

Multiple Agency Fiscal Note Summary

Bill Number: 6127 E S SB	Title: HIV prophylaxis
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

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	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Office of Insurance Commissioner	.0	0	0	12,131	.0	0	0	10,680	.0	0	0	10,680
Department of Health	.1	0	0	10,000	.1	0	0	20,000	.1	0	0	20,000
Total \$	0.1	0	0	22,131	0.1	0	0	30,680	0.1	0	0	30,680

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
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

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Phone:
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Date Published:
Final 2/15/2024

Individual State Agency Fiscal Note

Bill Number: 6127 E S SB	Title: HIV prophylaxis	Agency: 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.

Legislative Contact: Monica Fontaine	Phone: 3607867341	Date: 02/08/2024
Agency Preparation: Molly Christie	Phone: 360-725-5138	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 narratives.

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.

HBE indeterminate cash receipt impact.

HCA no cash receipt impact.

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.

HBE no expenditure impact.

HCA indeterminate expenditure impact.

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: 6127 ESSB

HCA Request #: 24-146

Title: HIV Prophylaxis

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:

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: 6127 ESSB

HCA Request #: 24-146

Title: HIV Prophylaxis

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.

Compared to the original bill, the engrossed substitute version of SB 6127 expands requirements for access to human immunodeficiency virus (HIV) postexposure prophylaxis (PEP) without prior authorization (PA) or member cost-sharing to all Medicaid managed care organizations (MCOs) and health plans offered under the Public Employees' Benefits Board (PEBB) and School Employees' Benefits Board (SEBB) programs. Additionally, the engrossed substitute clarifies that the access requirements apply to the drugs that comprise at least one regimen recommended by the Centers for Disease Control and Prevention (CDC) for HIV PEP. Hospitals must dispense a 5-day supply of HIV PEP drugs or therapies after possible exposure with a patient's informed consent. Emergency departments (EDs) may dispense prepackaged PEP drugs and are permitted to provide antibiotics and PEP drugs above a 48-hour supply limit imposed on emergency medications. Health plans must reimburse hospitals for a 5-day supply of any PEP drugs or therapies dispensed by the ED for take-home use as a separate reimbursable expense outside of any bundled payment for ED services.

Effective January 1, 2025, ESSB 6127 would prohibit health plans from imposing enrollee cost-sharing or PA for at least one regimen of HIV PEP drugs or therapies. The proposed legislation applies to health plans under chapter 48.43 RCW (Insurance Reform), 41.05 RCW (Health Care Authority), 74.09 RCW (Medical Care), and hospitals under chapter 70.41 RCW (Hospital Licensing and Regulation).

Section 1 – New section under Chapter 70.41 RCW

Requires hospitals adopt a policy on dispensing a 28-day PEP regimen following possible HIV exposure.

Section 2 – Amends 70.41.480 RCW

Adds PEP drugs or therapies for possible HIV exposure to the circumstances under which hospitals are permitted to prescribe prepackaged emergency medications upon discharge from the ED and allows for EDs to provide more than a 48-hour supply.

Section 3 – New section under Chapter 48.43 RCW

Prohibits nongrandfathered health plans issued or renewed after January 1, 2025, from imposing PA or cost-sharing for at least one regimen of HIV PEP drugs or therapies. Qualifying high deductible health plans (HDHPs) with a health savings account (HSA) must establish cost-sharing for HIV PEP drugs or therapies at the minimum level necessary to preserve enrollees' ability to claim tax exempt HSA contributions and withdrawals per IRS laws

HCA Fiscal Note

Bill Number: 6127 ESSB

HCA Request #: 24-146

Title: HIV Prophylaxis

and regulations. Plans must reimburse hospitals for a 5-day supply of any PEP drugs or therapies dispensed for take-home use separate from any bundled payment for ED services.

Section 4 – New section under Chapter 74.09 RCW

Requires all Medicaid MCOs to cover at least one regimen of PEP drugs and therapies without prior authorization or cost-sharing. MCOs must also reimburse hospitals for a 5-day supply of any PEP drugs or therapies dispense for take-home use separate from any bundled payment for ED services.

Section 5 – Amends and reenacts RCW 41.05.017 and 2022 c 236 § 3, 2022 c 228 § 2, and 2022 c 10 § 2

Extends requirements of Section 3 to the Uniform Medical Plans (UMP) offered under PEBB and SEBB.

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.

The fiscal impact is indeterminate.

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

The fiscal impact is indeterminate but expected to be minimal. HCA estimates that this bill could result in additional annual claims liability in UMP of at least \$50,000; however, the exact figure depends on the extent of increased utilization of PEP drugs and therapies. When the total estimated incremental cost is allocated to PEBB and SEBB, respectively, it is not sufficient to increase the funding rates.

Section 3 mandates that fully insured health plans must cover at least one CDC-recommended regimen of HIV PEP drugs and therapies without enrollee cost-sharing or PA. Qualifying high deductible health plans with an HSA must set cost sharing for these prescriptions at the lowest amount necessary to retain IRS tax exemption for HSA contributions and withdrawals. Additionally, plans must reimburse hospitals outside of any bundled payment for dispensing 5-day supplies of any PEP drugs or therapies through the ED. Section 5 extends these requirements to UMP.

All PEBB and SEBB health plans cover HIV medications. The CDC recommends specific combinations of some of these medications for PEP regimens. Since the drugs for PEP and long-term HIV treatment are the same, removing prior authorization eliminates plans' ability to differentiate prescriptions by indication. Additionally, the bill does not specify that plans are exempted from covering these drugs without cost-sharing or PA if used for treatment of HIV and not for PEP. Therefore, HCA assumes that member cost-sharing for all of these prescriptions would shift to plans, increasing claims cost. It is also assumed that plans retain discretion to prefer certain PEP products over others if they cover at least one of the CDC's recommended PEP regimens without

HCA Fiscal Note

Bill Number: 6127 ESSB

HCA Request #: 24-146

Title: HIV Prophylaxis

cost-sharing or PA. In UMP, member cost-sharing for preferred HIV medications that comprise two of the CDC's recommended PEP regimens was approximately \$70,000 in 2023. However, the bill permits plans to cover only one of the CDC's regimens, which would result in slightly lower plan liability.

Additionally, in this engrossed bill version plans are required to reimburse hospitals as a separate (non-bundled) expense for 5-day supplies of any PEP drugs dispensed for take-home use through the ED. This may represent a change to the current billing procedure used by Regence, UMP's third-party administrator (TPA), resulting in greater plan and member costs. Specifically, if PEP drugs are billed separately from an outpatient ED bundled payment, hospitals may mark up the cost of the drugs. Additionally, hospitals may dispense different PEP drugs than selected by the plan's medical and pharmacy benefits to be available to members at no cost-sharing. Under this scenario, it is assumed that members would incur a cost-share for one or both drugs that comprise the prescribed PEP regimen (for UMP, it is typically 15% coinsurance plus any amount owing toward the member's deductible). It is not possible to quantify the fiscal impact without specific utilization estimates and prescribed products.

Based on this analysis HCA estimates that UMP could incur more than \$50,000 in increased claims expenses, but the precise impact is indeterminate due to unknown utilization and product shift. However, HCA does not anticipate that the overall increase would have a significant impact on the PEBB and SEBB funding rates.

Additional assumptions:

- HIV PEP drugs, which are not on the IRS list of preventive care services for HSA qualified HDHPs, must still be subject to the plan's deductible according to federal laws and regulations.
- The PEP drugs covered without member cost-sharing or PA may be different under a health plan's medical benefit than the prescription drug/pharmacy benefit (due to different preferred drug lists/formularies). Under this circumstance, health plans would cover drugs comprising more than one of the CDC's recommended PEP regimens without member cost-sharing or PA.
- Members that begin a 5-day course of PEP through the ED would complete the same regimen for the remaining 23 days and may incur cost-sharing for one or both prescriptions depending on their plan's formulary and coverage limits.

Medicaid Impact:

The fiscal impact is indeterminate.

The bill requires Apple Health to cover drugs for human immunodeficiency virus (HIV) postexposure prophylaxis (PEP) without prior authorization or cost-sharing. In addition, it requires Apple Health to reimburse hospital emergency departments for a five-day supply of PEP treatment as a separately reimbursable expense. HIV drugs are currently covered without prior authorization or cost-sharing; and since PEP therapies are already covered, any increase in dispensing from an emergency room setting is expected to be offset by a decrease in the pharmacy dispensing. However, studies suggest that there are significant differences between the costs

HCA Fiscal Note

Bill Number: 6127 ESSB

HCA Request #: 24-146

Title: HIV Prophylaxis

associated with pharmacy dispensing and dispensing from hospitals. The potential utilization and the difference in cost is currently unknown. As a result, the fiscal impact is indeterminate.

References

Santiviago, S. (2022). Addressing High Priced Drugs. New Hampshire Prescription Drug Affordability Board. <https://www.dhhs.nh.gov/sites/g/files/ehbemt476/files/documents2/ahippresent05232022.pdf>.

Robinson, J. C., Whaley, C., & Dhruva, S. S. (2024). Hospital Prices for Physician-Administered Drugs for Patients with Private Insurance. *New England Journal of Medicine*, 390(4), 338-345.

Part III: Expenditure Detail

III. A - Operating Budget Expenditure

See above.

III. B - Expenditures by Object or Purpose

See above.

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

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.

HCA Fiscal Note

Bill Number: 6127 ESSB

HCA Request #: 24-146

Title: HIV Prophylaxis

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: 6127 ESSB

HBE Request #: 24-21-01

Part II: Narrative Explanation

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

This bill would require that nongrandfathered health plans issued or renewed on or after January 1, 2025 may not impose cost sharing or require prior authorization for the drugs that comprise at least one regimen recommended by the centers for disease control and prevention for human immunodeficiency virus postexposure prophylaxis. For qualifying health plans offered for a Health Savings Account, the carrier must establish the plans cost sharing for the coverage required at a minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions and withdrawals.

II. B - Cash Receipts Impact

Indeterminate. New mandated benefits typically increase premiums, but the expected premium increase amount attributable to just this new benefit is unknown at this time.

II. C - Expenditures

No fiscal impact, changes that require inclusion of this health care benefit in qualified health plans offered in the Exchange marketplace are not expected to require significant operational or Healthplanfinder system changes.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 6127 E S SB	Title: HIV prophylaxis	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	0.1	0.1	0.0	0.0
Account					
Insurance Commissioners Regulatory Account-State 138-1	0	12,131	12,131	10,680	10,680
Total \$	0	12,131	12,131	10,680	10,680

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: Monica Fontaine	Phone: 3607867341	Date: 02/08/2024
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: 02/13/2024

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 3 prohibits health carriers, for nongrandfathered health plans issued or renewed after January 1, 2025, from imposing cost sharing or requiring prior authorization for the drugs that comprise at least one regimen recommended by the centers for disease control and prevention for HIV postexposure prophylaxis.

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 3 prohibits health carriers, for nongrandfathered health plans issued or renewed after January 1, 2025, from imposing cost sharing or requiring prior authorization for the drugs that comprise at least one regimen recommended by the centers for disease control and prevention for HIV postexposure prophylaxis.

The Office of Insurance Commissioner (OIC) expects the change in coverage requirements will generate additional consumer inquiries, calls, and complaints. In 2023, the OIC received 28 complaints and 21 inquiries from consumers related to HIV exposure and PEP. As a result of this bill, consumer complaints related to HIV exposure and PEP are expected to increase by 10% and provider contacts are expected to increase by 9 phone calls and 4 inquiries each year. Informational cases generally take 10 minutes per case and complaint cases generally take between one and 3.25 hours per case. For purposes of this fiscal note, it is assumed that informational cases will take 10 minutes per case and complaint cases will take 3.25 hours per case requiring 12 hours (13 info cases x 10 minutes + 3 complaint cases x 3.25 hours) of a Functional Program Analyst 3 each year beginning in FY2025.

Section 3 will require additional review of health plan form filings to ensure plans have updated the changes to coverage for HIV postexposure prophylaxis drugs or therapies without cost sharing or prior authorization requirements. The Office of Insurance Commissioner (OIC) will require one-time costs, in FY2025, of 19 hours of a Functional Program Analyst 4 to update filing review standards and speed-to-market tools, update checklist documents and filing instructions and train health forms analysts. 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 126 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.

Ongoing Costs:

Salary, benefits and associated costs for .04 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	12,131	12,131	10,680	10,680
Total \$			0	12,131	12,131	10,680	10,680

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.1	0.0	0.0
A-Salaries and Wages		7,144	7,144	6,278	6,278
B-Employee Benefits		2,561	2,561	2,266	2,266
C-Professional Service Contracts					
E-Goods and Other Services		2,426	2,426	2,136	2,136
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	12,131	12,131	10,680	10,680

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		0.0	0.0		
Total FTEs			0.1	0.1	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: 6127 E S SB	Title: HIV prophylaxis	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	0.1
Account					
General Fund-Private/Local 001 -7	0	10,000	10,000	20,000	20,000
Total \$	0	10,000	10,000	20,000	20,000

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: Monica Fontaine	Phone: 3607867341	Date: 02/08/2024
Agency Preparation: Sheri Spezze	Phone: (360) 236-4557	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.

The engrossed substitute bill removes the requirement from section 3 of the original bill for the Department to provide prophylaxis medications to hospitals. Therefore, the fiscal impact is reduced.

Section 1: A hospital must adopt a policy and have procedures in place that conform with the guidelines issued by the centers for disease control and prevention, for the dispensing of HIV prophylaxis drugs or therapies. This policy must ensure that hospital staff dispense to a patient, with a patient's informed consent, at least a five-day supply of HIV postexposure prophylaxis drugs or therapies following the patient's possible exposure to HIV, unless medically contraindicated.

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

Inspection & Investigation

Section 1 directs hospitals to create new policies for dispensing of HIV prophylaxis drugs or therapies. The Department is required to review policies of all acute care hospitals, this bill will require additional time to complete routine inspection of policy reviews and may result in additional complaints. The department estimates one additional hour of policy review time for each of the approximately 30 acute care hospital inspections per year.

The department estimates there will be two additional complaint investigations per year at an average of 30 hours per investigation. Since the department has begun the regulation of acute care hospitals, the department has learned that the investigations of these facilities can easily become complicated with many safety risks. The investigations need to be conscientious to the safety of patients, facility staff, and the department's staff conducting the investigation.

The complaint response process includes five steps: 1) intake, 2) assessment, 3) investigation, 4) case disposition, and 5) adjudication. Staff review the complaint, identify the history of the facility complained about, and help assess whether an investigation is needed. The investigator obtains information about the complaint and the respondent, then prepares a report detailing the findings. After investigation, the disciplining authority decides whether to pursue legal action. Staff attorneys, paralegals, assistant attorney general, and other staff work to develop the legal documents and charge the violation. Most cases are settled, and the staff attorney manages that process. If the respondent asks for a hearing, staff must schedule the hearing, and the health law judge considers all legal motions, presides over the hearing, and drafts the final order. Also, the Office of the Attorney General will represent the department at hearings and may provide advice throughout the enforcement process.

FY2025 and ongoing, 0.1 FTE of a Nursing Consultant, Institutional to conduct complaint investigations.

Total Costs

FY 2025 costs and ongoing will be 0.1 FTE and \$10,000 (GF-L).

Total costs can include staff, associated expenses (including goods and services, travel, intra-agency, and indirect/overhead costs)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-7	General Fund	Private/Local	0	10,000	10,000	20,000	20,000
Total \$			0	10,000	10,000	20,000	20,000

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	0.1
A-Salaries and Wages		6,000	6,000	12,000	12,000
B-Employee Benefits		2,000	2,000	4,000	4,000
E-Goods and Other Services		2,000	2,000	4,000	4,000
9-					
Total \$	0	10,000	10,000	20,000	20,000

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
NURSING CONSULTANT, INSTITUTIONAL	111,156		0.1	0.1	0.1	0.1
Total FTEs			0.1	0.1	0.1	0.1

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.