

Multiple Agency Fiscal Note Summary

Bill Number: 2128 2S HB	Title: Certificate of need program
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Governor	Fiscal note not available											
Office of Financial Management	Fiscal note not available											
Washington State Health Care Authority	Fiscal note not available											
Office of Insurance Commissioner	.0	0	0	3,774	.0	0	0	1,886	.0	0	0	0
Department of Social and Health Services	Fiscal note not available											
Department of Health	.1	29,000	29,000	29,000	.1	10,000	10,000	10,000	.0	0	0	0
Total \$	0.1	29,000	29,000	32,774	0.1	10,000	10,000	11,886	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	Fiscal note not available								
Office of Financial Management	Fiscal note not available								
Washington State Health Care Authority	Fiscal note not available								
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	Fiscal note not available								
Department of Health	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Preliminary 2/14/2024
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Individual State Agency Fiscal Note

Bill Number: 2128 2S HB	Title: Certificate of need program	Agency: 160-Office of Insurance Commissioner
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.0	0.0
Account					
Insurance Commissioners Regulatory Account-State 138-1	0	3,774	3,774	1,886	0
Total \$	0	3,774	3,774	1,886	0

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Emily Stephens	Phone: 360-786-7157	Date: 02/12/2024
Agency Preparation: Jane Beyer	Phone: 360-725-7043	Date: 02/13/2024
Agency Approval: Bryon Welch	Phone: 360-725-7037	Date: 02/13/2024
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 establishes a certificate of need modernization advisory committee, of which the Commissioner or their designee is a member. The advisory committee will be staffed by the Office of Financial Management and a contractor chosen by OFM. Advisory committee members include affected state agencies, entities subject to certificate of need regulation, consumers and health care purchasers. Meetings must occur every 2 months, with a preliminary report due to the legislature by December 15, 2024, and a final report due by October 15, 2025.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

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

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
138-1	Insurance Commissioners Regulatory Account	State	0	3,774	3,774	1,886	0
Total \$			0	3,774	3,774	1,886	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.0	0.0	0.0	
A-Salaries and Wages		2,323	2,323	1,161	
B-Employee Benefits		696	696	348	
C-Professional Service Contracts					
E-Goods and Other Services		755	755	377	
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	3,774	3,774	1,886	0

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Senior Policy Analyst	116,148		0.0	0.0	0.0	
Total FTEs			0.0	0.0	0.0	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 2128 2S HB	Title: Certificate of need program	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.1	0.1	0.1	0.0
Account					
General Fund-State 001-1	0	29,000	29,000	10,000	0
Total \$	0	29,000	29,000	10,000	0

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Emily Stephens	Phone: 360-786-7157	Date: 02/12/2024
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 02/13/2024
Agency Approval: Amy Burkel	Phone: 3602363000	Date: 02/13/2024
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/14/2024

Part II: Narrative Explanation

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

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

This fiscal note has not changed from the previous fiscal note on House Bill 2128. The second substitute adds section 1(8) requiring the department of health (department) to provide the contractor with non-confidential data or information as needed to complete the review and adds section 2 creating a null and void clause. These changes do not create new work for the department, therefore no change in fiscal impact.

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

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

Section 1(8): Requires the department to provide the contractor with any nonconfidential data or information in the department's possession as needed to complete the review. The contractor shall sign a data sharing agreement with the department to access this information.

Section 1(9): The contractor shall submit their findings and recommendations to the governor and each chamber of the legislature in two phases, (a) a preliminary report by December 15, 2024, and (b) a formal report of their findings by October 15, 2025.

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

Section 2: If funding is not provided by June 30, 2024, in the omnibus appropriations act, this act is null and 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.

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

II. C - Expenditures

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

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

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

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

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	29,000	29,000	10,000	0
Total \$			0	29,000	29,000	10,000	0

III. B - Expenditures by Object Or Purpose

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

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
WMS02	118,932		0.1	0.1	0.1	
Total FTEs			0.1	0.1	0.1	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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