

Multiple Agency Fiscal Note Summary

Bill Number: 6228 SB	Title: Substance use treatment
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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
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Health	0	0	(743,000)	0	0	(1,521,000)	0	0	(1,655,000)
Total \$	0	0	(743,000)	0	0	(1,521,000)	0	0	(1,655,000)

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	.1	62,000	62,000	1,770,000	.3	124,000	124,000	6,958,000	.3	124,000	124,000	6,958,000
Office of Insurance Commissioner	.1	0	0	20,141	.1	0	0	24,020	.1	0	0	24,020
Department of Health	.2	0	0	67,000	.2	0	0	46,000	.1	0	0	30,000
Total \$	0.4	62,000	62,000	1,857,141	0.6	124,000	124,000	7,028,020	0.5	124,000	124,000	7,012,020

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
Department of Health	.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: Arnel Blancas, OFM	Phone: (360) 000-0000	Date Published: Final 2/ 2/2024
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Individual State Agency Fiscal Note

Bill Number: 6228 SB	Title: Substance use treatment	Agency: 107-Washington State Health Care Authority
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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.

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.3	0.1	0.3	0.3
Account					
General Fund-State 001-1	0	62,000	62,000	124,000	124,000
School Employees' Insurance Account-Non-Appropriated 493-6	0	965,000	965,000	3,864,000	3,864,000
Public Employees' and Retirees Insurance Account-Non-Appropriated 721-6	0	743,000	743,000	2,970,000	2,970,000
Total \$	0	1,770,000	1,770,000	6,958,000	6,958,000

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: Kevin Black	Phone: (360) 786-7747	Date: 01/15/2024
Agency Preparation: Samuel Quartey	Phone: 360-725-0000	Date: 02/02/2024
Agency Approval: Catrina Lucero	Phone: 360-725-7192	Date: 02/02/2024
OFM Review: Arnel Blancas	Phone: (360) 000-0000	Date: 02/02/2024

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

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

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

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	62,000	62,000	124,000	124,000
493-6	School Employees' Insurance Account	Non-Appropriated	0	965,000	965,000	3,864,000	3,864,000
721-6	Public Employees' and Retirees Insurance Account	Non-Appropriated	0	743,000	743,000	2,970,000	2,970,000
Total \$			0	1,770,000	1,770,000	6,958,000	6,958,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.3	0.1	0.3	0.3
A-Salaries and Wages		31,000	31,000	62,000	62,000
B-Employee Benefits		10,000	10,000	20,000	20,000
C-Professional Service Contracts					
E-Goods and Other Services		10,000	10,000	20,000	20,000
G-Travel		2,000	2,000	4,000	4,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		1,708,000	1,708,000	6,834,000	6,834,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		9,000	9,000	18,000	18,000
9-					
Total \$	0	1,770,000	1,770,000	6,958,000	6,958,000

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
WMS2	123,000		0.3	0.1	0.3	0.3
Total FTEs			0.3	0.1	0.3	0.3

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Public Employees Benefit Board (040)		743,000	743,000	2,970,000	2,970,000
School Employees Benefit Board (140)		965,000	965,000	3,864,000	3,864,000
Community Behavioral Health (150)		62,000	62,000	124,000	124,000
Total \$		1,770,000	1,770,000	6,958,000	6,958,000

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: SB 6228

HCA Request #: 24-059

Title: **Substance Use Treatment**

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

Non-zero but indeterminate cost 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.

Part II: Narrative Explanation

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

HCA Fiscal Note

Bill Number: SB 6228

HCA Request #: 24-059

Title: **Substance Use Treatment**

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. New section added to chapter 71.24 establishing the most recent American Society of Addiction Medicine (ASAM) guidelines as the standard criteria for medical necessity of substance use disorder treatment and levels of care, and to prohibit the denial of services for substance use disorder treatment to individuals who meet ASAM criteria based on date of last substance use.

Section 2. Amends RCW 71.24.618 and 2020 c 345 s 4 to require Managed Care Organizations (MCOs) to create a minimum authorization period for initial substance use disorder (SUD) treatment of 29 days without requiring behavioral health agency (BHA) to re-document need for care during that period and to base medical necessity initial and continuing care reviews on the most recent ASAM criteria. The final provisions indicate that the BHA may not be required to document the need for continuing care for inpatient SUD treatment until the end of the 29-day initial authorization period.

Section 3 adds a new section to RCW 48.43 (Health Insurance reform) requiring health plans issued on or after January 1, 2025, to provide coverage for:

- Ground ambulance transports to behavioral health emergency services providers for enrollees who are experiencing an emergency medical condition as defined under RCW 48.43.005 (Health plan reform – definitions);
- The health plan cannot require prior authorization of ground ambulance services if a layperson acting reasonably would have believed that an emergency condition existed; and,
- Upon discharge, should a reasonable layperson believe that coverage for the transportation from the behavioral health emergency services provider to the members next level of care is necessary to protect the member from a relapse or discontinuity of care would jeopardize the health or safety of the member, to include but not limited to:
 - o Ground ambulance transportation
 - o Escorted transportation in a private vehicle, or
 - o Use of a taxi service

Section 3(2) stipulates that coverage of ground ambulance transportation to and from behavioral health emergency services may be subject to applicable in-network copayments, coinsurance and deductibles as provided in RCW 48.49 (Balance Billing Protection Act).

Section 4 amends RCW 41.05.017 (Provisions applicable to health plans under this chapter) to apply all the provisions of section 3 to all applicable plans covered by this chapter.

Section 5. A new section added to chapter 71.24 to require MCOs to provide coverage for ambulance transport to behavioral health emergency services in case of emergency medical condition, and coverage for ambulance transport on discharge from behavioral health emergency services to the next level of care.

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.

HCA Fiscal Note

Bill Number: SB 6228

HCA Request #: 24-059

Title: **Substance Use Treatment**

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.

A. Medicaid costs:

HCA will require 0.25 full-time equivalent (FTE) staff and \$1,770,000 in fiscal year (FY) 2025, and then 0.25 FTE and \$3,479,000 each year thereafter.

Clinical Care and Quality Transformation (CQCT)

CQCT will require ongoing funding of \$62,000 in General Fund-State and a 0.25 FTE to develop and manage a data field, figure out how the data will be ingested, managed, and analyzed starting in FY 2025 and each year thereafter. Goods and services, travel, and equipment are calculated on actual program averages per FTE. Administrative costs are calculated at \$35,000 per 1.0 FTE. This cost is included in Object T based on HCA's federally approved cost allocation plan.

Indeterminate Costs:

The transportation coverage envisioned in section 5 is already covered under Medicaid today. However, what is different is that today, transportation is carved out of Managed Care (MC) and paid fee-for-service (FFS). Section 5 appears to require HCA to change that and now have the managed care organizations cover it. There could be some cost impacts to moving from FFS to MC but those costs are indeterminate.

Increase to 29 days estimate:

The increase in individuals who will have a length of stay to 29 days due to the proposed legislation is unknown. HCA estimates anywhere between a **25 to 33 percent** increase in utilization. The following estimates include Medicaid services and non-Medicaid room and board costs as follows:

- 25% - The estimated cost per year using the average number of monthly beds assuming a **25 percent increase** is \$49,256,000. This includes \$2,138,000 for room and board.
- 33% - The estimated cost per year using the average number of monthly beds assuming a **33 percent increase** is \$65,018,000. This includes \$2,822,000 for room and board.

B. Employee and Retiree Benefits

HCA Fiscal Note

Bill Number: SB 6228

HCA Request #: 24-059

Title: **Substance Use Treatment**

Public Employees Benefits Board (PEBB)

PEBB will require \$743,000 of for FY 2025 (and \$1,485,000 each year thereafter)

Employees Benefits Benefits Board (SEBB)

SEBB will require \$965,000 for FY 2025 (and \$1,932,000 each year thereafter)

Self-insured impacts and State Costs

This bill sets requirements on health plans for coverage of transportation to and from behavioral health emergency and non-emergency service providers. Coverage for transportation can include, but is not limited to, ground ambulance transportation, travel by private vehicle and travel by taxi service. The Uniform Medical Plan (UMP), the state’s self-insured health plan, governed by RCW 41.05 (State health care authority) and administered by Regence, currently covers ground ambulance transportation to and from behavioral health service providers. However, additional alternative forms of transportation, such as private transportation and taxi services, are not covered benefits. It is difficult to assess how the addition of these transportation options will impact utilization and any potential increases to claims liability. However, given available data HCA assumes a potential annual claims impact of approximately \$2 million for the PEBB and SEBB programs.

Under the collective bargaining agreements, the Employer Medical Contribution (EMC), representing the state’s contribution toward employee benefits, is benchmarked UMP Classic and UMP Achieve 2; therefore, any assumed increases in plan liability could increase the EMC and result in an increase to state costs. Given the estimated impact of this legislation on UMP claims liability, the assumed annual state expenditure increase is presented below:

	PEBB non-Medicare	SEBB Active	Total
	Assumed Annual Expenditure Increase	Assumed Annual Expenditure Increase	Total Assumed Annual Expenditure Increase
FY2025*	\$743,000	\$965,000	\$1,708,000
FY2026	\$1,485,000	\$1,932,000	\$3,417,000
FY2027	\$1,485,000	\$1,932,000	\$3,417,000
FY2028	\$1,485,000	\$1,932,000	\$3,417,000
FY2029	\$1,485,000	\$1,932,000	\$3,417,000

**FY2025 only includes 6 months of expenditure impact (January - June 2025)*

HCA estimates that the increase in annual claims liability is approximately \$1,310,000 for PEBB and \$690,000 for SEBB. These amounts are sufficient to impact the EMC by \$0.63 in PEBB and \$0.74 in SEBB and amount to approximately \$1.00 in funding rate impacts for each program.

HCA Fiscal Note

Bill Number: SB 6228

HCA Request #: 24-059

Title: **Substance Use Treatment**

	PEBB non-Medicare	SEBB Active
Estimated increase in UMP paid Claims	\$1,310,000	\$690,000
Assumed % Increase to UMP Bid Rate	0.09%	0.11%
Assumed increase to EMC (PAUPM)	\$0.63	\$0.74
Total Estimated Annual Calendar Year Expenditure Impact	\$1,485,000	\$1,932,000
Funding Rate Conversion (\$1)	\$1,580,000	\$1,750,000
Assumed Incremental Funding Rate Impact	\$0.90	\$1.10

Fully insured impacts and member premiums

Fully insured carriers do not have an estimated increase in plan liability resulting from this legislation. Therefore, at this time there are no assumed impacts to member premiums for members enrolled in a fully insured PEBB or SEBB plan offering.

Part III: Expenditure Detail

III. A - Operating Budget Expenditure

ACCOUNT	ACCOUNT TITLE	TYPE	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
001-1	General Fund	State	-	62,000	62,000	62,000	62,000	62,000	62,000	124,000	124,000
493-6	School Employees' Ins. Acct	Non Appr	-	965,000	1,932,000	1,932,000	1,932,000	1,932,000	965,000	3,864,000	3,864,000
721-6	Public Employees/Retirees Insurance	Non Appr	-	743,000	1,485,000	1,485,000	1,485,000	1,485,000	743,000	2,970,000	2,970,000
ACCOUNT - TOTAL \$			\$ -	\$ 1,770,000	\$ 3,479,000	\$ 3,479,000	\$ 3,479,000	\$ 3,479,000	\$ 1,770,000	\$ 6,958,000	\$ 6,958,000

III. B - Expenditures by Object Or Purpose

OBJECT	OBJECT TITLE	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
A	Salaries and Wages	-	31,000	31,000	31,000	31,000	31,000	31,000	62,000	62,000
B	Employee Benefits	-	10,000	10,000	10,000	10,000	10,000	10,000	20,000	20,000
E	Goods and Other Services	-	10,000	10,000	10,000	10,000	10,000	10,000	20,000	20,000
G	Travel	-	2,000	2,000	2,000	2,000	2,000	2,000	4,000	4,000
N	Grants, Benefits & Client Services	-	1,708,000	3,417,000	3,417,000	3,417,000	3,417,000	1,708,000	6,834,000	6,834,000
T	Intra-Agency Reimbursements	-	9,000	9,000	9,000	9,000	9,000	9,000	18,000	18,000
OBJECT - TOTAL \$		\$ -	\$ 1,770,000	\$ 3,479,000	\$ 3,479,000	\$ 3,479,000	\$ 3,479,000	\$ 1,770,000	\$ 6,958,000	\$ 6,958,000

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

FTE JOB TITLE	SALARY	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
WMS BAND 02	123,000	0.0	0.3	0.3	0.3	0.3	0.3	0.1	0.3	0.3
ANNUAL SALARY & FTE - TOTAL		\$ 123,000	0.0	0.3	0.3	0.3	0.3	0.1	0.3	0.3

III. D - Expenditures By Program (optional)

PROGRAM	PROGRAM TITLE	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
040	040 - Public Employees Benefit Board	-	743,000	1,485,000	1,485,000	1,485,000	1,485,000	743,000	2,970,000	2,970,000
140	140 - School Employees Benefit Board	-	965,000	1,932,000	1,932,000	1,932,000	1,932,000	965,000	3,864,000	3,864,000
150	150 - Community Behavioral Health	-	62,000	62,000	62,000	62,000	62,000	62,000	124,000	124,000
PROGRAM - TOTAL \$		\$ -	\$ 1,770,000	\$ 3,479,000	\$ 3,479,000	\$ 3,479,000	\$ 3,479,000	\$ 1,770,000	\$ 6,958,000	\$ 6,958,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

HCA Fiscal Note

Bill Number: SB 6228

HCA Request #: 24-059

Title: **Substance Use Treatment**

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

Individual State Agency Fiscal Note

Bill Number: 6228 SB	Title: Substance use treatment	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	0.2	0.1	0.1	0.1
Account					
Insurance Commissioners Regulatory Account-State 138-1	0	20,141	20,141	24,020	24,020
Total \$	0	20,141	20,141	24,020	24,020

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: Kevin Black	Phone: (360) 786-7747	Date: 01/15/2024
Agency Preparation: Delika Steele	Phone: 360-725-7260	Date: 01/18/2024
Agency Approval: Bryon Welch	Phone: 360-725-7037	Date: 01/18/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	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.

Section 3 requires health carriers, for health plans issued or renewed on or after January 1, 2025, to provide:

- a) Coverage for ground ambulance transports to behavioral health emergency service providers for enrollees who are experiencing an emergency medical condition as defined in RCW 48.43.005. A health carrier is prohibited from requiring prior authorization of ground ambulance services if a prudent layperson acting reasonably would have believed that an emergency medical condition existed.
- b) Coverage for transportation from the behavioral health emergency services provider upon discharge to the enrollee's next level of care when a prudent layperson acting reasonably would believe that such transportation is necessary to protect the enrollee from a relapse or other discontinuity in care that would jeopardize the health and safety of the enrollee.

Section 5 adds a new section to chapter 71.24 RCW requiring managed care organizations, beginning January 1, 2025, to provide:

- a) Coverage for ground ambulance transports to behavioral health emergency service providers for enrollees who are experiencing an emergency medical condition as defined in RCW 48.43.005. A health carrier is prohibited from requiring prior authorization of ground ambulance services if a prudent layperson acting reasonably would have believed that an emergency medical condition existed.
- b) Coverage for transportation from the behavioral health emergency services provider upon discharge to the enrollee's next level of care when a prudent layperson acting reasonably would believe that such transportation is necessary to protect the enrollee from a relapse or other discontinuity in care that would jeopardize the health and safety of the enrollee.

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 3 requires health carriers, for health plans issued or renewed on or after January 1, 2025, to provide:

- a) Coverage for ground ambulance transports to behavioral health emergency service providers for enrollees who are experiencing an emergency medical condition as defined in RCW 48.43.005. A health carrier is prohibited from requiring prior authorization of ground ambulance services if a prudent layperson acting reasonably would have believed that an emergency medical condition existed.
- b) Coverage for transportation from the behavioral health emergency services provider upon discharge to the enrollee's next level of care when a prudent layperson acting reasonably would believe that such transportation is necessary to protect the enrollee from a relapse or other discontinuity in care that would jeopardize the health and safety of the enrollee.

Section 5 adds a new section to chapter 71.24 RCW requiring managed care organizations, beginning January 1, 2025, to provide:

- a) Coverage for ground ambulance transports to behavioral health emergency service providers for enrollees who are experiencing an emergency medical condition as defined in RCW 48.43.005. A health carrier is prohibited from requiring prior authorization of ground ambulance services if a prudent layperson acting reasonably would have believed that an emergency medical condition existed.
- b) Coverage for transportation from the behavioral health emergency services provider upon discharge to the enrollee's next level of care when a prudent layperson acting reasonably would believe that such transportation is necessary to protect the enrollee from a relapse or other discontinuity in care that would jeopardize the health and safety of the enrollee.

Section 3 requires carriers to cover ambulance and transportation costs, without prior authorization, for transport to and from behavioral health emergency services providers and will generate additional consumer inquiries, calls, and complaints. In 2023, the Office of Insurance Commissioner (OIC) received 182 complaints and 29 inquiries involving behavioral health and substance use disorders. As a result of this bill, consumer complaints related to behavioral health and substance use disorders are expected to increase by 10% and consumer contacts are expected to increase by 120 phone calls and 6 inquiries each year. Informational cases generally take 10 minutes per case and complaint cases generally take between one and 3.25 hours per case. For purposes of this fiscal note, it is assumed that informational cases will take 10 minutes per case and complaint cases will take 3.25 hours per case requiring 79.5 hours (126 info cases x 10 minutes + 18 complaint cases x 3.25 hours) of a Functional Program Analyst 3 each year beginning in FY2025.

Sections 3 and 5 will require updates to all provider contracts between health carriers and ground ambulance services to provide transport to and from behavioral health emergency services providers; and will also require additional review of the health plan form filings to ensure plans have updated the changes to coverage of ground ambulance and transportation costs to and from behavioral health emergency services providers without prior authorization. The OIC will require one-time costs, in FY2025, of 23 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 100 ambulance provider contract filings each year and assumes an additional 30 minutes of review per provider contract filing requiring 50 hours (100 provider contracts filings x 30 minutes) of a Functional Program Analyst 3 (FPA3) each year beginning in FY2025. The OIC receives approximately 502 health plan form filings each year and assumes the new review standards will result in an additional 15 minutes of review per form filing in FY2025 and an additional 5 minutes of review per form filing in FY2026 and thereafter requiring 125.5 hours (502 form filings x 15 minutes) in FY2025 and 42 hours (502 form filings x 5 minutes) in FY2026 and thereafter of a Functional Program Analyst 3.

Ongoing Costs:

Salary, benefits and associated costs for .09 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	20,141	20,141	24,020	24,020
Total \$			0	20,141	20,141	24,020	24,020

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.2	0.1	0.1	0.1
A-Salaries and Wages		11,853	11,853	14,124	14,124
B-Employee Benefits		4,260	4,260	5,092	5,092
C-Professional Service Contracts					
E-Goods and Other Services		4,028	4,028	4,804	4,804
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	20,141	20,141	24,020	24,020

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	0.1	0.1	0.1
Functional Program Analyst 4	86,712		0.0	0.0		
Total FTEs			0.2	0.1	0.1	0.1

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: 6228 SB	Title: Substance use treatment	Agency: 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
Health Professions Account-State 02G-1		(743,000)	(743,000)	(1,521,000)	(1,655,000)
Total \$		(743,000)	(743,000)	(1,521,000)	(1,655,000)

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.3	0.2	0.2	0.1
Account					
Health Professions Account-State 02G-1	0	67,000	67,000	46,000	30,000
Total \$	0	67,000	67,000	46,000	30,000

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: Kevin Black	Phone: (360) 786-7747	Date: 01/15/2024
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: 01/25/2024

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.

This bill removes renewal limits and sets a fee cap for the substance use disorder professional program between July 1, 2024, and July 1, 2029.

Section 7: Amends RCW 18.205.095 (Certification requirements—Trainees) to allow substance use disorder professional trainees to work outside a state regulated agency and removed the four-renewal limit on certification.

Section 8: Amends RCW 18.225.145 (Associate licensing—Requirements) to remove the renewal limit on mental health counselor associates, marriage and family therapist associates, social worker associate advanced, and social worker associate independent.

Section 9: Amends RCW 43.70.250 (License fees for professions, occupations, and businesses) to reduce the fee for substance use disorder professionals and substance use disorder professional trainees to no more than \$100 between July 1, 2024, and July 1, 2029.

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 each professional, occupational, or business licensing program be fully self-supporting, and that sufficient revenue collected through fees to fund expenditures. The department will monitor the fund balance and will adjust fees over a six (6) year period to ensure that fees are sufficient to cover all program expenditures.

Section 7: The department will remove the renewal limit for substance use disorder professional trainees.

Based on the number of trainee credentials that expired between FY 2020 and FY2023 as a result of the renewal limit, the department anticipates seeing an additional 73 Substance Use Disorder Professional Trainees (\$90) renewing their trainee license in FY2026 and each year thereafter.

FY 2026: \$7,000

FY 2027: \$7,000

FY 2028: \$7,000

FY 2029: \$7,000

Section 8: The department will remove the renewal limit on mental health counselor associates, marriage and family therapist associates, social worker associate advanced, and social worker associate independent.

Based on the number of associate credentials that expired between FY 2020 and FY2023 as a result of the renewal limit, the department anticipates seeing an additional 14 Marriage Family Therapist Associates (\$50), 41 Mental Health Counselor Associates (\$25), and 55 Social Worker Associates (\$25) renewing their associates license in FY2026 and each year thereafter.

FY 2026: \$3,000

FY 2027: \$3,000
FY 2028: \$3,000
FY 2029: \$3,000

Section 9: The department estimates that capping the fee for a SUDP credential at \$100 will cause the regulatory program fund balance to decline from -\$400,000 to roughly -\$2,554,000 by the end of FY2029.

Based on the revenue received from SUDP's and SUDPT's in FY 2023, the growth rate of 2.8% and the renewal rate of 94%, and the reduced fee, the department assumes the following loss of revenue:

FY 2025: (\$743,000) (263 Applications & 3,122 Renewals)
FY 2026: (\$761,000) (268 Applications & 3,201 Renewals)
FY 2027: (\$780,000) (274 Applications & 3,281 Renewals)
FY 2028: (\$823,000) (332 Applications & 3,411 Renewals)
FY 2029: (\$852,000) (339 Applications & 3,541 Renewals)

Total Net Revenue
FY 2025: (\$743,000)
FY 2026: (\$751,000)
FY 2027: (\$770,000)
FY 2028: (\$813,000)
FY 2029: (\$842,000)

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

Section 7-9: The department will develop and adopt rules to allow substance use disorder professional trainees to work outside state regulated agencies, remove the renewal cap for substance use disorder professional trainees and behavioral health associates, and reduce fees for substance use disorder professionals. 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

Office of Investigative and Legal Services

Section 13: Based on the department's experience with substance use disorder professional trainees, the department is estimating 6 complaints per year or 8.66% of 73 licensees.

The complaint response process includes five steps: 1) intake, 2) assessment, 3) investigation, 4) case disposition, and 5)

adjudication. Staff review the complaint, identify the history of the person complained about, and help assess whether an investigation is needed. In more than half the cases, investigation is needed. The investigator obtains information about the complaint and the respondent and prepares a report detailing the findings. After investigation, the disciplining authority decides whether to pursue legal action. Staff attorneys, paralegals, and other staff work to develop the legal documents and charge the violation. Most cases are settled, and the staff attorney manages that process. If the respondent asks for a hearing, staff must schedule the hearing, and the health law judge considers all legal motions, presides over the hearing, and drafts the final order.

Assuming the above, cost estimates for the complaint response process associated with this bill were calculated using the department’s Disciplinary Workload Staffing Model.

FY 2026 costs will be 0.1 FTE and \$15,000
 FY 2027 and ongoing costs will be 0.1 FTE and \$10,000

Office of Innovation and Technology

Section 9: Configuration in department’s Healthcare Enforcement and Licensing Modernization System will require 58 hours from the integration vendor at a rate of \$270 per hour. Work will include the initial vendor configuration and agency staff time for ongoing maintenance of reports, user defined fields, and workflows.

FY2025 costs will be 0.1 FTE and \$38,000
 FY2026 costs will be 0.1 FTE and \$16,000
 FY2027 and ongoing costs will be \$5,000

TOTAL COST TO IMPLEMENT THIS BILL:

FY2025 costs will be 0.3 FTE and \$67,000
 FY2026 costs will be 0.2 FTE and \$31,000
 FY2027 and ongoing costs will be 0.1 FTE and \$15,000

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
02G-1	Health Professions Account	State	0	67,000	67,000	46,000	30,000
Total \$			0	67,000	67,000	46,000	30,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29	
FTE Staff Years		0.3	0.2	0.2	0.1	
A-Salaries and Wages		25,000	25,000	22,000	16,000	
B-Employee Benefits		9,000	9,000	8,000	6,000	
C-Professional Service Contracts		17,000	17,000			
E-Goods and Other Services		14,000	14,000	13,000	6,000	
T-Intra-Agency Reimbursements		2,000	2,000	3,000	2,000	
9-						
Total \$		0	67,000	67,000	46,000	30,000

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		0.1	0.1	0.1	0.1
IT BUSINESS ANALYST - JOURNALIST	104,028		0.1	0.1	0.1	
MANAGEMENT ANALYST 4	86,208		0.1	0.1		
Total FTEs			0.3	0.2	0.2	0.1

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 7-9: The department will adopt rules in chapter 246-809 WAC (Licensure for Mental Health Counselors, Marriage and Family Therapists, and Social Workers) and chapter 246-811 WAC (Substance use Disorder Professional and Substance use Disorder Professional Trainees) as necessary to implement this bill.