

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 1114 HB	<b>Title:</b> Respiratory care compact	<b>Agency:</b> 303-Department of Health
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Health Professions Account-State 02G-1		69,000	69,000	96,000	121,000
<b>Total \$</b>		69,000	69,000	96,000	121,000

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2	0.3	0.3	0.1	0.1
<b>Account</b>					
Health Professions Account-State 02G-1	170,000	62,000	232,000	40,000	40,000
<b>Total \$</b>	170,000	62,000	232,000	40,000	40,000

### 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.

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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.*

This bill adds a new section to Chapter 18.89 RCW (Respiratory care practitioners) authorizing the State of Washington to participate in the Respiratory Care Interstate Compact. The bill would allow one representative from the Respiratory Care Practitioner Board (board) to be Washington State's delegate on the new Respiratory Care Interstate Compact Commission (commission). The compact establishes an expedited process for eligible respiratory care practitioners to be licensed in compact member states as well as their state of principal licensure.

Section 3: Under the compact, the Department of Health (department) will grant a compact privilege to a respiratory care practitioner (RCP) who holds and maintains an active home state license as a respiratory therapist. The department may charge a fee for granting a compact privilege. The department will participate fully in the commission's data system and will utilize an FBI background check to consider the criminal history records of applicants for an initial compact privilege. The compact privilege issued by the department is valid until the expiration date.

Section 4: The compact privilege issued by the department is valid until the expiration date of the home state license.

Section 6: The department has the authority to take adverse action against a respiratory care practitioner's compact privilege, in accordance with existing state due process law. If the department takes adverse action, it shall promptly notify the administrator of the commission's data system. Additionally, the department may participate with other member states in joint investigations of licensees, and compact member states will share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under this compact.

Section 7: Washington State will have one delegate to the commission, selected by the board. The delegate shall be either a current member of the board or an administrator of the board. The commission shall meet at least once during each calendar year, and a delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for the delegates' participation in meetings by telephone or other means of communication. The commission may levy on and collect an annual assessment from the department.

Section 8: The commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states. The department shall submit a uniform data set to the data system on all individuals to whom this compact is applicable.

Section 11: The compact shall come into effect on the date on which the compact statute is enacted into law in the seventh member state.

### 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.*

Section 3: This bill allows the department to charge a fee for granting a compact privilege to RCPs who are licensed in other compact member states. Current law, RCW 43.70.250 (License fees for professions, occupations, and businesses.), requires health professions be fully self-supporting and the collection of sufficient revenue through fees to cover the cost of administering the program.

Based on the Occupational Therapy and Occupational Therapist Assistant licensee base the department assumed 5% applications for the first year and 1% for ongoing applications. Based on the department's experience with the occupational therapy licensure compact the department estimates out of the 3,702 respiratory care practitioners currently

licensed, the department estimates it will issue 187 (3,702 x 5%) initial compact privileges to licensees in other member states in the first year and 37 (3,702 x 1%) each year thereafter.

During the rulemaking process, a fee study will be prepared with proposed fees and provided for stakeholder input. The department will monitor the program fund balance and adjust fees over a six (6) year period to ensure that fees are sufficient to cover all program expenditures. For the purpose of this fiscal note, the department assumes it will charge between \$345 and \$395 for each initial compact privilege and for each compact privilege renewal. The current application and initial license fee for the Respiratory Care Practitioner is \$140. The current renewal fee is \$110 for Respiratory Care Practitioners.

The bill does not specify the account the compact privilege fees should be deposited, but the department assumes fees will be deposited to the Health Professions Account (02G).

Section 4: Under this bill, each compact privilege issued by the department is valid until the licensee's home state license expires. Based on experience with health profession renewals, the department assumes 98.5% of compact privileges granted by the department will be renewed every two years.

Section 11: The interstate compact shall come into effect the date on which the compact statute is enacted into law in 7 member states. Currently there are no states in this compact.

Estimated Respiratory Care Practitioner Compact fee revenue (rounded to the nearest thousand):

FY 2027: \$69,000 (187 applications)

FY 2028: \$14,000 (37 applications)

FY 2029: \$82,000 (37 applications, 184 renewals)

FY 2030: \$27,000 (37 applications, 36 renewals)

FY 2031: \$94,000 (37 applications, 218 renewals)

## 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.*

### Health Systems Quality Assurance (HSQA)

#### HSQA-Rulemaking

Section 3: The department will develop and adopt rules to establish new fees and to incorporate the department's participation in the compact into existing rules. The department anticipates utilizing a team of subject matter experts to implement this bill. This team will consist of program manager and a community engagement specialist to identify underreached communities and engage them in the rulemaking process. This process will include two meetings with interested parties as well as one formal rules hearing, all held virtually, and will take approximately 12 months to complete. The department anticipates providing the rules hearing announcement and materials in both English and Spanish and providing ASL and Spanish interpretation services at the rules hearing.

Costs include staff, associated expenses (including goods and services, travel, intra-agency, and indirect charges), and Office of Attorney General support in the amount of \$4,000.

FY 2026 costs will be 0.20 FTE and \$29,000 (02G)

#### Office of Customer Service

Section 3 and 8: The bill creates a new credential for the Respiratory Care Interstate compact privilege. Additionally, the bill requires the department to submit a uniform data set to the commission's data system on all individuals to whom this compact is applicable. In FY 2027 staff time will be required to implement the specific configuration to capture the required data for the uniform data set the department must submit for the compact's database. Staff time will also be required to configure the new compact credentials, create a new paper application, and to update the department's systems and websites.

Beginning in FY 2027, the department will begin processing compact privilege applications and require FBI biometric-based (fingerprint-based) background checks done by the Washington State Patrol for Respiratory Care Practitioner applicants for an initial compact privilege to meet the requirements of the compact. Based on the number of compact privileges expected, the department estimates 187 applications and background checks in FY 2027 and 37 applications and background checks in each year thereafter. Staff time will be required to process the completed background checks, receive background check reports, and provide technical assistance to applicants requiring additional information. Additionally, staff time will be required to review and process compact privilege applications and renewals and to provide technical assistance.

One-time costs include Customer Service Credentialing and Operations staff and associated goods and services, intra-agency, and indirect costs.

FY 2027 costs will be \$2,000 (02G)

Office of Innovation & Technology (OIT)

Section 3 and 8: In FY 2026 HTS staff and the department contractor's time will be required to make updates to the department's Healthcare Enforcement and Licensing Modernization Solution (HELMS). This will include configuration and testing of two new credential types. Tasks include establishing and maintaining credentialing workflows, user defined fields, templates, fee tables, renewals, database support, modification of reports, and creating interfaces for the data set. Ongoing, HTS staff time will be required to maintain the credentials, fields, and reports. The department estimates

Costs include HELMS contractor costs in the amount of \$139,000, HTS staff, associated goods and services, intra-agency, and indirect costs.

FY 2026 costs will be \$141,000 (02G)

FY 2027 costs will be 0.3 FTE and \$60,000 (02G)

FY 2028 and ongoing, costs will be 0.1 FTE and \$20,000

Discipline

Section 6: The department assumes the complaint rate for compact privilege Respiratory Care Practitioners will be the same as the complaint rate for those licensed by the department. Based on the current complaint rate for Respiratory Care Practitioners (0.54% percent), the department estimates an additional 1 complaint per year. The department estimates the staff time to be minimal, and existing staff will accomplish the work within their normal workload.

Compact Commission Delegate and Annual Assessment

Section 3 and 7: The department will provide for the state's delegate to the commission, selected by the board, to attend all commission meetings. Additionally, the commission may levy on and collect an annual assessment from the department.

The department assumes the commission will adopt bylaws which allow for delegates to attend meetings and vote remotely through teleconference or other means not requiring travel. Costs for delegate participation in the commission would be minimal.

The annual assessment is to be determined by the commission after the compact is established. Both the Physical Therapy Compact Commission and the Interstate Medical Licensure Compact Commission have adopted rules allowing each of their respective commissions to determine each year if an assessment will be made and how much the assessment will be for that year, depending on the commission's budget needs for that year. Neither compact commission has levied an assessment to date. The department assumes the Occupational Therapy Compact Commission will adopt similar rules, however the department is unable to estimate the cost of the annual assessment, if any, or predict the method of distributing costs among the member states. These costs are indeterminate at this time.

Total cost to implement this bill:

FY 2026 costs will be 0.2 FTE and \$170,000 (02G)

FY 2027 costs will be 0.3 FTE and \$62,000 (02G)

FY 2028 and ongoing costs will be 0.1 FTE and \$20,000 (02G)

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
02G-1	Health Professions Account	State	170,000	62,000	232,000	40,000	40,000
<b>Total \$</b>			170,000	62,000	232,000	40,000	40,000

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2	0.3	0.3	0.1	0.1
A-Salaries and Wages	13,000	34,000	47,000	22,000	22,000
B-Employee Benefits	5,000	12,000	17,000	8,000	8,000
C-Professional Service Contracts	140,000		140,000		
E-Goods and Other Services	11,000	13,000	24,000	8,000	8,000
T-Intra-Agency Reimbursements	1,000	3,000	4,000	2,000	2,000
<b>Total \$</b>	170,000	62,000	232,000	40,000	40,000

**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 2026	FY 2027	2025-27	2027-29	2029-31
HEALTH SERVICES CONSULTANT 4	88,800	0.1		0.1	0.1	0.1
IT APP DEVELOPMENT - JOURN	107,148		0.1	0.1		
IT QUALITY ASSURANCE - JOURNEY	107,148		0.1	0.1		
IT SYSTEM ADMINISTRATION - JOURNEY	112,536		0.1	0.1		
MANAGEMENT ANALYST 4	88,800	0.1		0.1		
<b>Total FTEs</b>		0.2	0.3	0.3	0.1	0.1

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

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
HEALTH SYSTEMS QUALITY ASSURANCE (060)	164,000	55,000	219,000	36,000	36,000
DOH ADMINISTRATION (090)	6,000	7,000	13,000	4,000	4,000
<b>Total \$</b>	170,000	62,000	232,000	40,000	40,000

**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 3: The department will adopt rules as necessary in 246-928 WAC to implement the bill.



# Ten-Year Analysis

<b>Bill Number</b> 1114 HB	<b>Title</b> Respiratory care compact	<b>Agency</b> 303 Department of Health
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

**No Cash Receipts**
                 
  **Partially Indeterminate Cash Receipts**
                 
  **Indeterminate Cash Receipts**

## Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	Fiscal Year 2034	Fiscal Year 2035	2026-35 TOTAL
Respiratory Care Interstate Compact	02G		69,000	14,000	82,000	27,000	94,000	40,000	98,000	49,000	109,000	582,000
<b>Total</b>			69,000	14,000	82,000	27,000	94,000	40,000	98,000	49,000	109,000	582,000
<b>Biennial Totals</b>			69,000	96,000	121,000	138,000	158,000	582,000				

## Narrative Explanation (Required for Indeterminate Cash Receipts)

Implementation Costs in FY 2023 will be covered by fees established in FY24 and collected over 6 years  
 185 initial applications in FY 2024 and 37 new applications each year thereafter  
 98.5% renewal rate, renewals every two years  
 Fee Range: \$350-\$395

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