

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5241 E SB	<b>Title:</b> Relating to material changes to the operations and governance structure of participants in the health care marketplace
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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 Secretary of State	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	Fiscal note not available											
Washington State Health Care Authority	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Insurance Commissioner	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	0	0.0	0	0	0	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 Secretary of State	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	Fiscal note not available								
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

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**Phone:**  
(360) 280-3973

**Date Published:**  
Preliminary 2/15/2024

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5241 E SB	<b>Title:</b> Relating to material changes to the operations and governance structure of participants in the health care marketplace	<b>Agency:</b> 085-Office of the Secretary of State
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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: Sam Brown	Phone: 786-7470	Date: 02/09/2024
Agency Preparation: Mike Woods	Phone: (360) 704-5215	Date: 02/12/2024
Agency Approval: Mike Woods	Phone: (360) 704-5215	Date: 02/12/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/12/2024

## 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.*

Changes in ESB 5241 compared to the previous version (SB 5241, 2023 Session).

Changes include adding the definition of “affiliate” in Section 3, and providing the Attorney General explicit rule-making authority (Section 21). The changes do not modify the impact to the Office of the Secretary of State (OSOS).

Summary of ESB 5241

Section 15 of the bill prohibits OSOS from accepting “any forms or documents in connection with any material change transaction if the attorney general...disapproved the material change transaction or the parties...have not agreed to any conditions or modifications imposed by the attorney general...”

Forms and documents pertaining the “material change transactions” as defined in Section 4(2) of this bill cannot be filed online, do not have standard forms provided by the Office of the Secretary of State, and are manually reviewed in-house by OSOS staff. The bill would require a change in the review procedures and checklist used by OSOS staff in reviewing such documents but would not otherwise necessitate any changes to our filing system or forms.

### 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.*

There are no costs to OSOS associated with implementing this bill.

## 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

**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> 5241 E SB	<b>Title:</b> Relating to material changes to the operations and governance structure of participants in the health care marketplace	<b>Agency:</b> 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: Sam Brown	Phone: 786-7470	Date: 02/09/2024
Agency Preparation: Hanh OBrien	Phone: 360-725-1447	Date: 02/14/2024
Agency Approval: Madina Cavendish	Phone: 360-725-0902	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.

### 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.

### 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.

## 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

**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: **5241 ESB**

HCA Request #: 24-151

Title: **Health Care Marketplace**

## 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: **5241 ESB**

HCA Request #: 24-151

Title: **Health Care Marketplace**

## 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 bill seeks to revise RCW 19.390 (Health Care Market Participants) to require parties to a material change transaction, to submit additional information to the attorney general (AG) about their services and impacts on those services, including any impacts the transactions could have on reproductive health care services, end-of-life health care services and gender affirming health care services.

A "material change transaction" includes a merger, acquisition, or contracting affiliation:

(a) Between two or more of the following entities:

- (i) Hospitals;
- (ii) Hospital systems; or
- (iii) Provider organizations; or

(b) Between the following entities:

- (i) An entity described in (a) above and a carrier or an insurance holding company system, or
- (ii) An entity described in (a) above and any other person or entity that has as its primary function the provision of health care services or that is a parent organization of, has control over, or governance of, an entity that has as its primary function the provision of health care services.

This bill is cited as the "Keep Our Care Act" and is set to take effect 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. 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 proposed legislation does not have a direct impact on the Health Care Authority (HCA) but does have an impact on HCA stakeholders. There are some indirect impacts in that hospitals, health care systems or provider organizations that participate in mergers, acquisitions, or contracting affiliations would have to provide additional robust information to the AG.

The proposed definition of "material change transaction" to include a merger/acquisition/contracting affiliation between hospitals, hospital systems, or provider organizations and a carrier; "carrier" would include Kaiser NW, Kaiser WA, Kaiser WA Options and Premera in their capacity as a fully insured carrier for the Public Employee Benefits (PEBB) and School Employees Benefits (SEBB) plans. This change should not cause any impacts to

# HCA Fiscal Note

Bill Number: **5241 ESB**

HCA Request #: 24-151

Title: **Health Care Marketplace**

Employee and Retiree Benefits (ERB) operations within the agency, as impacts will be at the carrier level. The PEBB and SEBB carrier's contracts already require them to cover services required by state and federal laws, which includes women's reproductive health (including access to abortion), gender affirming care, and end of life services.

## **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**

**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**

## HCA Fiscal Note

Bill Number: **5241 ESB**

HCA Request #: 24-151

Title: **Health Care Marketplace**

### **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

<b>Bill Number:</b> 5241 E SB	<b>Title:</b> Relating to material changes to the operations and governance structure of participants in the health care marketplace	<b>Agency:</b> 160-Office of Insurance Commissioner
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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: Sam Brown	Phone: 786-7470	Date: 02/09/2024
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.*

This bill is known as the “Keep Our Care Act”. It relates to review of health care mergers and acquisitions by the Office of the Attorney General (AGO).

Section 4 of the bill sets out the types of health care mergers and acquisitions that will be reviewed. They include mergers and acquisitions between hospitals, hospital systems and provider entities, as well as transactions between hospitals, hospital systems, provider organizations and a carrier, an insurance company holding system or any entity that has as its primary function the provision of health care services.

Section 26 of the bill directs the AGO to complete a study on the impact of health care mergers and acquisitions in Washington state between health carriers and health care providers. It is due to the Legislature by January 2026.

OIC may receive inquiries from the AGO with respect to specific mergers or acquisitions involving carriers or insurer holding companies, or with respect to the study directed in section 26. Such inquiries can be handled within existing resources. No fiscal impact to the 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.*

## 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

**Part V: New Rule Making Required**

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