Multiple Agency Fiscal Note Summary

Bill Number: 1243 S HB	**Title:** DSHS overpayments

Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Administrative Hearings	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Social and Health Services	(.1)	408,000	408,000	408,000	(.1)	408,000	408,000	408,000	(.1)	408,000	408,000	408,000
Total $	**(0.1)**	**408,000**	**408,000**	**408,000**	**(0.1)**	**408,000**	**408,000**	**408,000**	**(0.1)**	**408,000**	**408,000**	**408,000**

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Administrative Hearings	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.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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FNPID 72527

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1243 S HB	Title: DSHS overpayments	Agency: 110-Office of Administrative Hearings

Part I: Estimates

[X] **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:	Omeara Harrington	Phone: 360-786-7136	Date: 01/24/2025
Agency Preparation:	Pete Boeckel	Phone: 360-407-2730	Date: 01/28/2025
Agency Approval:	Rob Cotton	Phone: 360-407-2708	Date: 01/28/2025
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 01/29/2025

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.

No fiscal impact. This legislation will not measurably increase or decrease the appeal workload for the Office of Administrative Hearings.

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.

NA

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.

NA

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

Bill Number: 1243 S HB	Title: DSHS overpayments	Agency: 300-Department of Social and Health Services

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Account					
General Fund-State 001-1	204,000	204,000	408,000	408,000	408,000
Total $	204,000	204,000	408,000	408,000	408,000

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:	Omeara Harrington	Phone: 360-786-7136	Date: 01/24/2025
Agency Preparation:	Seth Nathan	Phone: 360-902-0001	Date: 02/06/2025
Agency Approval:	Dan Winkley	Phone: 360-902-8236	Date: 02/06/2025
OFM Review:	Anna Minor	Phone: (360) 790-2951	Date: 02/06/2025

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 relates to addressing the burden of unintentional overpayments on older adults and adults with disabilities served by the Department of Social and Health Services (DSHS).

Section 1 amends RCW 43.20B.030 to permit the department to waive all efforts to collect overpayments of the Aged, Blind, or Disabled (ABD) assistance program, and of functionally disabled clients receiving services and supports under chapters 74.39, 74.39A, and 71A.12 RCW. The department would need to adopt rules establishing the circumstances for waiving efforts at collection.

Section 2 deems this act necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and provides an effective date of July 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. Distinguished 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. Distinguished between one time and ongoing functions.

This bill permits the department to waive all efforts to collect overpayments of the ABD assistance program.

Assuming an implementation date of July 1, 2025, the DSHS Economic Services Administration (ESA) estimates fiscal impact of $154,000 and (0.1) FTE in fiscal year (FY) 2026 and beyond:

- Savings of ($33,000) associated with the discontinuation of translation services and mailings to notify clients of unintentional overpayments. This estimate assumes savings of $208.40 to translate each letter and produce a mailing attachment, for an average of 10 monthly letters, and savings of $8.73 for an average of 73 total monthly mailings.

- Savings of ($4,000) and (0.1) FTE associated with a reduction in administrative efforts related to program staff generating overpayment letters for distribution to clients. This estimate assumes five minutes of work will be reduced in each instance program staff will no longer be required to generate overpayment letters, for an average of 73 monthly cases.

- Costs of $191,000 associated with the loss of overpayment recovery dollars. This estimate assumes just over 21 percent of $75,206 in monthly recoveries (based on average recovery of unintentional overpayments in calendar year 2023), or $15,900 per month, will no longer be recovered.

This bill also eliminates the requirement for the department to recoup unintentional overpayment recovery in federally-funded and state-funded programs provided by the DSHS Aging and Long-Term Support (ALTSA) and Developmental Disabilities (DDA) Administrations. However, both administrations would still be required to establish the overpayment per federal Medicaid regulations and return the federal portion to the Centers for Medicare & Medicaid Services (CMS).

ALTSA and DDA estimate no changes in workload or practice for staff, and for any administrative efficiencies associated

with not recovering overpayments to be immaterial.

Following the lift of a freeze on overpayments during the COVID-19 pandemic, overpayments are expected to return to pre-pandemic levels. ALTSA estimates the fiscal impact of overpayments no longer recovered to be $38,000 per year, and DDA estimates the fiscal impact of overpayments no longer recovered to be $12,000 per year. For reference, historical amounts of total overpayments are provided below:

- FY 2018: $48,519
- FY 2019: $15,235
- FY 2020: $6,286
- FY 2021: $8,783
- FY 2022: $50,425
- FY 2023: $62,206

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	204,000	204,000	408,000	408,000	408,000
		Total $	204,000	204,000	408,000	408,000	408,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
A-Salaries and Wages	(3,000)	(3,000)	(6,000)	(6,000)	(6,000)
B-Employee Benefits	(1,000)	(1,000)	(2,000)	(2,000)	(2,000)
C-Professional Service Contracts					
E-Goods and Other Services	(33,000)	(33,000)	(66,000)	(66,000)	(66,000)
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	241,000	241,000	482,000	482,000	482,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	204,000	204,000	408,000	408,000	408,000

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
PUBLIC BENEFITS SPECIALIST 3	56,880	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total FTEs		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Developmental Disabilities Administration (040)	12,000	12,000	24,000	24,000	24,000
Aging and Long-Term Support Administration (050)	38,000	38,000	76,000	76,000	76,000
Economic Services Administration (060)	154,000	154,000	308,000	308,000	308,000
Total $	204,000	204,000	408,000	408,000	408,000

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.

The department will modify WACs 388-410-0005 and 182-520-0015 to include overpayment waiver criteria.