

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 5632 E SB	<b>Title:</b> Labor disputes/health care	<b>Agency:</b> 107-Washington State Health Care Authority
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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:

Non-zero but indeterminate cost and/or savings. Please see discussion.

### 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.

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## 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.*

Please see attached.

### 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.*

Please see attached.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

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

Non-zero but indeterminate cost and/or savings. Please see discussion.

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

NONE

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

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

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

NONE

### IV. C - Capital Budget Breakout

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

NONE

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

NONE

**Part V: New Rule Making Required**

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

# HCA Fiscal Note

Bill Number: **5632 ESB**

HCA Request #: 24-147

Title: **Labor Disputes/Health Care**

## 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: **5632 ESB**

HCA Request #: 24-147

Title: **Labor Disputes/Health Care**

## 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.*

AN ACT Relating to protecting the health care of workers exercising their right to participate in a labor dispute; adding a new section to chapter 49.64 RCW; and creating a new section.

**NEW SECTION.** Sec. 1. (1) By January 1, 2025, the Health Benefit Exchange (HBE) created under chapter 43.71 RCW must administer a worker health plan access assistance program to help Washingtonians who lose employer-provided health care coverage as a result of an active strike, lockout, or other labor dispute.

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### 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.**

The Health Care Authority (HCA) is mentioned only once in the bill, in Sec. 1 Subsection 2. Part d concerning an individual who: “is ineligible for minimum essential coverage through Medicare, a federal or state medical assistance program administered by the HCA under chapter 74.09 RCW, or for premium assistance under RCW 43.71A.020”.

No fiscal, operational, or administrative impact to HCA. Impact to be with Washington Health Benefit Exchange.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditure

**NONE**

# HCA Fiscal Note

Bill Number: **5632 ESB**

HCA Request #: 24-147

Title: **Labor Disputes/Health Care**

## III. B - Expenditures by Object Or Purpose

**NONE**

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

**NONE**

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

**NONE**

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

**NONE**

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

**NONE**

**IV. C - Capital Budget Breakout:** Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

**NONE**

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

**NONE**

## Part V: New Rule Making Required

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

**NONE**

# HBE Fiscal Note

Bill Number: 5632 ESB

HBE Request #: 24-22-01

## Part II: Narrative Explanation

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

This bill requires the Health Benefit Exchange (Exchange) to administer a worker health plan access assistance program to help Washington residents who lose health care coverage provided by their employer or a joint labor management trust as a result of a labor dispute.

Section 1(1) – Starting January 1, 2025, the Exchange must administer a worker health plan access assistance program.

Section 1(2) – Subject to the availability of state funds for this purpose, an individual and their dependents are eligible for the program created in subsection (1) of this section if the individual:

- a) provide self-attestation regarding loss of minimum essential health care coverage from an employer or joint labor management trust fund as a result of a strike, lockout, or other labor dispute,
- b) enrolls in a Cascade Silver standardized health plan,
- c) applies for and accepts all federal advance premium tax credits for which the household may be eligible,
- d) is ineligible for minimum essential coverage through Medicare, a federal or state medical assistance program administered by the health care authority, or for COFA premium assistance, and
- e) is otherwise eligible to purchase a qualified health plan on the exchange

Section 1(3) – The Exchange may disqualify a participant from the program if the individual:

- a) no longer meets eligibility criteria,
- b) fails, without good cause, to comply with procedural and documentation requirements,
- c) fails, without good cause, to notify the exchange when the minimum essential coverage provided by the employer or joint labor management trust fund is reinstated,
- d) voluntarily withdraws from the program, or
- e) commits fraud.

Section 1(4) The Exchange may request, and applicable employer, labor organization, or other appropriate representatives, must provide, information to determine the status of a strike, lockout, or labor dispute, its impact to coverage, and any other information determined by the health benefit exchange as necessary to determine eligibility for financial assistance under this section.

Section 1(5) – The Exchange must establish procedural requirements for eligibility and continued participation for the worker health plan access assistance program as well as procedural requirements for facilitating payments to and from carriers.

### II. B - Cash Receipts Impact

## HBE Fiscal Note

Bill Number: 5632 ESB

HBE Request #: 24-22-01

Indeterminate. Given the unknown size and frequency of future labor disputes impacting Washington workers, and uncertainty as to how many of those impacted would lose health coverage and qualify for qualified health plan coverage, the expected total population that will be served by this program is unknown. Available historical data suggests that disputes in Washington that are large in size and prolonged in duration are infrequent. To the extent qualified health plan enrollment is increased, it will result in additional health insurance tax premiums and carrier assessments collected under RCW 43.71 for the length of time the worker is enrolled.

Assuming an unknown increase in enrollment, there is an indeterminate revenue and cash receipt impact to the state. All funding for the Exchange is appropriated, and any change in resources to the Exchange would be subject to future appropriation

### **II. C - Expenditures**

Indeterminate. Given the unknowns regarding the number of potential enrollees, and, therefore, the size and scale of the worker health plan access assistance program, the Exchange cannot identify specific fiscal impacts, but general assumptions are provided below.

Using available data from the Bureau of Labor Statistics over the last 30 years, the Exchange assumes future labor disputes may impact up to 3,000 total workers per year. In recent experience with the premium assistance program for employees of licensed child care facilities – and accounting for the relatively short duration of most labor disputes – the Exchange estimates about 5-10% of total striking workers might want health insurance coverage through the Exchange. Of those who apply for coverage, some may qualify for Washington Apple Health. The Exchange also assumes that some workers will maintain their employer coverage through the duration of the strike, some workers who do lose coverage may not seek alternative coverage in the interim, and some will obtain coverage through a family member or another source. Based on these assumptions, the Exchange anticipates, on average, less than 50 enrollees per year will need assistance, and anticipates being able to provide outreach and enrollment assistance activities throughout the year to impacted workers, and their dependents, within existing resources. The Exchange also anticipates needed to monitor when if/when employer sponsored insurance (ESI) is restored to help unsure eligibility and coverage information is updated. To the extent the volume of labor disputes and/or impacted workers is higher than anticipated, additional resources will likely be needed to support these ongoing activities.

### **Part IV: Capital Budget Impact**

None.

### **Part V: New Rule Making Required**

None.