

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2272 HB	<b>Title:</b> LTSS commission recs.
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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
Office of Attorney General	0	0	33,000	0	0	12,000	0	0	12,000
Employment Security Department	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>33,000</b>	<b>0</b>	<b>0</b>	<b>12,000</b>	<b>0</b>	<b>0</b>	<b>12,000</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	.2	0	0	33,000	.2	0	0	12,000	.2	0	0	12,000
Washington State Health Care Authority	Fiscal note not available											
Office of Insurance Commissioner	Fiscal note not available											
Department of Social and Health Services	.3	0	0	94,000	17.5	0	0	6,730,000	21.0	0	0	16,638,000
Employment Security Department	26.6	0	0	9,227,194	60.7	0	0	18,288,559	44.6	0	0	11,511,113
Actuarial Fiscal Note - State Actuary	Fiscal note not available											
<b>Total \$</b>	<b>27.1</b>	<b>0</b>	<b>0</b>	<b>9,354,194</b>	<b>78.4</b>	<b>0</b>	<b>0</b>	<b>25,030,559</b>	<b>65.8</b>	<b>0</b>	<b>0</b>	<b>28,161,113</b>

## 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	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	Fiscal note not available								
Office of Insurance Commissioner	Fiscal note not available								
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Employment Security Department	.0	0	0	.0	0	0	.0	0	0
Actuarial Fiscal Note - State Actuary	Fiscal note not available								
<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> Anna Minor, OFM	<b>Phone:</b> (360) 790-2951	<b>Date Published:</b> Preliminary 2/ 8/2024
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2272 HB	<b>Title:</b> LTSS commission recs.	<b>Agency:</b> 100-Office of Attorney General
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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
Legal Services Revolving Account-State 405-1		33,000	33,000	12,000	12,000
<b>Total \$</b>		33,000	33,000	12,000	12,000

### Estimated Operating Expenditures from:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.4	0.2	0.2	0.2
Legal Services Revolving Account-State 405-1	0	33,000	33,000	12,000	12,000
<b>Total \$</b>	0	33,000	33,000	12,000	12,000

### 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:	Phone:	Date: 01/18/2024
Agency Preparation: Dave Merchant	Phone: 360-753-1620	Date: 01/23/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/23/2024
OFM Review: Val Terre	Phone: (360) 280-3973	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 1 - New section. Findings and Intent.

Section 2 - New section added to chapter 50B.04 RCW. Beginning July 1, 2026, employees who have elected coverage under RCW 50B.04.090 and relocate out of state to continue coverage, with specific requirements. Requires the Employment Security Department (ESD) to adopt standards by rule for regulating out-of-state participants.

Section 3 - Amends RCW 50B.04.010. Definitions.

Section 4 - Amends RCW 50B.04.020. Adds requirement to the Health Care Authority (HCA) to assist the Department of Social and Health Services (DSHS) with payment systems, and to incorporate new provisions.

Section 5 - Amends RCW 50B.04.030. Removes already-completed duties of the Long-Term Service and Support Commission (Commission).

Section 6 - Amends RCW 50B.04.050. Incorporates provisions related to out-of-state participants.

Section 7 - New section added to chapter 50B.04 RCW. Adds provisions for non-immigrant visa holders.

Section 8 - Amends RCW 50B.04.055. Adds new and delete former rules related to members of the armed forces.

Section 9 - Amends RCW 50B.04.060. Alters rules relating to eligibility and for out-of-state individuals.

Section 10 - Amends RCW 50B.04.070. Alters rules related to payment methods and service providers.

Section 11 - Amends RCW 50B.04.085. Clarifies rules related to exempt employees and employees who have received an exemption but wish to rescind and requires ESD to amend rules to incorporate changes.

Section 12 - Amends RCW 50B.04.100. Incorporates provisions related to out-of-state participants.

Section 13 - New section added to chapter 50B.04 RCW. Adds duties to DSHS to ask applicants about existing coverage, requires DSHS to coordinate with policy issuers, and provides limits on data sharing.

Section 14 - New section. DSHS, ESD, and HCA may design and conduct a pilot program regarding eligibility determinations and payment distribution to run between January 1, 2026 and June 30, 2026 with no more than 500 participants. Agencies must provide report and recommendations regarding pilot program to the Commission. Section expires July 1, 2027.

Section 15 - New section. Intent.

Section 16 - New section. Applies to all supplemental long-term care insurance policies after January 1, 2026.

Section 17 - New section. Definitions.

Section 18 - New section. Cannot substitute out-of-state long-term care policies unless Washington State or state with requirements substantially similar to Washington State determine that policy meets statutory requirements.

Section 19 - New section. Regulates restrictive definitions of or requirements related to “preexisting conditions.”

Section 20 - New section. Non-renewal and cancellation restrictions.

Section 21 - New section. 30-day cancellation requirement. Notice of same.

Section 22 - New section. Information required to be provided to applicant and participant.

Section 23 - New section. Continuity and alteration of coverage provisions. Includes family providers as eligible providers.

Section 24 - New section. Limits sharing of information with DSHS.

Section 25 - New section. Requires reports of payments to policyholder if policy is funded through life insurance benefit acceleration.

Section 26 - New section. Issuer has 30 days to deny coverage and must provide written reasons for denial.

Section 27 - New section. Regulates and restricts policy rescission by issuers.

Section 28 - New section. HCA Commissioner must establish inflation protection measures. Issuers must follow measures. Issuer required to offer policy holder a purchase option, with all policies including a three percent inflation protection.

Section 29 - New section. Issuers must provide purchase option with non-forfeiture provision. HCA Commissioner must adopt rules regarding non-forfeiture benefits.

Section 30 - New section. License and education (initial and continuing) requirements to sell or solicit policies. Records retention and availability requirements.

Section 31 - New section. Issuers and their agents must design and implement suitability standards for policy sales and solicitation, and must act in best interest of applicant. HCA must adopt rules regarding information used by issuers and their agents.

Section 32 - New section. Persons issuing or soliciting of supplemental long-term care coverage may not engage in unfair methods of competition or unfair or deceptive acts or practices as defined in chapter 48.30 RCW, or as defined by the HCA.

Section 33 - New section. Violators subject to treble penalty or \$10,000, whichever greater.

Section 34 - New section. HCA Commissioner must adopt rules related to disclosures, privacy rights, payment and to carry out provisions of chapter.

Section 35 - New section. HCA Commissioner must develop and provide educational materials and counseling.

Section 36 - New section added to chapter 48.83 RCW. Chapter does not apply to insurance covered by Section 19 of this act.

Section 37 - New section. Repeals RCW 50.04.040.

Section 38 - New section. Sections 15-35 are new chapter in Title 48 RCW.

Section 39 - New section. Savings clause.

Section 40 - New section. Not a conflicting measure with Initiative 2124.

Section 41 - Effective date January 1, 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.*

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Employment Security Department (ESD). The Attorney General's Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

### AGO AGENCY ASSUMPTIONS:

ESD will be billed for King County County rates:

FY 2025: \$33,000 for 0.2 Assistant Attorney General FTE (AAG) and 0.1 Paralegal 1 FTE (PL1)

FY 2026 and in each FY thereafter: \$6,000 for 0.1 AAG and 0.1 PL1

## 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.*

### Attorney General's Office (AGO) Agency Assumptions:

Legal services associated with the enactment of this bill will begin on January 1, 2025 (FY 2025).

Location of staffing is assumed to be in a King County office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Licensing & Administrative Law Division (LAL) Legal Services for the Employment Security Department (ESD):

The AGO will bill ESD for legal services based on the enactment of this bill.

FY 2025: LAL will provide advice to ESD relating to major new and amended rulemaking to implement Sections 2, 4, 6, 7, 8, 10, 11, and 14. LAL will also assist with developing processes for out of state participation, including how such individuals will report and remit premiums to ESD. LAL estimates 200 AAG hours.

FY 2026 and in each FY thereafter: LAL will provide ongoing advice relating to rules and processes requiring 40 AAG hours.

LAL: Total King County workload impact:

FY 2025: \$33,000 for 0.2 AAG and 0.1 PL1

FY 2026 and in each FY thereafter: \$6,000 for 0.1 AAG and 0.1 PL

2. The AGO Government Compliance & Enforcement Division (GCE) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing Office of the Insurance Commissioner (OIC). This bill would authorize a new insurance product for supplemental long-term care and would place certain requirements on insurers, and on agents and brokers that would sell this product. The OIC regulates these entities and would regulate this new product. This bill would authorize OIC to engage in rulemaking to implement the new law. GCE assumes we would not see any appreciable increase in enforcement actions relating to this new product that would generate litigation. New legal services are nominal, and costs are not included in this request.

3. The AGO Social & Health Services Division (SHO) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the Department of Social and Health Services (DSHS) New legal services are nominal, and costs are not included in this request.

4. The AGO Administrative Division (ADM) has reviewed this bill and determined it will not increase or decrease the division’s workload. Therefore, no costs are included in this request.

5. The AGO Solicitor General’s Office (SGO) has reviewed this bill and determined it will not increase or decrease the division’s workload. Therefore, no costs are included in this request.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
405-1	Legal Services	State	0	33,000	33,000	12,000	12,000
	Revolving Account						
<b>Total \$</b>			0	33,000	33,000	12,000	12,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.4	0.2	0.2	0.2
A-Salaries and Wages		23,000	23,000	8,000	8,000
B-Employee Benefits		7,000	7,000	2,000	2,000
E-Goods and Other Services		3,000	3,000	2,000	2,000
<b>Total \$</b>	0	33,000	33,000	12,000	12,000

**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
Assistant Attorney General-Seattle	135,555		0.2	0.1	0.1	0.1
Management Analyst 5	95,184		0.1	0.1		
Paralegal 1-Seattle	72,528		0.1	0.1	0.1	0.1
<b>Total FTEs</b>			0.4	0.2	0.2	0.2

**III. D - Expenditures By Program (optional)**

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Licensing & Administrative Law Division (LAL)		33,000	33,000	12,000	12,000
<b>Total \$</b>		33,000	33,000	12,000	12,000

## **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.*



# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2272 HB	<b>Title:</b> LTSS commission recs.	<b>Agency:</b> 300-Department of Social and Health Services
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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	0.6	0.3	17.5	21.0
<b>Account</b>					
Long-Term Services & Supports Trust Acct-State 567-1	0	94,000	94,000	6,730,000	16,638,000
<b>Total \$</b>	0	94,000	94,000	6,730,000	16,638,000

### 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:	Phone:	Date: 01/18/2024
Agency Preparation: Mitchell Close	Phone: 3600000000	Date: 01/29/2024
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 01/29/2024
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 01/30/2024

## 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 2 adds a new section to chapter 50B.04 that allows individuals who relocate out of Washington to continue paying into the Long-Term Services and Supports (LTSS) Trust Program under specific conditions. This section establishes the wage verification process for individuals who move out-of-state and elect to continue the program.

Section 3 revises RCW 50B.04.010 to edit definitions in order to implement the processes created in Section 2 and change the benefit unit to include an automatic inflation adjustment based on the consumer price index.

Section 4 revises RCW 50B.04.020 to require the Health Care Authority (HCA) to assist the Department of Social and Health Services (DSHS) in leveraging existing payment systems for beneficiaries outside of Washington. This section also requires the Employment Security Department (ESD) to collect premiums for individuals who elect coverage outside of Washington and requires the Office of the State Actuary (OSA) to advise the LTSS Trust Commission established in RCW 50B.04.030 rather than the LTSS Trust Council established in RCW 50B.04.040 on solvency-related matters.

Section 5 revises RCW 50B.04.030 to strike the requirement that the LTSS Trust Commission recommend an annual adjustment to the benefit unit to the LTSS Trust Council in lieu of the revision made in Section 3.

Section 6 revises RCW 50B.04.050 to simplify the 10-year contribution requirement to be a total of 10 years throughout a person's career regardless of gaps in work. The section also establishes July 1, 2030, as the start date for benefits for out-of-state beneficiaries.

Section 7 adds a new section to chapter 50B.04 RCW to exempt nonimmigrant visa-carrying employees from the LTSS Trust Program unless they elect to participate and notify their employer.

Section 8 revises RCW 50B.04.055 to remove the group in Section 7 from voluntary exemption requirements and add active-duty service members with civilian employments effective January 1, 2025.

Section 9 revises RCW 50B.04.060 to refine benefit eligibility for in-state beneficiaries as requiring assistance with at least three activities of daily living (ADLs) for a period to last at least 90 days as defined by DSHS. This section also establishes benefit eligibility for out-of-state participants.

Section 10 revises RCW 50B.04.070 to define in- and out-of-state provider requirements and allows DSHS to contract with a third party to administer benefit payments.

Section 11 revises RCW 50B.04.085 to allow individuals who have received a permanent exemption from the LTSS Trust Program due to having purchased private long-term care insurance to rescind their exemption, pay in, and earn benefits with a window until July 1, 2028.

Section 12 revises RCW 50B.04.100 to include receipts from out-of-state participants under Section 2 and savings from Medicare and Medicaid cost avoidance to the LTSS Trust Account.

Section 13 adds a new section to chapter 50B.04 RCW to require DSHS to seek consent from individuals who report having a private supplemental policy and to share information with the policy issuer for care coordination. The section prohibits health information or data on claims from being shared.

Section 14 adds a new section, allowing DSHS, ESD, and HCA, in consult with the LTSS Trust Commission, to design and conduct a pilot of up to 500 participants for the LTSS Trust eligibility and payment processes in order to assess

administrative processes and system capabilities. The pilot may include individuals who may not typically be eligible for LTSS Trust benefits due to the duration requirements under RCW 50B.04.050 and offer them access to benefits in exchange for participation in the pilot. The pilot may only be conducted between January 1, 2026, and June 30, 2026. The agencies must provide a summary of the project upon completion to the LTSS Trust Commission.

Sections 15 through 35 amend chapter 48 RCW to create a new private long-term care insurance coverage policy design for the insurance industry to supplement LTSS Trust coverage at an affordable rate with consumer protections included through the Office of the Insurance Commissioner (OIC). Section 24 requires issuers of supplemental long-term care insurance to request consent from policyholders to share information with DSHS for the purposes of care coordination. Section 30 requires insurance companies to maintain records of training completed by insurance producers for OIC to assure DSHS that producers selling supplemental policies understand the relationship between the LTSS Trust, Medicaid, private insurance, and Medicaid long-term care partnership policies.

Section 41 establishes January 1, 2025, as the effective date for this bill unless initiative 2124 is approved by voters, in which case this bill is void.

## **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.*

There are no cash receipt impacts to DSHS for this bill.

## **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 legislation adds a pilot for up to 500 people beginning January 1, 2026, which will require some staff to be hired prior to this date. DSHS will use 400 individuals to match assumptions with ESD. The legislation adds portable benefits outside of Washington beginning January 1, 2030, which will require DSHS to develop policy and technology requirements for implementation. The legislation also adds a 90-day forward certification of need for eligibility and requires sharing of information to facilitate coordination of benefits with supplemental private long-term care insurance providers, which will require additional document management needs.

DSHS plans to procure nationwide vendors for portable benefits, leveraging the private long-term care insurance industry assessment and claims management systems. The bill requires DSHS to coordinate with HCA on technology implications. Detailed analysis on the feasibility of various options explored in the 2023 LTSS Trust Commission Recommendation Report on portability challenges is required to move forward with the most cost-effective option that provides a useable experience for beneficiaries outside of the state.

This legislation will require a total of 21.0 FTEs:

- 1.0 FTE - Social and Health Program Consultant 4 to train staff and provide ongoing support to answer questions, for complex cases, and for the review of processes, as well as for the evaluation of the pilot and to suggest process refinement for the program to go live. This position would start April 2025.

- 1.0 FTE - Social Service Specialist 5 to hire and supervise pilot FTEs and provide feedback on training, system, and processes for pilot evaluation. This position would start April 2025.

- 1.0 FTE - Social Service Specialist 2 to complete the intake process for new applicants, explain the assessment process, schedule assessments for qualified individuals, and conduct follow-up contacts for intake and assessment process questions. This position would start July 2025.

- 3.6 FTEs - Social Service Specialist 3 to review medical documentation, complete in-person assessments to determine ADL needs, develop a suggested care plan for eligible beneficiaries, complete follow-up case documentation for assessments, and answer functional eligibility questions. These staff would start July 2025.

- 2.0 FTEs - Public Benefits Specialist 3 to assist identified pilot participants with completing online applications, answer questions about application status, and process manual identification validation for applicants. These staff would start July 2025.

- 1.4 FTEs - Public Benefits Specialist 4 to assist pilot beneficiaries with questions on approving payments for provider claims, assist with adjustments on approved claims, and support beneficiaries with applications and referrals to other benefits. These staff would start July 2025.

- 1.0 FTE - Forms and Records Analyst 3 to process paper documentation received for identified pilot participants. This staff would start July 2025.

- 1.0 FTE - WMS 2 (Administrator for Nationwide Benefits) to develop and oversee the office responsible for portable benefits implementation. This position would start July 2025.

- 4.0 FTEs - WMS 2 (Policy, Operations, Business Requirements IT and Procurement Development) to develop and write WAC and other policies, provide operational implementation and procedures, and provide program integrity oversight. These positions would also gather and maintain business requirements for the technology needed for assessments and claims, including how to interact with an in-state system, and request for proposal (RFP) and vendor contract management to develop needs assessment and claims, as well as business oversight of contracts. These staff would start September 2025.

- 1.0 FTE - WMS 3 (Legal Analyst) to advise on legal implications of policy decisions for nationwide benefits. This position would start September 2025.

- 1.0 FTE - IT Project Management - Senior/Specialist to build out initial milestones and tasks for the implementation of portable benefits and oversee future project office and business analysts. This staff would start September 2025.

- 1.0 FTE - WMS 2 (Vendor Manager) to develop and oversee contract deliverables for vendors implementing assessment and claims management. This staff would start July 2027.

- 2.0 FTEs - IT Business Analysts to document business requirements for vendor RFPs and work with vendors to implement business requirements.

These staff will have the below costs by year.

- FY25: 0.6 FTE - \$94,000

- FY26: 16.9 FTEs - \$2,638,000

- FY27: 18.0 FTEs - \$2,742,000

- FY28: 21.0 FTEs - \$3,278,000

- FY29 and beyond: 21.0 FTEs - \$3,260,000

The fiscal note assumes the staff requested will continue past the pilot. They would be incorporated into the overall staff needed to fully implement WA Cares. Future requests for staffing would recognize these staff as part of the base funding DSHS has been appropriated, thus lowering future staffing requests needed to fully implement the program.

DSHS will require additional funds for contracts and other costs to carry out the necessary work in order to implement and maintain the portability option.

- Secure records transfer tool: systems integration and implementation for secure records transfer tool. This is required to implement 90-day forward certification for eligibility and information sharing with private supplemental LTSS plans. This would be purchased in July 2025.

- Outreach and marketing: outreach to inform people who are leaving the state about the limited time they have available to elect portable coverage. This outreach would start July 2025 and be an ongoing annual cost.

- Outreach and marketing: targeted outreach to support provider enrollment and participant engagement. This outreach would start July 2025 and end June 2026.

- Software licensing: annual software licensing and implementation costs for secure document transmission from individuals outside the state, including providers or other entities; same implementation requirement as secure records tool. This licensing would start July 2025.

- Project management: annual costs for IT, business, and cross-agency project management for portable benefits. This would start January 2027 and end January 2031.

- Organizational change management: organizational change management for portable benefits, which would start

January 2027 and end January 2031.

- Quality assurance vendor: quality assurance program consultation across agencies that would start January 2027 and end January 2031.
- Out-of-state assessor vendor: out-of-state functional assessment staffing and technology, which would start July 2027.
- Out-of-state claims vendor: out-of-state claims management staffing and technology that interfaces with ProviderOne, which would start July 2027.

The cost per year for these contracts and services are below.

- FY26: \$700,000
- FY27: \$650,000
- FY28 and beyond: \$5,050,000

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
567-1	Long-Term Services & Supports Trust Acct	State	0	94,000	94,000	6,730,000	16,638,000
<b>Total \$</b>			0	94,000	94,000	6,730,000	16,638,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29	
FTE Staff Years		0.6	0.3	17.5	21.0	
A-Salaries and Wages		58,000	58,000	3,444,000	4,290,000	
B-Employee Benefits		22,000	22,000	1,230,000	1,506,000	
C-Professional Service Contracts				400,000	9,600,000	
E-Goods and Other Services		8,000	8,000	1,390,000	1,030,000	
G-Travel				8,000	8,000	
J-Capital Outlays		4,000	4,000	102,000	18,000	
M-Inter Agency/Fund Transfers						
N-Grants, Benefits & Client Services						
P-Debt Service				11,000	12,000	
S-Interagency Reimbursements						
T-Intra-Agency Reimbursements		2,000	2,000	145,000	174,000	
9-						
<b>Total \$</b>		0	94,000	94,000	6,730,000	16,638,000

**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
Forms and Records Analyst 3	64,436				1.0	1.0
IT Business Analyst - Journey	107,159					1.0
IT Business Analyst - Senior/Specialist	118,149					1.0
IT Project Management - Senior/Specialist	124,068				0.9	1.0
Public Benefits Specialist 3	67,715				2.0	2.0
Public Benefits Specialist 4	71,152				1.4	1.4
Social and Health Program Consultant 4	98,042		0.3	0.2	1.0	1.0
Social Service Specialist 2	80,469				1.0	1.0
Social Service Specialist 3	84,517				3.6	3.6
Social Service Specialist 5	98,042		0.3	0.2	1.0	1.0
WMS 2 (Administrator for Nationwide Benefits)	142,490				1.0	1.0
WMS 2 (Policy, Planning, and Operations)	126,510				3.7	4.0
WMS 2 (Vendor Manager)	126,510					1.0
WMS 3 (Legal Analyst)	142,490				0.9	1.0
<b>Total FTEs</b>			0.6	0.3	17.5	21.0

**III. D - Expenditures By Program (optional)**

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Aging and Long-Term Support Administration (050)		94,000	94,000	6,730,000	16,638,000
<b>Total \$</b>		94,000	94,000	6,730,000	16,638,000

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

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

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

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

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2272 HB	<b>Title:</b> LTSS commission recs.	<b>Agency:</b> 540-Employment Security Department
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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	53.2	26.6	60.7	44.6
<b>Account</b>					
Long-Term Services & Supports Trust Acct-State 567-1	0	9,227,194	9,227,194	18,288,559	11,511,113
<b>Total \$</b>	0	9,227,194	9,227,194	18,288,559	11,511,113

### 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:	Phone:	Date: 01/18/2024
Agency Preparation: Dan Phillips	Phone: 360 902-9448	Date: 02/08/2024
Agency Approval: Lisa Henderson	Phone: 360-902-9291	Date: 02/08/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/08/2024

## 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 adopts the recommendations from the Long-Term Services and Supports (LTSS) Trust Commission, which;

- Provides an option for people to continue in the program after they move out of state, beginning July 1, 2026.
- Establish a voluntary exemption for active-duty service members who have Washington-based civilian employment.
- Establish an automatic exemption for temporary nonimmigrant visa holders.
- Remove the interruption of 5 or more consecutive years language in the 10-year qualified individual (vesting) status option.
- Rescind the exemption for those who were party to a collective bargaining agreement.
- Increase the annual hours threshold for qualified individual benefit determinations from 500 to 1,000.
- Provide an option for those who exempted out of the program due to having a long-term care insurance policy to opt back in.
- Create a six-month pilot program prior to benefit launch.

Section 2 adds a new section to allow individuals who relocate outside of Washington to continue to participate in the LTSS program beginning July 1, 2026. To qualify, individuals must have had at least three years of premiums and worked at least 1,000 hours in each of those years; and elected coverage within one year of relocating outside of Washington.

The bill establishes that Employment Security Department (ESD) would assess, collect and report premiums for individuals who elect portable coverage. Participants are required to submit documentation to ESD verifying their wages or self-employment earnings, or if they have no earnings. A participant is no longer required to submit reports at the age of sixty-seven, unless they are still working and earning wages or have self-employment income.

Portable coverage is permanent, and participants may not withdraw from coverage. ESD may cancel coverage if reports and payments aren't made, effective no later than 30 days from the date a written notice is provided to the participant.

Section 3 contains and amends definitions of key terms and language used throughout the bill.

Section 4 amends RCW 50B.04.020 to include ESD's responsibility for assessing and collecting premiums for self-employed individuals and those who have elected to portable coverage. ESD will determine qualified individuals for portable coverage and their compliance. Section 3 adds that ESD will assist the Department of Social and Health Services (DSHS) with leveraging existing payment systems.

Section 6 amends RCW 50B.04.050 to remove the interruption of 5 or more consecutive years language in the 10-year qualified individual (vesting) status option. It changes the number of hours worked in a year from 500 hours to 1,000 hours. Qualified individuals who elect portable coverage, benefits will be set to be available July 1, 2030.

ESD will modify any associated rules, policies, communications, website references, etc. to the language regarding qualified individual criteria related to the "5 consecutive years language". ESD is currently building a system to verify the 500 hours worked per year.

Section 7 adds a new section to chapter 50B.04 RCW to automatically exempt employees who hold nonimmigrant visas for temporary workers, unless the employee notifies their employer that they would like to participate. A worker must notify their employer that they would like to participate, then their employer will report and remit premiums to ESD and the worker will earn eligibility towards the benefit. ESD assumes that there will be a communications impact to inform workers and employers of the change in law.



Section 8 amends RCW 50B.04.055 to remove nonimmigrant visa for temporary workers as an option for applying for an exemption. The section adds a conditional exemption for active-duty service members in the U.S. Armed Forces and requires ESD to accept these applications beginning January 1, 2025.

Section 11 amends RCW 50B.04.085 to allow individuals with an exemption to rescind their exemption and participate in the program through June 30th, 2025. ESD is prohibited from considering hours worked while exempt toward qualified individual status.

Section 12 amends RCW 50B.04.100 to add out of state participant premiums received to the long-term services and supports trust account.

Section 14 adds a new section directing ESD, Department of Social and Health Services, and Health Care Authority to conduct a pilot project with no more than 500 participants. The impacted agencies have agreed upon 400 participants in the pilot and conducted from January 1, 2026, through June 30, 2026. ESD has been given rulemaking authority to implement the pilot.

**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.*

Indeterminate. People who move out of state will be able to continue participation in the program by electing coverage and remitting premiums should the bill pass. However, ESD is unable to determine the volume of people who will elect coverage nor what their reported wages will be. As a result, ESD is unable to determine the amount of premiums that would be will collected from this population.

**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.*

Please see attached Expenditure Narrative

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
567-1	Long-Term Services & Supports Trust Acct	State	0	9,227,194	9,227,194	18,288,559	11,511,113
<b>Total \$</b>			0	9,227,194	9,227,194	18,288,559	11,511,113

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

	<b>FY 2024</b>	<b>FY 2025</b>	<b>2023-25</b>	<b>2025-27</b>	<b>2027-29</b>
FTE Staff Years		53.2	26.6	60.7	44.6
A-Salaries and Wages		4,349,974	4,349,974	8,901,516	5,686,690
B-Employee Benefits		1,739,989	1,739,989	3,560,607	2,274,676
C-Professional Service Contracts		617,492	617,492	823,728	
E-Goods and Other Services		1,319,485	1,319,485	2,554,980	1,993,950
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		1,200,254	1,200,254	2,447,728	1,555,797
9-					
<b>Total \$</b>	0	9,227,194	9,227,194	18,288,559	11,511,113

**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
COMMUNICATIONS CONSULTANT 3	59,616				0.2	0.2
COMMUNICATIONS CONSULTANT 4	67,380		0.5	0.3	0.9	0.9
COMMUNICATIONS CONSULTANT 5	78,120				0.2	0.2
EMPLOYMENT SECURITY PROGRAM COORDINATOR 2	58,104		7.5	3.8	9.0	9.0
EMPLOYMENT SECURITY PROGRAM COORDINATOR 3	64,092		1.0	0.5	1.0	1.0
ES BENEFITS SPECIALIST 2	58,104		9.2	4.6	21.4	22.2
ES BENEFITS SPECIALIST 3	64,092		1.0	0.5	3.0	3.9
ES BENEFITS SPECIALIST 4	70,800		1.0	0.5	1.9	1.7
FISCAL ANALYST 3	58,104		0.8	0.4	0.8	0.8
IT APP DEVELOPMENT - JOURN	89,724		3.0	1.5	2.0	
IT APP DEVELOPMENT - SENIOR/SPECIALIST	103,860		1.6	0.8	1.0	
IT ARCHITECTURE - EXPERT	120,228		0.2	0.1	0.2	
IT ARCHITECTURE - SENIOR/SPECIALIST	109,068		2.2	1.1	1.4	
IT BUSINESS ANALYST - JOURNEY	89,724		1.0	0.5	0.5	
IT DATA MANAGEMENT - SENIOR/SPECIALIST	98,904		0.8	0.4	0.5	
IT PROJECT MANAGEMENT - JOURNEY	94,212		3.3	1.7	2.0	
IT PROJECT MANAGEMENT - SENIOR/SPECIALIST	103,860		0.8	0.4	0.5	
IT QUALITY ASSURANCE - ENTI	77,664		1.6	0.8	1.0	
IT QUALITY ASSURANCE - JOURNEY	89,724		1.6	0.8	1.0	
IT QUALITY ASSURANCE - SENIOR/SPECIALIST	98,904		1.6	0.8	1.0	
IT SECURITY - SENIOR/SPECIALIST	103,860		0.8	0.4	0.5	
IT SYSTEM ADMINISTRATION - JOURNEY	94,212		2.2	1.1	1.5	
IT SYSTEM ADMINISTRATION - SENIOR/SPECIALIST	98,904		0.8	0.4	0.5	
MANAGEMENT ANALYST 3	64,092		2.0	1.0	1.7	1.0
MANAGEMENT ANALYST 4	74,376		3.8	1.9	2.0	
OFFICE ASSISTANT 3	39,528		0.8	0.4	1.9	2.0
OPERATIONS RESEARCH SPECIALIST	90,624		0.7	0.4	0.7	0.7
TECHNICAL TRAINING CONSULTANT	70,800		2.0	1.0	1.7	1.0
WMS BAND 2	102,012		1.4	0.7	0.9	0.1
<b>Total FTEs</b>			53.2	26.6	60.7	44.6

**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.*

HB 2272 will require major rulemaking.

Current rules in chapters WAC 192-900 through WAC 192-930 will need amendments for the following:

- “Wages” will be defined as remuneration for services performed in and outside of Washington. Removes nonimmigrant visas for temporary workers as an option for applying for an exemption.
- Establish that employees who hold nonimmigrant visas for temporary workers will be automatically exempt, unless the employee notifies their employer that they would like to participate.
- Add a voluntary conditional exemption for active-duty service members in the U.S. Armed Forces who have off -duty civilian employment.
- Clarify processes and requirements for the rescission of an exemption based on long-term care insurance.
- Modify any associated rules and policies to the language regarding qualified individual criteria related to the “5 consecutive years language.”
- Implement standards for reporting and collection of premiums and documentation requirements.

ESD will align implementation of this section with processes and procedures being developed for Paid Family and Medical Leave.

## Expenditure Impact Narrative

### **Operations Staffing**

#### **Portable Coverage**

ESD assumes the total number of individuals who elect portable coverage could range between 5,000 and 18,000 per year, based on the [Milliman Migration Supporting Analysis, May 2023](#), available through the Washington Office of the State Actuary. To support customers on the high end of the estimate in electing portable coverage when it begins on July 1, 2026, ESD will require a total of 5.6 FTE, including:

- 3.4 FTE ongoing, Employment Security Benefit Specialist (ESBS) 2 to assist with incoming customer calls and emails regarding the portable coverage election process and to process requests. (18,000 inquiries x 0.25 hours per inquiry = 4,500 Hours; 4,500 hours / 1,325 working time per FTE = 3.4 FTE)
- 2.2 FTE ongoing ESBS 3
  - One ESBS 3 to process portable elective coverage requests, conduct fact-finding and make final determinations on elections. There is no historical or comparable process to measure against, but the department estimates that 25% of elections will require 0.35 hours of additional support (25% x 18,000 = 4,500 individuals requiring additional support; 4,500 x 0.35 hours = 1,575 of hours; 1,575 hours / 1,325 working time per FTE = 1.2FTE).
  - One ESBS 3 Hearing Specialist is assumed based on a 1% rate of appeals. This assumption is based on exemption related appeal rates in 2023, and using the range between 5,000-18,000 a year, that could result in an additional 50-180 appeals.

#### **Vesting**

The number of staff needed to make qualified individual determinations, process redeterminations, and resolve appeals is undetermined. ESD assumes staffing models under development will result in a subsequent request.

#### **Non-Immigration Work Visa Change**

Ongoing operations of section can be absorbed within current staffing.

#### **Active-Duty Exemptions**

Ongoing operations of this section can be absorbed within current staffing.

#### **Rescinding Exemptions**

The department anticipates the need to provide service to customers who have questions on rescinding exemptions, need help submitting requests, and present general customer service needs, including requests for documentation. Assuming 10% of customers with an active private long term care exemptions request assistance, ESD projects 50,000 calls and emails to process during the window to rescind exemptions). Subsequent exemption requests are anticipated to fall to 10,000 inquiries per year ongoing.). To support the assumed exemption request rate, ESD will require a total of 13.2 FTE, including:

- 9.2 FTE non-permanent beginning July 1, 2024 and ending September 2028, ESBS 2 to assist with incoming inquiries. Each inquiry requires approximately 0.25 hours to resolve (50,000 inquiries\*0.25 hours per inquiry = 12,500 hours; 12,500 hours / 1,325 working time per FTE = 9.24 FTE)
- 2 FTE on going beginning September 2028, ESBS 2 to assist with incoming inquiries. Each inquiry requires approximately 0.25 hours to resolve (10,000 inquiries\*0.25 hours per inquiry = 2,500 hours; 2,500 hours / 1,325 working time per FTE = 1.89 FTE)
- 1 FTE non-permanent beginning July 1, 2024 and ending September 2028, ESBS 3 to serve as a team lead. Pursuant to the caseload staffing model, for every 6 or more ESBS2 there must be 1 ESBS3 lead and 1 ESBS4 supervisor.
- 1 FTE non-permanent beginning July 1, 2024 and ending September 2028, ESBS 4 to serve as a team supervisor.

The department expects to absorb the costs of appeals associated with rescinding exemptions within existing resources.

### **Pilot Launch**

The pilot established in this bill requires ESD to onboard a portion of total staffing needed for qualified individual status determinations earlier to have staff onboard and trained prior to the pilot. The long-term staffing levels for LTTS program staffing have not been identified yet and ESD continues to partner with DSHS and HCA on how the benefit process will work, which will inform future staffing models.

Given the initial projections for application the department expects for the program, what is known at this time surrounding the work that will be needed, and ESD's experience with Paid Leave adjudications, the department estimates that, at a minimum, the need for a customer care team, which would match the same team structure used in Leave and Care Operations. That team consists of 15 FTE, including 12 ESBS 2, an ESBS 3 serving as a team lead, an ESBS 4 serving as a supervisor, and an OA3 administrative support.

These staff will support the pilot launch and the full program launch the following July. To support the pilot launch, ESD will require a total of 15 FTE, including:

- 12 FTE beginning October 2025 and ongoing, ESBS 2 to issue qualified individual's determinations for LTSS program applications. This work will include reviewing application details, adjudicating decisions, conducting fact finding with applications, representatives, and employers to determine eligibility, processing redetermination requests and providing customer service to customer and coordinating with Department of Social and Health Services (DSHS) when needed.
- 1 FTE beginning October 2025 and ongoing, ESBS 3 as a team lead, providing lead support to the team. Pursuant to the caseload staffing model, for every 6+ ESBS2s there must be one ESBS3 lead and one ESBS4 supervisor.
- 1 FTE beginning October 2025 and ongoing, ESBS 4 to supervise the team.
- 1 FTE beginning October 2025 and ongoing, OA 3 to support document management, mailing, and correspondence for customers in the pilot and at full program launch.

## **Operations Implementation**

Leave and Care Operations will need to create and modify standard operating procedures, frequently asked questions, and other resources for operations staff to perform the functions of this bill. To support this work, ESD will require a total of 2 FTE, including:

- 1 FTE non-permanent beginning July 1, 2024 and ending October 1, 2026, MA 3 as an operations process coordinator.
- 1 FTE non-permanent beginning July 1, 2024 ending October 1, 2026, Technical Training Consultant (TTC) to create and deliver training to operations staff on the sections of this bill.

## **Information Technology (IT) Build**

ESD assumes a one-time cost to build functionality to support the changes outlined in this bill. This includes those staff and contracts to define, build, test, and deliver the related technologies. These changes in addition to ongoing work related to PFML and LTSS results in the need to create a project team and software delivery and promotion path to ensure these changes do not disrupt other ongoing responsibilities.

## **IT Related Cloud Costs**

ESD uses common cloud-based technology platforms to support PFML and LTSS. In order to deliver these changes in parallel with other PFML and LTSS commitments, the ESD team would create another set of software development and testing environments using cloud-based hosting. No additional hardware would be required to support the build for this bill.

Software cost for FY25 and FY26:	\$390,000
Software cost for FY27 and ongoing:	\$316,800

## **IT Related Build Staffing Costs:**

The Information Technology (IT) Build estimated below includes the resources required to define, design, build, test, and deliver the changes included in this bill. This team will be supplemented by contract FTEs in specialized and hard to fill roles to ensure timely delivery. This analysis is speculative based on estimates of similar work to be completed in PFML as well as based on the completion of work of similar size and complexity, including work that established LTSS exemptions and premium collection. As this work is defined in more detail and as funding and changes for PFML become clearer and more detailed, the team will refine this analysis further which will likely result in adjustments to cost or duration estimates. The additional high-level functionality that will be required as it is currently understood includes:

- Case management and workflows: Includes support for all related interactions with employers, employer representatives and voluntary participants (various kinds of elective coverage, e.g., self-employed, out of state portability, etc.) related to wage reporting and premium assessment, particularly for non-compliant participants.
- Adjustments and Error Corrections: Includes analysis, corrections, changes, adjudication, redeterminations, appeals, etc., related to wage reporting and premium payments.

- Ability for employers and other program participants to be assessed and pay back premiums due per non-compliance (includes employers, employer reps and all forms of elective coverage, including portability).
- Collections/recovery: Includes ability to engage in collections and other recovery activities for non-compliant participants (includes employers and all forms of elective coverage, including portability).

The LTSS and PFML technology team is organized into a core technical and leadership team, a product management team, and a number of development teams.

- The product management team ensures legislation is implemented successfully by balancing value, usability, feasibility, and sustainability risks. They work with stakeholders to understand the scope of the work and document and prioritize it in the product backlog and portfolio so that the cross functional team working to implement it are prepared for the work.
- Development teams build and test system functionality.
- The leadership team and centralized testing teams support high levels of assurance in system quality overall. That includes global system architecture, build and release management, contract and personnel management, security assurance and environment management.

This structure allows the team to expand and contract to support new bodies of work in parallel with already established commitments. Software is delivered in a series of short time-boxes, referred to as sprints. The team estimated below assumes this functionality will be delivered as it is completed over number of sprints. Since its inception, this team has used an industry standard delivery methodology known as Scrum.

Product management team	A team of product managers, product analysts, and business analysts work with internal and external stakeholders and customers to understand their needs and requirements, create and document the product vision for this implementation, partner with technical teams to identify and document technical solutions for business requirements, and manage and execute the development of work items and backlog to deliver this scope.
Development Team	The Development team will design, build, test and deploy new features and functionality to meet business requirements. A development team includes: IT Project Management Journey Delivery Architect (Application Developer/Architect-Senior/Specialist), Senior Application Developer (IT Application Development – Senior/Specialist), Application Developers (IT Application Development – Journey), Lead SDET-Integrated Test Engineer (IT Quality Assurance – Senior/Specialist), QA Testers (IT Quality Assurance - Journey) DevOps lead (IT Systems Administration – Senior/Specialist), DevOps Specialist (DevOPs) (IT Systems Administration – Journey)
Performance Testing Team	The Performance testing team designs, executes tests and analyzes system and infrastructure performance to ensure the solution performs within established service levels for performance. The Performance testing team includes:



	Senior/Lead Performance Tester (SDET) (IT Quality Assurance – Senior/Specialist), Performance Testers (SDET) (IT Quality Assurance - Journey).
Security Testing Team	The Security testing team designs, executes tests and analyzes system and infrastructure security to ensure the solution meets requirements and standards. The Security testing team includes: Senior Security Tester (SDET) (IT Security – Senior/Specialist) Security Testers (IT Security – Journey).
Operations Support	The Operations Support (MA4) will support division and project management including position establishment, recruitment and hiring; project planning and coordination, organizational change management, project metrics and reporting and other duties as needed
Senior Project Manager	The Senior Project Manager (IT Project Manager Senior/Specialist) will manage the project, teams, stakeholders, communication, and quality assurance throughout the project
Principal Architect	The Principal Architect (IT Architecture Expert) will assist in planning and approve the overall technical framework, design and solution.
Cloud Architect	The Cloud Architect (Application Development Senior/Specialist) will assist in planning and approve the cloud architecture and ensure the selected solution aligns with the divisions cloud framework and architecture.
Test Automation Architect	The Test Automation Architect (Application Development Senior/Specialist) will assist in planning and developing automated tests and testing framework to ensure the solution aligns with the divisions test automation framework and architecture.
Cloud Security Architect	The Cloud Architect (Application Development Senior/Specialist) will assist in planning and approve the cloud security architecture and ensure the selected solution aligns with the division’s security framework and architecture.
Senior Development Operations Specialist (DevOps)	The DevOps Specialist (IT Systems Administration Senior/Specialist) will lead the work to establish and/or prepare the infrastructure and environment necessary to develop and test the solution.
Development Operations Specialist (DevOps)	The DevOps Specialist (IT Systems Administration Journey) will assist in and support the work to establish and/or prepare the infrastructure and environment necessary to develop and test the solution.
LCD Tech Leadership Team	The LCD Technology Leadership team will provide management and oversight of all aspects of the work from resource allocation and assignment to staff supervision, risk management, decision making, sponsorship and support. The LCD Technology Leadership team is comprised of: LCD Tech Manger (IT Senior Manager), LCD AppDev Manger (IT Manager), LCD Operations Manager (IT Manager),

	SysOPs Manager (IT Manager), Testing Supervisor (IT Project Management - Senior/Specialist) and Agile Coach (IT Project Management - Senior/Specialist)
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	<b>Project/One Time</b>	
<b>IT STAFF</b>	<b>FY 25</b>	<b>FY 26</b>
IT Project Management – Journey	2.3	3.0
IT Architecture - Senior/Specialist	2.2	2.8
IT APP Development - Senior/Specialist	1.6	2.0
IT APP Development – Journey	3.0	4.0
IT Quality Assurance - Senior/Specialist	1.6	2.0
IT Quality Assurance – Journey	1.6	2.0
IT Quality Assurance – Entry	1.6	2.0
IT System Administration - Senior/Specialist	0.8	1.0
IT System Administration – Journey	2.2	3.0
IT DATA Management - Senior/Specialist	0.8	1.0
IT Security - Senior/Specialist	0.8	1.0
IT Project Management - Senior/Specialist	0.8	1.0
Management Analyst 4	0.8	1.0
IT Architecture – Expert	0.2	0.3
WMS2	0.4	0.5
<b>Total</b>	<b>20.7</b>	<b>26.6</b>
	<b>Project/One Time</b>	
<b>Transformation Staff</b>	<b>FY 25</b>	<b>FY 26</b>

IT Project Management – Journey	1	1
Product Manager (WMS2)	1	1
Product Analyst (MA4)	3	3
IT Business Analyst - Journey	1	1
<b>Total</b>	<b>6.0</b>	<b>6.0</b>

### IT Related Contract Costs

In addition to the staffing costs included above, ESD will require contracted development teams. The contractors included in the technical estimate represent roles that are necessary for some or all technical work. There are two groups of contractors: key roles (e.g., principal architect) and specialty services (e.g., performance testing, security testing). Based on the timelines in the bill, it is unlikely the program would be able to recruit, hire and train FTEs in the “key roles” and due to the specialized and intermittent nature of the work for the specialty services it is more cost effective to utilize contract services.

Role	Year	Hours	Cost
IT Security/IT Systems Administration – Senior/Specialist	2025	188 hours x \$135/hr.	\$ 25,380
	2026	252 hours x \$135/hr.	\$ 34,020
IT Quality Assurance – Senior/Specialist	2025	377 hours x \$95/hr.	\$ 35,815
	2026	503 hours x \$95/hr.	\$ 47,785
IT Quality Assurance – Journey	2025	754 hours x \$198/hr.	\$ 149,292
	2026	1006 hours x \$198/hr.	\$ 199,188
IT Quality Assurance – Senior/Specialist	2025	377 hours x \$125 hr.	\$ 47,125
	2026	503 hours x \$125/hr.	\$ 62,875
IT Quality Assurance – Journey	2025	377 hours x \$135 hr.	\$ 50,895
	2026	503 hours x \$135/hr.	\$ 67,905
IT Data Management – Journey	2025	754 hours x \$140/hr.	\$ 105,560
	2026	1006 hours x \$140/hr.	\$ 140,840
IT Project Management Senior/Specialist	2025	377 hours x \$175/hr.	\$ 65,975
	2026	503 hours x \$175/hr.	\$ 88,025
IT Architecture Senior Specialist	2025	377 x \$200/hr.	\$ 75,400

	2026	503 x \$200/hr.	\$ 100,600
IT Architect Expert	2025	170 hours x \$165/hr.	\$ 28,050
	2026	226 hours x \$165/hr.	\$ 37,290
IT Security Senior/Specialist	2025	170 hours x \$200/hr.	\$ 34,000
	2026	226 hours x \$200/hr.	\$ 45,200
Contract Cost	2025		\$ 617,492
	2026		\$ 823,728
Total Cost			\$ 1,441,220

### **Communications Related Costs**

The department anticipates the need to communicate both internally among staff and externally with customers, stakeholders, and the media. This work will require a total of 1.4 FTE, including:

- 0.2 FTE beginning July 2025 and ongoing, Communications Consultant (CC) 3 to distribute updated information to staff throughout the division, assess needs with managers, meet with project team members, and write internal communications resources. This position's work also includes possible graphic design needs including custom graphics, branded informational materials, video/sound editing, mailer template support, etc. 300 hours/1500 hours = 0.2 FTE
- 0.5 FTE ending June 2025, CC4 is needed to develop and carry out an in-depth communications plan that utilizes most available communications tools. This position will meet with project team members to discuss project needs and communications plan progress. The CC 4 will also be involved in copywriting, flyer creation, toolkit revisions, other documents, and form updates, etc. They will provide across-the-board content creation and publishing, including initiation, multiple rounds of project team review, and publishing, email campaigns, postal mailers, social media, webinars, etc. The CC 4 will modify, create, and update content throughout the website and run updates and new content through review and approval workflows. 750/1500 total hours = 0.5 FTE
- 0.85 FTE beginning July 2025 and ongoing, CC4 to perform duties described above beginning in FY26 and ongoing. 1275 hours/1500 total hours = 0.85 FTE
- 0.2 FTE beginning July 2025 and ongoing, CC5 is needed to coordinate with the Leave and Care Division managers and web manager, review plans, and provide general oversight. 300 hours/1500 total hours = .2 FTE
- 0.1 FTE beginning July 2025 and ongoing, WMS is needed to lead content strategy and planning. 150 hours/1500 total hours = 0.1 FTE

### **Data and Research Related Cost**

Implementation will require research and data analysis support. This work will require a total of 0.7 FTE, including:

- 0.7 FTE ongoing, Operations Research Specialist (ORS) to support system and process implementation

development, along with the related ongoing user experience research, program reporting, supporting continuous improvement activities, data analysis, evaluation, and operational and quality assurance data support. 1050 hours/1500 = 0.7 FTE.

### **Finance Related Cost:**

The bill creates additional finance workload required for implementing LTSS program premium collections. This work will require a total of 0.8 FTE, including:

- 0.8 FTE ongoing, Fiscal Analyst (FA) 3 to provide support to the Leave and Care Division Research and Analysis team to perform employer account research based off of decisions derived from the Compliance teams' audit.  
1,200 hours/ 1,500 total hours = 0.8 FTE

### **Compliance Related Cost**

Implementing the bill introduces additional collections and financial recovery workload. The estimated staffing level is based on the current unemployment insurance (UI) staffing that supports financial recovery and collections. The UI staffing level for this work is 28 FTEs. The department assumes that approximately 1/3 of the UI staff will be required to perform this work for the LTSS program. The FTE estimates below also assume a 30% workload increase beginning in January 2026 with the introduction of portability. Estimates assume similar rates of non-compliance and collections activities required for the LTSS program as UI. Due to the need to build a new capability in this area in the agency, the staffing plan below includes whole FTEs in several cases as this work cannot be assumed to use a shared resource with an existing team or body of work.

The timeline for the staffing assumes a 3-month on-boarding and training period prior to work beginning. The estimates below assume a minimum staffing level to establish a team to activate this work. As the processes and tools that support this work are developed in greater detail, ESD will pursue a future decision package to address additional staffing levels if necessary. This work will require 13 FTE, including:

- 8.0 FTE beginning September 2024, Employment Security Program Coordinator (ESPC) 2 to implement LTSS program unremitted premium compliance activities and collections. The ESPC 2s will perform intermediate and advanced collection actions to ensure compliance with wage reporting and premium remittance responsibilities for employers.
- 1.0 FTE beginning September 2024 and ongoing, lead ESPC2 will provide coaching, mentoring, and quality review of the team's work on a day-to-day basis and handling more complex and unprecedented cases.
- 1.0 FTE beginning July 2024, ESPC 3 will supervise the team created to support collections and financial recovery activities. This position will oversee hiring and on-boarding for the newly created financial recovery and collections team.
- 1.0 FTE beginning September 2024, OA 3 will provide basic and routine administrative functions including documenting filing, imaging, and indexing.

- 1.0 FTE beginning July 2024, TTC to create training materials and provide initial and ongoing training for the financial recovery teams. This position will oversee the creation of training in advance of staff on-boarding beginning September of 2024.
- 1.0 FTE beginning July 2024 and ongoing, MA 3 to produce, and update on an on-going basis, process documentation, detailed procedures, and perform workload related analysis related to collections and financial recovery activities.

**Attorney General's Office (AGO):**

AGO will provide advice to ESD relating to major new and amended rulemaking to implement Sections 2, 4, 6, 7, 8, 11, and 14. AGO will also assist with developing processes for out of state participation and enforcing such premium collection from out of state persons.

200 AAG hours in FY25 for advice on rulemaking and process development, 40 AAG hours yearly for ongoing advice relating to rules and processes. Impact: 200 AAG hours in FY25, 40 AAG hours each FY thereafter, ongoing.

- FY25 - \$33,000
- FY26 and ongoing \$6,000

**Rulemaking**

HB 2272 will require major rulemaking for a one-time cost of \$90,000.