

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2128 S HB	<b>Title:</b> Certificate of need program
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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
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Financial Management	Fiscal note not available											
Washington State Health Care Authority	Fiscal note not available											
Office of Insurance Commissioner	.0	0	0	3,774	.0	0	0	1,886	.0	0	0	0
Department of Social and Health Services	Fiscal note not available											
Department of Health	.1	29,000	29,000	29,000	.1	10,000	10,000	10,000	.0	0	0	0
<b>Total \$</b>	<b>0.1</b>	<b>29,000</b>	<b>29,000</b>	<b>32,774</b>	<b>0.1</b>	<b>10,000</b>	<b>10,000</b>	<b>11,886</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	Fiscal note not available								
Washington State Health Care Authority	Fiscal note not available								
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	Fiscal note not available								
Department of Health	.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>

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Val Terre, OFM	<b>Phone:</b> (360) 280-3973	<b>Date Published:</b> Preliminary 2/ 2/2024
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2128 S HB	<b>Title:</b> Certificate of need program	<b>Agency:</b> 075-Office of the Governor
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kim Weidenaar	Phone: 360-786-7120	Date: 01/30/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 02/01/2024
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/01/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/01/2024

## 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 of Substitute House Bill 2128 establishes the Certificate of Need Modernization Committee. Certain individuals for this committee are to be appointed by the governor, including one representative from the Governor's Office. The Governor's Office believes appointing these positions and participating in this committee will have a minimal, if any, fiscal impact.

### 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.*

## 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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2128 S HB	<b>Title:</b> Certificate of need program	<b>Agency:</b> 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	0.0	0.0
<b>Account</b>					
Insurance Commissioners Regulatory Account-State 138-1	0	3,774	3,774	1,886	0
<b>Total \$</b>	0	3,774	3,774	1,886	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: Kim Weidenaar	Phone: 360-786-7120	Date: 01/30/2024
Agency Preparation: Jane Beyer	Phone: 360-725-7043	Date: 02/01/2024
Agency Approval: Bryon Welch	Phone: 360-725-7037	Date: 02/01/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	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.*

Section 1 establishes a certificate of need modernization advisory committee, of which the Commissioner or their designee is a member. The advisory committee will be staffed by the Office of Financial Management and a contractor chosen by OFM. Advisory committee members include affected state agencies, entities subject to certificate of need regulation, consumers and health care purchasers. Meetings must occur every 2 months, with a preliminary report due to the legislature by December 15, 2024, and a final report due by October 15, 2025.

### 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 establishes a certificate of need modernization advisory committee, of which the Commissioner or their designee is a member. The advisory committee will be staffed by the Office of Financial Management and a contractor chosen by OFM. Advisory committee members include affected state agencies, entities subject to certificate of need regulation, consumers and health care purchasers. Meetings must occur every 2 months, with a preliminary report due to the legislature by December 15, 2024, and a final report due by October 15, 2025.

Participating on the advisory committee will require the Office of Insurance Commissioner (OIC) to spend time researching, collecting and analyzing data, and preparing for and attending advisory committee meetings. The OIC anticipates attending 6 meetings in FY2025 and 2 meetings in FY2026 with each meeting requiring 6 hours for preparation, attendance, and follow up. The OIC will require the equivalent of 36 hours (6 meetings x 6 hours) in FY2025 and 12 hours (2 meetings x 6 hours) in FY2026 of a Senior Policy Analyst, to prepare for and attend the advisory committee meetings, conduct research and analysis, collect data, and review drafts of the report.

## 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	3,774	3,774	1,886	0
<b>Total \$</b>			0	3,774	3,774	1,886	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.0	0.0	0.0	
A-Salaries and Wages		2,323	2,323	1,161	
B-Employee Benefits		696	696	348	
C-Professional Service Contracts					
E-Goods and Other Services		755	755	377	
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-					
<b>Total \$</b>	0	3,774	3,774	1,886	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
Senior Policy Analyst	116,148		0.0	0.0	0.0	
<b>Total FTEs</b>			0.0	0.0	0.0	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.*



# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2128 S HB	<b>Title:</b> Certificate of need program	<b>Agency:</b> 303-Department of Health
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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	0.1	0.1	0.1	0.0
<b>Account</b>					
General Fund-State      001-1	0	29,000	29,000	10,000	0
<b>Total \$</b>	0	29,000	29,000	10,000	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: Kim Weidenaar	Phone: 360-786-7120	Date: 01/30/2024
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 02/02/2024
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 02/02/2024
OFM Review: Breann Boggs	Phone: (360) 485-5716	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.*

This fiscal note has changed from the previous fiscal note on House Bill 2128. The proposed substitute removes the secretary of the Department of Health (department) from serving as the chair of the advisory committee and moves the staffing and contracting responsibility from the department to the Office of Financial Management (OFM). The costs for the department have been updated to reflect these changes.

Section 1(1): Establishes the certificate of need modernization advisory committee and requires the secretary of the department of health, or the secretary's designee to serve as a member of the committee.

Section 1(2)(b): Requires the Office of Financial Management to contract with a contractor with relevant expertise to complete the review of items outlined in subsection 3 and provide a report of all research and findings.

Section 1(8): The contractor shall submit their findings and recommendations to the governor and each chamber of the legislature in two phases, (a) a preliminary report by December 15, 2024 and (b) a formal report of their findings by October 15, 2025.

Section 1(9); This section expires July 1, 2026.

### 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 Certificate of Need program is fee supported. For this bill, the department is requesting General Fund State (GF-S) to cover expenses related to this one-time advisory committee as the work identified in this bill is outside of the department's normal regulatory work.

### 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 department will support the advisory committee and contractor with data collection for the duration of the committee. The department will provide historical information, current data, and programmatic information from the certificate of need program to address the topics that must be considered in the review. Work will include gathering and compiling facility data, retrieving, and organizing historical data and program files, and offering support to the committee regarding current certificate of need functions.

Costs include staff and associated expenses (including goods and services, travel, intra-agency, and indirect charges).

FY 2025 costs will be 0.1 FTE and \$29,000 (GF-S)

FY 2026 costs will be 0.1 FTE and \$10,000 (GF-S)

## 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	29,000	29,000	10,000	0
<b>Total \$</b>			0	29,000	29,000	10,000	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.1	0.1	
A-Salaries and Wages		17,000	17,000	6,000	
B-Employee Benefits		5,000	5,000	2,000	
E-Goods and Other Services		6,000	6,000	2,000	
T-Intra-Agency Reimbursements		1,000	1,000		
9-					
<b>Total \$</b>	0	29,000	29,000	10,000	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
WMS02	118,932		0.1	0.1	0.1	
<b>Total FTEs</b>			0.1	0.1	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.*