

Multiple Agency Fiscal Note Summary

Bill Number: 1392 HB	Title: Medicaid access program
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Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Office of Insurance Commissioner	0	0	0	0	0	13,116,588	0	0	13,116,588
Office of Insurance Commissioner	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Total \$	0	0	0	0	0	13,116,588	0	0	13,116,588

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 State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Health Care Authority	Fiscal note not available											
Office of Insurance Commissioner	.3	0	0	116,049	.0	0	0	0	.0	0	0	0
Total \$	0.3	0	0	116,049	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	Fiscal note not available								
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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Individual State Agency Fiscal Note

Bill Number: 1392 HB	Title: Medicaid access program	Agency: 090-Office of State Treasurer
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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:

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: Meghan Morris	Phone: 360-786-7119	Date: 01/17/2025
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 01/20/2025
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 01/20/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 01/30/2025

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.

HB 1392 creates the medicaid access program account and allows the account to retain its earnings from investments.

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.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

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.

Individual State Agency Fiscal Note

Bill Number: 1392 HB	Title: Medicaid access program	Agency: 160-Office of Insurance Commissioner
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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
Medicaid Access Program Account-State NEW-1				13,116,588	13,116,588
Total \$				13,116,588	13,116,588

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2	0.4	0.3	0.0	0.0
Account					
Insurance Commissioners Regulatory Account-State 138-1	38,785	77,264	116,049	0	0
Total \$	38,785	77,264	116,049	0	0

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: Meghan Morris	Phone: 360-786-7119	Date: 01/17/2025
Agency Preparation: Jane Beyer	Phone: 360-725-7043	Date: 02/11/2025
Agency Approval: Stacey Warick	Phone: (360) 725-0000	Date: 02/11/2025
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/11/2025

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.

Section 3(1)(a) requires all health carriers and Medicaid managed care organizations to pay an annual covered lives assessment beginning January 1st of the plan year following the final approval by CMS. For assessments due the first plan year, the OIC is required to assess a per member per month assessment of \$0.50 per covered life on health carriers.

Section 3(1)(b) requires that each year, on or before May 15th, HCA must determine the covered lives assessment for the calendar year.

Section 3(2)(b) limits the assessments to the first 3,000,000 member months of fully insured lives per health carrier. For each health carrier, the assessment shall apply to member months of all group health plan lives first, followed by member months of individual health plan lives.

Section 4(2) requires the OIC to assess a per member per month annual covered lives assessment on health carriers.

Section 4(3) requires the OIC to determine a payment schedule for receipt of assessments under this section in accordance with the Medicaid access program rules as established by the authority.

Section 4(4) requires that payments are due within 45 days of the payment schedule and requires the OIC to charge interest on amounts received after the 45-day period.

Section 4(5) requires the OIC to deposit the annual covered lives assessments and interest collected to the Medicaid Access Program Account.

Section 4(6) requires health carriers to submit any annual statements or other reports deemed necessary by the OIC for the HCA to calculate the assessment in a manner consistent with section 3 of this act.

Section 9 authorizes the OIC to adopt rules necessary to carry out section 4 of this act.

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.

Assumptions:

- First assessment collection is based on CY2026 member months.
- Beginning in calendar year 2027, Health Care Authority (HCA) will provide the Office of Insurance Commissioner (OIC) with the amount needed to fund the professional services rate increases.
- Collection of assessments occurs annually and will be due by July 15.

Section 3(1)(a) requires all health carriers to pay an annual covered lives assessment beginning January 1st of the plan year following the final approval by CMS. For assessments due the first plan year, the OIC is required to assess a per member per month assessment of \$0.50 per covered life on health carriers. Based on October 2024 data for the fully insured commercial market, and limiting the assessment to 3 million member months per carrier, there were 1,093,049 persons covered under a fully insured individual or group health plan in CY2024. Assuming, for purposes of this fiscal note, that \$0.50 per covered life will be assessed and that the number of covered lives for CY2026 will remain the same as CY2024, estimated revenue of \$6,558,294 (1,093,049 covered lives x \$0.50 x 12 member months) will be collected in the first year. The number of covered lives will be captured from health carriers via the CY2026 insurance premium tax return, which is due in March 2027. OIC will then calculate and bill health carriers for the first plan year with a due date of July 2027.

Section 3(1)(b) requires that each year, on or before May 15th, HCA must determine the covered lives assessment for the calendar year. Section 3(2)(b) limits the assessments to the first 3,000,000 member months of fully insured lives per health carrier. For each health carrier, the assessment shall apply to member months of all group health plan lives first, followed by member months of individual health plan lives. The HCA is unable to provide the amount needed to fund the professional services rate increases for CY2027 and beyond at this time. For purposes of this fiscal note, the OIC assumes the same assessment as the first plan year.

Section 4(4) requires that payments are due within 45 days of the payment schedule and requires the OIC to charge interest on amounts received after the 45-day period. For purposes of this fiscal note, the OIC assumes that all payments will be received within 45 days of the due date.

Section 4(5) requires the OIC to deposit the annual covered lives assessments and interest collected to the Medicaid Access Program Account.

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.

Sections 3 and 4 will require changes to IT systems to include a combination of system configuration changes and software programming enhancements. The Office of Insurance Commissioner’s IT staff will implement these changes in-house to ensure that the system changes align with existing IT infrastructure and technical approaches that the OIC uses in its other online payment and filing portal and back-office systems. The cost estimate for the system changes and new software development is assumed to be a one-time cost in FY2027 and estimated at 659 hours utilizing nine IT staff. The cost estimate is based on the similar work performed to implement the Health Care Benefit Manager renewal and billing processes, which the agency completed in 2022/2023.

Section 9 authorizes the OIC to adopt rules necessary to carry out section 4 of this act. ‘Normal’ rulemaking’, in FY2026 will be required to address questions such as the mechanism to calculate the 3 million member month threshold for assessments.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
138-1	Insurance Commissioners Regulatory Account	State	38,785	77,264	116,049	0	0
Total \$			38,785	77,264	116,049	0	0

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2	0.4	0.3		
A-Salaries and Wages	24,035	47,736	71,771		
B-Employee Benefits	6,993	14,075	21,068		
C-Professional Service Contracts					
E-Goods and Other Services	7,757	15,453	23,210		
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 \$	38,785	77,264	116,049	0	0

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
Functional Program Analyst 4	86,712	0.1		0.0		
IT Applications Developer - Journey	94,728		0.1	0.1		
IT Applications Developer - Senior	124,068		0.1	0.1		
IT Architecture - Senior	147,204		0.0	0.0		
IT Business Analyst - Senior	130,272		0.0	0.0		
IT Data Management - Senior	121,116		0.0	0.0		
IT Quality Assurance - Journey	109,848		0.1	0.1		
Senior Policy Analyst	131,328	0.2		0.1		
Total FTEs		0.2	0.4	0.3		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.

Section 9 authorizes the OIC to adopt rules necessary to carry out section 4 of this act. 'Normal' rulemaking', in FY2026 will be required to address questions such as the mechanism to calculate the 3 million member month threshold for assessments.



Multiple Agency Ten-Year Analysis Summary

Bill Number 1392 HB	Title Medicaid access program
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This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

	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
Office of State Treasurer	0	0	0	0	0	0	0	0	0	0	0
Office of Insurance Commissioner Partially Indeterminate Impact	0	0	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	52,466,352
Total	0	0	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	52,466,352



Ten-Year Analysis

Bill Number 1392 HB	Title Medicaid access program	Agency 090 Office of State Treasurer
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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

Name of Tax or Fee	Acct Code												
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Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 1/20/2025 10:23:33 an
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 1/20/2025 10:23:33 an
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 1392 HB	Title Medicaid access program	Agency 160 Office of Insurance Commissioner
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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
Covered Lives Assessment	NEW			6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	52,466,352
Total				6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	6,558,294	52,466,352
Biennial Totals				13,116,588	13,116,588	13,116,588	13,116,588	13,116,588	13,116,588	52,466,352		

Narrative Explanation (Required for Indeterminate Cash Receipts)

Section 3(1)(a) requires all health carriers to pay an annual covered lives assessment beginning January 1st of the plan year following the final approval by CMS. For assessments due the first plan year, the OIC is required to access a per member per month assessment of \$0.50 per covered life on health carriers. Based on October 2024 data for the fully insured commercial market, and limiting the assessment to 3 million member months per carrier, there were 1,093,049 persons covered under a fully insured individual or group health plan in CY2024. Assuming, for purposes of this fiscal note, that \$0.50 per covered life will be assessed and that the number of covered lives for CY2026 will remain the same as CY2024, estimated revenue of \$6,558,294 (1,093,049 covered lives x \$0.50 x 12 member months) will be collected in the first year. The number of covered lives will be captured from health carriers via the CY2026 insurance premium tax return, which is due in March 2027. OIC will then calculate and health carriers for the first plan year with a due date of July 2027.

Section 3(1)(b) requires that each year, on or before May 15th, HCA must determine the covered lives assessment for the calendar year. Section 3(2)(b) limits the assessments to the first 3,000,000 member months of fully insured lives per health carrier. For each health carrier, the assessment shall apply to member months of all group health plan lives first, followed by member months of individual health plan lives. The HCA is unable to provide the amount needed to fund the professional service rate increases for CY2027 and beyond at this time. For purposes of this fiscal note, the OIC assumes the same assessment as the first plan year.



Ten-Year Analysis

Bill Number 1392 HB	Title Medicaid access program	Agency 160 Office of Insurance Commissioner
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Agency Preparation: Jane Beyer	Phone: 360-725-7043	Date: 2/11/2025 2:54:46 pm
Agency Approval: Stacey Warick	Phone: (360) 725-0000	Date: 2/11/2025 2:54:46 pm
OFM Review:	Phone:	Date: