: Michael Lantz	Phone: 2065437466	Date: 01/22/2024
Agency Approval: Jed Bradley	Phone: 2066164684	Date: 01/22/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	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.

Senate Bill 6257 clarifies Washington state residency definitions for purposes of eligibility for hospital charity care. Section 1 provides the intent and history of the interpretation of the definition of resident for purposes of charity care. Section 2 provides a clarified definition of resident for the purposes of eligibility for charity care. Section 3 provides an emergency clause, where this bill would take effect immediately

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.

By providing a definition of “resident” for the purpose of determining eligibility for hospital charity care, UW Medicine assumes SB 6257 would have an indeterminate, but likely positive, impact on cash receipts.

As noted in Section 1, the Department of Health (DOH) recently reversed a decades long policy of approving hospital charity care policies that restricted charity care eligibility to residents of Washington regardless of immigration status, for nonemergency care. Out-of-state residents receiving emergency care remained eligible. The intent of this policy was to ensure Washington hospitals had sufficient resources to care for Washingtonians, given the significant capacity constraints on the state’s hospital systems.

The reversal of the DOH policy requires hospitals to remove residency restrictions on nonemergency care by January 2024. As this change is just beginning to take effect, it is not possible to determine what the fiscal impacts will be. However, it is assumed that there will be an increase in out-of-state patients seeking charity care for nonemergency health care in Washington.

UW Medicine provides a disproportionately high percentage of charity care for the state. Therefore, any increase in out-of-state patients caused by the new DOH rule could lead to a considerable increase in expenditures for UW Medicine.

Additionally, UW Medical Center, Harborview Medical Center, and Valley Medical Center consistently run at or over capacity. An increase in out-of-state individuals seeking charity care could have additional system-wide impacts across UW Medicine by further increasing capacity constraints. Staff time would be needed to process additional charity care applications, provide financial counseling services, and coordinate care and support services (medications, transportation, lodging, etc.) for out-of-state patients, in addition to monitoring annually for ongoing eligibility for charity care services.

Overall, UW Medicine anticipates SB 6257 will have an indeterminate, but positive, impact on cash receipts by returning charity care eligibility requirements state-wide to the pre-January 2024 status. UW Medicine activity is largely captured in state Fund 505, which is budgeted but non-appropriated.

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.

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.*

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

<b>Bill Number:</b> 6257 SB	<b>Title:</b> Hospital charity/residency
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**Part I: Jurisdiction**—Location, type or status of political subdivision defines range of fiscal impacts.

## Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☒ Special Districts: Decrease in public hospital expenditures if charity care is limited to Washington State residents
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

## Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: Decrease in public hospital expenditures if charity care is limited to Washington State residents

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

## Part III: Preparation and Approval

Fiscal Note Analyst: Brandon Rountree	Phone: (360) 999-7103	Date: 01/25/2024
Leg. Committee Contact: Greg Attanasio	Phone: 360-786-7410	Date: 01/17/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/25/2024
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 01/26/2024

## Part IV: Analysis

### A. SUMMARY OF BILL

*Description of the bill with an emphasis on how it impacts local government.*

Summary: Limits hospital charity care to Washington State residents and qualified non-residents.

Sections that impact public hospital districts:

Sec. 1 (New Section):

(6) Legislature declares that the purpose of charity care is to provide a standardized approach in law addressing affordable medical care to low-income Washingtonians and those from outside the state in need of emergency care.

Sec. 2 (Adds new section to RCW 70.170):

(1) Establishes that charity care is limited to Washington State residents.

(2) Outlines requirements for being considered a resident

(3) A person does not need to live in the state for a specific period of time prior to meeting the requirements in subsection (2) of this section before being considered a resident.

(4) Outlines when a child under the age of 18 who is not covered by subsection (2) of this section is considered a resident.

(5) Outlines what is required for a resident who leaves the state for over a month in order to not lose their residency.

(6) Establishes that a person who enters Washington State for health care is not considered a resident and ineligible for charity care.

(7) Establishes that a person receiving emergency care under 42 U.S.C. Sec. 211395dd, or that patient's guarantor, will be considered a resident for the purpose of receiving charity care.

(8) Establishes that a person of any age who receives a state supplemental payment is considered a resident of the state that is making the payment.

(9) Outlines when a person who receives federal payments for foster or adoption assistance is considered a resident of the state where the person physically resides.

(10) Establishes that immigration status cannot be taken into account when determining an indigent person's residency.

### B. SUMMARY OF EXPENDITURE IMPACTS

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

This legislation would have an indeterminate expenditure impact on public hospital districts.

This bill is indeterminate because there is no available data on how much hospitals have historically provided hospital charity care to qualified non-residents. Without data on the historical demand for hospital charity care for non-residents, it is not possible to project the decrease in public hospital expenditures if charity care is limited to Washington State residents.

### C. SUMMARY OF REVENUE IMPACTS

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

This bill would not impact public hospital districts revenue.

SOURCES:

Washington State Department of Health (DOH)