

Multiple Agency Fiscal Note Summary

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|-------------------------------|---|
| Bill Number: 2361 S HB | Title: Standardized health plans |
|-------------------------------|---|

Estimated Cash Receipts

NONE

Estimated Operating Expenditures

| Agency Name | 2023-25 | | | | 2025-27 | | | | 2027-29 | | | |
|--|------------|----------|-------------|---------------|------------|----------|-------------|----------------|------------|----------|-------------|---------------|
| | FTEs | GF-State | NGF-Outlook | Total | FTEs | GF-State | NGF-Outlook | Total | FTEs | GF-State | NGF-Outlook | Total |
| Washington State Health Care Authority | .0 | 0 | 0 | 15,000 | .0 | 0 | 0 | 180,000 | .0 | 0 | 0 | 30,000 |
| Office of Insurance Commissioner | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 8,009 | .0 | 0 | 0 | 0 |
| Total \$ | 0.0 | 0 | 0 | 15,000 | 0.0 | 0 | 0 | 188,009 | 0.0 | 0 | 0 | 30,000 |

Estimated Capital Budget Expenditures

| Agency Name | 2023-25 | | | 2025-27 | | | 2027-29 | | |
|--|------------|----------|----------|------------|----------|----------|------------|----------|----------|
| | FTEs | Bonds | Total | FTEs | Bonds | Total | FTEs | Bonds | Total |
| Washington State Health Care Authority | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Office of Insurance Commissioner | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Total \$ | 0.0 | 0 | 0 | 0.0 | 0 | 0 | 0.0 | 0 | 0 |

Estimated Capital Budget Breakout

NONE

| | | |
|--------------------------------------|---------------------------------|---|
| Prepared by: Jason Brown, OFM | Phone: (360) 742-7277 | Date Published: Final 2/13/2024 |
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Individual State Agency Fiscal Note

| | | |
|-------------------------------|---|---|
| Bill Number: 2361 S HB | Title: Standardized health plans | Agency: 107-Washington State Health Care Authority |
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--|---------|---------|---------|---------|---------|
| Account | | | | | |
| Health Benefit Exchange Account-State 17T-1 | 0 | 15,000 | 15,000 | 180,000 | 30,000 |
| Total \$ | 0 | 15,000 | 15,000 | 180,000 | 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: | Phone: | Date: 02/06/2024 |
| Agency Preparation: Janeth Rangel | Phone: 360-725-0000 | Date: 02/08/2024 |
| Agency Approval: Cliff Hicks | Phone: 360-725-0875 | Date: 02/08/2024 |
| OFM Review: Jason Brown | Phone: (360) 742-7277 | 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.

See attached documents.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached documents.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached documents.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

| Account | Account Title | Type | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-----------------|---------------------------------|-------|---------|---------|---------|---------|---------|
| 17T-1 | Health Benefit Exchange Account | State | 0 | 15,000 | 15,000 | 180,000 | 30,000 |
| Total \$ | | | 0 | 15,000 | 15,000 | 180,000 | 30,000 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | | | | | |
| A-Salaries and Wages | | | | | |
| B-Employee Benefits | | | | | |
| C-Professional Service Contracts | | 15,000 | 15,000 | 180,000 | 30,000 |
| E-Goods and Other Services | | | | | |
| G-Travel | | | | | |
| J-Capital Outlays | | | | | |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9- | | | | | |
| Total \$ | 0 | 15,000 | 15,000 | 180,000 | 30,000 |

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

NONE

III. D - Expenditures By Program (optional)

| Program | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-------------------------------|---------|---------|---------|---------|---------|
| Health Benefit Exchange (300) | | 15,000 | 15,000 | 180,000 | 30,000 |
| Total \$ | | 15,000 | 15,000 | 180,000 | 30,000 |

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.

HBE Fiscal Note

Bill Number: 2361 SHB

HBE Request #: 24-20-01

Part II: Narrative Explanation

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

This bill phases out non-standardized silver health plans offered on the Health Benefit Exchange; amending RCW 43.71.095; and adding a new section to chapter 43.71 RCW.

Section 1: Amends current statute (RCW 43.71.095):

(2)(b) (i) Establishes that up until December 31, 2025, a health carrier offering a standardized health plan under this section may also offer up to two non-standardized gold health plans, two non-standardized bronze health plans, one non-standardized silver health plan, one non-standardized, platinum health plan, and one non-standardized catastrophic health plan in each county where the carrier offers a qualified health plan.

(2)(b)(ii) Establishes that beginning January 1, 2026, non-standardized silver plans may not be offered in the Exchange. A health carrier offering a standardized health plan under this section may continue to offer up to two non-standardized gold health plans, two non-standardized bronze health plans, one non-standardized platinum health plan, and one non-standardized catastrophic health plan in each county where the carrier offers a qualified health plan.

(3) Requires the Exchange to conduct an annual review of whether standardized plans continue to maximize federal funding, ensure plan choice for individuals with health conditions, and respond to market conditions

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

(1) Requires the Exchange, by December 1, 2028, to evaluate the effects of prohibiting non-standardized silver plans on the Exchange and reexamine whether the entire Exchange market could be standardized without market disruption; and requires the Exchange, if it finds that moving toward a standardized market remains advisable, to recommend a plan on how to standardize the Exchange market using a phased approach.

(2) Section 2 expires January 1, 2029

II. B - Cash Receipts Impact

No fiscal impact. In December 2023, the Health Benefit Exchange submitted a report to the legislature on the impact of offering only standardized plans on the Exchange. In the report, the Exchange's actuarial contractor used spring 2023 data to make estimates for plan year 2025. The report included an analysis of the impacts on enrollment and premiums that may result from the elimination of non-standard plans on Washington Healthplanfinder. The report intentionally used conservative estimates for the scenarios reflected in the bill (elimination of non-standard Silver plans and simultaneous elimination off all non-standard plans complimented by the design of additional standard plans). The modeling approach used was described by the actuaries as a "high out-flow scenario" in which the highest estimated number of Exchange customers exit the Exchange.

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

HBE Fiscal Note

Bill Number: 2361 SHB

HBE Request #: 24-20-01

II. C - Expenditures

Total Cost: The Exchange estimates a total fiscal impact of \$15,000 in the 2023-25 Biennium, \$180,000 in the 2025-27 Biennium, with ongoing actuarial funding of \$30,000 beginning in the 2027-29 Biennium.

| Expenditures | | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|-----------------------|-------------------------|---------|---------------|---------|----------------|---------|---------------|
| 17T | Health Benefit Exchange | 1 | - | 15,000 | 90,000 | 90,000 | 15,000 |
| Biennial Total | | | 15,000 | | 180,000 | | 30,000 |

| Objects | | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|--------------|---------------------|----------|---------------|---------------|---------------|---------------|---------------|
| A | Salaries & Wages | - | - | - | - | - | - |
| B | Employee Benefits | - | - | - | - | - | - |
| C | Personal Serv Contr | - | 15,000 | 90,000 | 90,000 | 15,000 | 15,000 |
| E | Goods and Services | - | - | - | - | - | - |
| G | Travel | - | - | - | - | - | - |
| Total | | - | 15,000 | 90,000 | 90,000 | 15,000 | 15,000 |

The Exchange estimates a fiscal impact of \$150,000 in the 2025-27 Biennium to evaluate the effects of allowing only standardized silver plans on the Exchange and reexamine whether the entire Exchange market could be standardized without market disruption; and if it finds that moving toward a standardized market remains advisable, to recommend a plan on how to standardize the Exchange market using a phased approach.

The Exchange also estimates an ongoing annual cost of \$15,000 beginning in fiscal year 2025 to conduct an annual review of whether standardized plans continue to maximize federal funding, ensure plan choice for individuals with health conditions, and respond to market conditions

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

HCA Fiscal Note

Bill Number: **2361 SHB**

HCA Request #: 24-138

Title: **Standardized Health Plans**

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

HCA Fiscal Note

Bill Number: **2361 SHB**

HCA Request #: 24-138

Title: **Standardized Health Plans**

Part II: Narrative Explanation

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

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

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

II. B - Cash Receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

NONE

II. C – Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

No Fiscal impact to the Health Care Authority.

Please see HBE’s fiscal note assumptions for HBE fiscal impacts.

Part III: Expenditure Detail

III. A - Operating Budget Expenditure

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

HCA Fiscal Note

Bill Number: **2361 SHB**

HCA Request #: 24-138

Title: **Standardized Health Plans**

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: 2361 S HB | Title: Standardized health plans | Agency: 160-Office of Insurance Commissioner |
|-------------------------------|---|---|

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 |
| Account | | | | | |
| Insurance Commissioners Regulatory Account-State 138-1 | 0 | 0 | 0 | 8,009 | 0 |
| Total \$ | 0 | 0 | 0 | 8,009 | 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: | Phone: | Date: 02/06/2024 |
| Agency Preparation: Jane Beyer | Phone: 360-725-7043 | Date: 02/09/2024 |
| Agency Approval: Bryon Welch | Phone: 360-725-7037 | Date: 02/09/2024 |
| OFM Review: Jason Brown | Phone: (360) 742-7277 | Date: 02/13/2024 |

Part II: Narrative Explanation

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

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1(2)(b)(iii) requires only standardized silver health plans to be sold on the Health Benefit Exchange beginning January 1, 2026. Carriers may continue to offer up to two nonstandardized gold, two nonstandardized bronze, one nonstandardized platinum and one nonstandardized catastrophic plan in each county where they offer a qualified health plan

Section 1(3) directs the Exchange to annually review whether standardized health plans continue to maximize federal funding, ensure plan choice for consumers and respond to market conditions, in consultation with OIC.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 1(2)(b)(iii) requires only standardized silver health plans to be sold on the Health Benefit Exchange beginning January 1, 2026. Carriers may continue to offer up to two nonstandardized gold, two nonstandardized bronze, one nonstandardized platinum and one nonstandardized catastrophic plan in each county where they offer a qualified health plan

Section 1(3) directs the Exchange to annually review whether standardized health plans continue to maximize federal funding, ensure plan choice for consumers and respond to market conditions, in consultation with the Office of Insurance Commissioner (OIC).

Section 1 will drive additional written inquiries, calls and complaints to the OIC as consumers on non-standardized plans are migrated into standardized silver plans in 2026. In 2023, the OIC received 863 complaints and 391 calls related to the Health Benefit Exchange. As a result of potential migration-related confusion and problems from enrollees, the OIC anticipates a one-time 3% increase in these complaints and calls, and an additional 15 inquiries in FY2026. Informational cases generally take 10 minutes per case and complaint cases generally take between 1.0 and 3.25 hours per case. For purposes of this fiscal note, it is assumed informational cases will require 10 minutes per case and complaint cases will require an average of 3.25 hours per case requiring one-time costs of 89 hours (27 info cases x 10 minutes + 26 complaint cases x 3.25 hours) of a Functional Program Analyst 3 in FY2026.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

| Account | Account Title | Type | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-----------------|--|-------|---------|---------|---------|---------|---------|
| 138-1 | Insurance Commissioners Regulatory Account | State | 0 | 0 | 0 | 8,009 | 0 |
| Total \$ | | | 0 | 0 | 0 | 8,009 | 0 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | | | | 0.0 | |
| A-Salaries and Wages | | | | 4,708 | |
| B-Employee Benefits | | | | 1,699 | |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | | | | 1,602 | |
| G-Travel | | | | | |
| J-Capital Outlays | | | | | |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9- | | | | | |
| Total \$ | 0 | 0 | 0 | 8,009 | 0 |

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

| Job Classification | Salary | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|------------------------------|--------|---------|---------|---------|---------|---------|
| Functional Program Analyst 3 | 78,468 | | | | 0.0 | |
| Total FTEs | | | | | 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.