

Multiple Agency Fiscal Note Summary

Bill Number: 5344 S SB	Title: Essential worker health care
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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
Department of Social and Health Services	0	0	145,000	0	0	142,000	0	0	142,000
Total \$	0	0	145,000	0	0	142,000	0	0	142,000

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 Insurance Commissioner	.4	0	0	123,875	.2	0	0	55,358	.2	0	0	55,358
Department of Social and Health Services	1.0	145,000	145,000	290,000	1.0	142,000	142,000	284,000	1.0	142,000	142,000	284,000
Total \$	1.4	145,000	145,000	413,875	1.2	142,000	142,000	339,358	1.2	142,000	142,000	339,358

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Insurance Commissioner	.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

Prepared by: Amy Hatfield, OFM	Phone: (360) 280-7584	Date Published: Final 2/27/2025
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Individual State Agency Fiscal Note

Bill Number: 5344 S SB	Title: Essential worker health care	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 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.6	0.2	0.4	0.2	0.2
Account					
Insurance Commissioners Regulatory Account-State 138-1	96,196	27,679	123,875	55,358	55,358
Total \$	96,196	27,679	123,875	55,358	55,358

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: Julie Tran	Phone: 360-786-7283	Date: 02/15/2025
Agency Preparation: Nico Janssen	Phone: 360-725-7056	Date: 02/17/2025
Agency Approval: Stacey Warick	Phone: (360) 725-0000	Date: 02/17/2025
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/27/2025

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) requires the Office of the Insurance Commissioner (OIC) to annually certify a proposed health care benefit arrangement as a qualified health fund if it meets certain requirements.

Section 3(2) authorizes the OIC to adopt rules to administer and implement section 3.

Section 4 authorizes the OIC to take enforcement actions or revoke certification for a qualified health fund that fail to meet the requirements of section 3.

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.

Section 3(1) requires the Office of the Insurance Commissioner (OIC) to annually certify a proposed health care benefit arrangement as a qualified health fund if it meets certain requirements. The OIC will need to develop an application, review process, new certificate of registration, annual certification renewal application, informational webpage(s), an annual review process, and an annual certificate of registration. The OIC will require one-time costs, in FY2026, of 200 hours of a Functional Program Analyst 4, 100 hours of a Washington Management Service 2, and 20 hours of a Contracts Specialist 3 to develop these items and collect the required data. Additionally, the OIC may see approximately 2 applications for certification per year. This will require approximately 200 total hours of a Functional Program Analyst 3 in FY2026 and thereafter to review and issue these certificates (100 hours per certification x 2 applications annually).

Section 3(2) authorizes the OIC to adopt rules to administer and implement section 3. ‘Normal’ rulemaking, in FY2026, will be required to define “qualified health fund” for certification and the initial and annual application requirements. Section 4 will require rules to define and administer the required data collected and reported to the Department of Social and Health Services initially, and annually for each certificate holder.

Section 4 authorizes the OIC to take enforcement actions or revoke certification for a qualified health fund that fail to meet the requirements of section 3. The OIC anticipates an increase in workload for advice requests, enforcement actions, and rulemaking as a result of Section 4 and Section 3(2). Therefore, the OIC will require 60 total hours of an Insurance Attorney as well as 20 total hours of a Paralegal in FY2026 and thereafter to support these increased enforcement actions. Additionally, the OIC will require 30 total hours of an Insurance Attorney and 10 hours of a Paralegal in FY2026 and thereafter to support legal advice requests.

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	96,196	27,679	123,875	55,358	55,358
Total \$			96,196	27,679	123,875	55,358	55,358

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.6	0.2	0.4	0.2	0.2
A-Salaries and Wages	58,358	16,458	74,816	32,916	32,916
B-Employee Benefits	18,599	5,685	24,284	11,370	11,370
C-Professional Service Contracts					
E-Goods and Other Services	19,239	5,536	24,775	11,072	5,536
G-Travel					5,536
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 \$	96,196	27,679	123,875	55,358	55,358

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
Contracts Specialist 3	86,712	0.0		0.0		
Functional Program Analyst 3	78,468	0.1	0.1	0.1	0.1	0.1
Functional Program Analyst 4	86,712	0.2		0.1		
Insurance Attorney	95,652	0.1	0.1	0.1	0.1	0.1
Paralegal 2	78,468	0.0	0.0	0.0	0.0	0.0
Senior Policy Analyst	131,328	0.2		0.1		
Washington Management Service 2	98,712	0.1		0.0		
Total FTEs		0.6	0.2	0.4	0.2	0.2

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

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 4 authorizes the OIC to take enforcement actions or revoke certification for a qualified health fund that fail to meet the requirements of section 3. The OIC anticipates an increase in workload for advice requests, enforcement actions, and rulemaking as a result of Section 4 and Section 3(2). Therefore, the OIC will require 60 total hours of an Insurance Attorney as well as 20 total hours of a Paralegal in FY2026 and thereafter to support these increased enforcement actions. Additionally, the OIC will require 30 total hours of an Insurance Attorney and 10 hours of a Paralegal in FY2026 and thereafter to support legal advice requests.

Individual State Agency Fiscal Note

Bill Number: 5344 S SB	Title: Essential worker health care	Agency: 300-Department of Social and Health Services
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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
General Fund-Federal 001-2	74,000	71,000	145,000	142,000	142,000
Total \$	74,000	71,000	145,000	142,000	142,000

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	74,000	71,000	145,000	142,000	142,000
General Fund-Federal 001-2	74,000	71,000	145,000	142,000	142,000
Total \$	148,000	142,000	290,000	284,000	284,000

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: Julie Tran	Phone: 360-786-7283	Date: 02/15/2025
Agency Preparation: Mitchell Close	Phone: 3600000000	Date: 02/19/2025
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 02/19/2025
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/24/2025

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 substitute bill adds language that the establishment of the program is subject to funding. Section 3 adds a definition for employees in the long-term care industry and for association health plan. Section 6 adjusts the deadline for the Department of Social and Health Services (DSHS) to submit a state plan amendment to the Centers for Medicare and Medicaid Services (CMS) to be no later than six months after state funds are appropriated for Section 2. This substitute bill also removes the emergency clause. There are no fiscal impact changes from the original version of this bill for DSHS.

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.

A portion of the costs incurred to implement this legislation will be funded with federal Title XIX - Medicaid funds.

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 creates an essential worker health benefits program that would distribute supplemental payments to nursing facilities or other participating providers to provide health benefits to qualified employees. The fiscal impact is driven by a need for 1.0 FTE for implementation, oversight, and ongoing management of this program. Amendments to the bill include language that implementation of the program is dependent upon appropriation. The FTE need would also be dependent upon implementation of the program and an appropriation being provided.

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	74,000	71,000	145,000	142,000	142,000
001-2	General Fund	Federal	74,000	71,000	145,000	142,000	142,000
Total \$			148,000	142,000	290,000	284,000	284,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	99,000	99,000	198,000	198,000	198,000
B-Employee Benefits	33,000	33,000	66,000	66,000	66,000
C-Professional Service Contracts					
E-Goods and Other Services	6,000	6,000	12,000	12,000	12,000
G-Travel					
J-Capital Outlays	6,000		6,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	4,000	4,000	8,000	8,000	8,000
9-					
Total \$	148,000	142,000	290,000	284,000	284,000

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
WMS Band 2	98,580	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	1.0	1.0	1.0

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Aging and Long-Term Support Administration (050)	148,000	142,000	290,000	284,000	284,000
Total \$	148,000	142,000	290,000	284,000	284,000

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.

New or amended rules will be needed to implement this legislation.