

Multiple Agency Fiscal Note Summary

Bill Number: 1957 E S HB	Title: Preventive service coverage
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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
Washington State Health Care Authority	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Insurance Commissioner	.2	0	0	49,161	.0	0	0	8,008	.0	0	0	8,008
Total \$	0.2	0	0	49,161	0.0	0	0	8,008	0.0	0	0	8,008

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

Prepared by: Jason Brown, OFM	Phone: (360) 742-7277	Date Published: Final 2/15/2024
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Individual State Agency Fiscal Note

Bill Number: 1957 E S HB	Title: Preventive service coverage	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:

NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Greg Attanasio	Phone: 360-786-7410	Date: 02/13/2024
Agency Preparation: Izzy Uong	Phone: (360) 725-2113	Date: 02/14/2024
Agency Approval: Tanya Deuel	Phone: 360-725-0908	Date: 02/14/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/15/2024

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 narrative.

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 narrative.

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 narrative.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

See attached narrative.

Part V: New Rule Making Required

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

HCA Fiscal Note

Bill Number: **1957 ESHB**

HCA Request #: 24-160

Title: **Preventive Service Coverage**

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: **1957 ESHB**

HCA Request #: 24-160

Title: **Preventive Service Coverage**

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.

The differences between ESHB 1957 and SB 1957 are adding language to exempt grandfathered health plans. And to further add the ability of the insurance commissioner to adopt rules on future preventive services recommendations and guidelines by the U.S. Preventive Health Services Task Force, the advisory committee on immunization practices of the Centers of Disease Control, and the Health Resource Services Administration.

Section 1 of this bill amends RCW 48.43.07 (Health plans – Minimum coverage for preventive services – No cost-sharing requirements) that states nongrandfathered health plans issued on or after the effective date of this bill must provide coverage for the following preventive services:

- Evidence-based items or services that have a rating of A or B recommendations of the U.S. Preventive Task Force.
- Immunizations for routine use in children, adolescents, and adults that are recommended by the advisory committee on immunization practices of the Center for Disease Control and Prevention.
- Preventive care and screenings provided for in comprehensive guidelines by the Health Resources and Services Administration for infants, children, and adolescents.
- Additional preventive care and screenings for women, that are not listed with a rating of A or B by the United States Preventive Services Task Force, but included in comprehensive guidelines supported by the Health Resources and Services Administration.

With that, health carriers are no longer required to provide coverage for particular items or services if the recommendations or guidelines, for the items or services listed above, are revised by the U.S. Preventive Task Force, Center for Disease Control and Prevention, and by the Health and Resources and Services Administration.

Section 1 (6) states the health plan cannot impose cost-sharing for preventive services provided by an in-network provider. If the plan does not have an in-network provider, to provide the services, it is required to cover the cost of items or services when provided by an out-of-network provider – and may not impose cost sharing.

Section 1 (6b), for health plans meeting the criteria of a high deductible health plan with a health savings account, the carrier is permitted to impose cost-sharing, only at the minimum level essential to retain its qualifying status.

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

HCA Fiscal Note

Bill Number: **1957 ESHB**

HCA Request #: 24-160

Title: **Preventive Service Coverage**

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.

Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) Program Impact

No fiscal impact.

Section 1 of this bill amends RCW 48.43.047 to provide requirements for health carriers to cover preventive services as outlined in the U.S. Preventive Services Task Force with no cost-share to members. The bill states that health plans may not impose cost-sharing for preventive services provided by an in-network provider. If the plan does not have an in-network provider for the services, the health plan must then cover the cost of items or services performed by an out-of-network provider and may not impose cost sharing.

Currently, carriers in both the PEBB and SEBB programs cover preventive services as outlined by the U.S. Preventive Services Task Force with no member cost-share. All preventive services outlined in the bill currently have in-network provider access. If new services or items are included in the U.S. Preventive Services Task Force list without in-network providers, HCA expects UMP to cover the billed charges for those services completed by out-of-network providers, potentially leading to a fiscal impact.

In high deductible health plans with a health savings accounts, carriers can apply cost-sharing but only at the minimum necessary level to maintain their eligibility as qualifying health plans. There is no fiscal impact associated with this change as this is current practice for the PEBB and SEBB high deductible health plans.

Medicaid

No impacts on the Medicaid lines of business because this legislation places the requirements under RCW 48.43.

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)

HCA Fiscal Note

Bill Number: **1957 ESHB**

HCA Request #: 24-160

Title: **Preventive Service Coverage**

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.

NONE

Individual State Agency Fiscal Note

Bill Number: 1957 E S HB	Title: Preventive service coverage	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	0.3	0.2	0.0	0.0
Account					
Insurance Commissioners Regulatory Account-State 138-1	0	49,161	49,161	8,008	8,008
Total \$	0	49,161	49,161	8,008	8,008

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: Greg Attanasio	Phone: 360-786-7410	Date: 02/13/2024
Agency Preparation: Sydney Rogalla	Phone: 360-725-7042	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: 02/15/2024

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(1) requires carriers to cover preventive health services within certain federal recommendations or guidelines without cost-sharing requirements.

Section 1(3) requires carriers to assess any changes to preventive services federal guidelines annually and adjust their health plans accordingly.

Section 1(4)(a) requires carriers to cover these applicable preventive services without cost-sharing for out-of-network providers when no in-network provider offers those services.

Section 1(7) provides OIC with rulemaking authority to implement this legislation.

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(1) requires carriers to cover preventive health services within certain federal recommendations or guidelines without cost-sharing requirements.

Section 1(3) requires carriers to assess any changes to preventive services federal guidelines annually and adjust their health plans accordingly.

Section 1(4)(a) requires carriers to cover these applicable preventive services without cost-sharing for out-of-network providers when no in-network provider offers those services.

Section 1 will require additional review of health plan form filings to ensure plans have updated the changes to coverage of preventative health services without cost sharing. The Office of Insurance Commissioner (OIC) will require one-time costs, in FY2025, of 25 hours of a Functional Program Analyst 4 to update filing review standards and speed-to-market tools, update checklist documents and filing instructions, train health forms analysts, and educate issuers. The OIC receives approximately 502 health plan form filings each year and assumes the new review standards will result in an additional 15 minutes of review per form filing in FY2025 and an additional 5 minutes of review per form filing in FY2026 and thereafter requiring 125.5 hours (502 form filings x 15 minutes) in FY 2025 and 42 hours (502 form filings x 5 minutes) in FY2026 and thereafter of a Functional Program Analyst 3,

Section 1(7) provides OIC with rulemaking authority to implement this legislation. Section 1 will require 'normal' rulemaking in FY2025 to incorporate by reference into the OIC's annual health plan filing instructions to carriers some or all of the health care services added to or removed from the list of preventive services by federal entities referenced in Section 1(1). It will also update existing WAC 284-43-5800(4) and WAC 284-43-5642 (9)(c) to remove explicit mention of PPACA and 42 U.S.C. 300gg-1 to ensure consistency with new RCW language.

Ongoing Costs:

Salary, benefits and associated costs for .03 FTE Functional Program Analyst 3.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
138-1	Insurance Commissioners Regulatory Account	State	0	49,161	49,161	8,008	8,008
Total \$			0	49,161	49,161	8,008	8,008

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.3	0.2	0.0	0.0
A-Salaries and Wages		29,769	29,769	4,708	4,708
B-Employee Benefits		9,560	9,560	1,698	1,698
C-Professional Service Contracts					
E-Goods and Other Services		9,832	9,832	1,602	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	49,161	49,161	8,008	8,008

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Functional Program Analyst 3	78,468		0.1	0.0	0.0	0.0
Functional Program Analyst 4	86,712		0.1	0.0		
Senior Policy Analyst	116,148		0.2	0.1		
Total FTEs			0.3	0.2	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.

Section 1(7) provides OIC with rulemaking authority to implement this legislation. Section 1 will require 'normal' rulemaking in FY2025 to incorporate by reference into the Office of Insurance Commissioner's annual health plan filing instructions to carriers some or all of the health care services added to or removed from the list of preventive services by federal entities referenced in Section 1(1). It will also update existing WAC 284-43-5800(4) and WAC 284-43-5642 (9)(c) to remove explicit mention of PPACA and 42 U.S.C. 300gg-1 to ensure consistency with new RCW language.