

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1971 E S HB	<b>Title:</b> Prescription hormone therapy
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## 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
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Office of Insurance Commissioner	.2	0	0	64,028	.1	0	0	17,560	.1	0	0	17,560
<b>Total \$</b>	<b>0.2</b>	<b>0</b>	<b>0</b>	<b>64,028</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>17,560</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>17,560</b>

## Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	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
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Jason Brown, OFM	<b>Phone:</b> (360) 742-7277	<b>Date Published:</b> Final 3/19/2025
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1971 E S HB	<b>Title:</b> Prescription hormone therapy	<b>Agency:</b> 107-Washington State Health Care Authority
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### 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: Greg Attanasio	Phone: 360-786-7410	Date: 03/13/2025
Agency Preparation: Molly Christie	Phone: 360-725-5138	Date: 03/18/2025
Agency Approval: Tanya Deuel	Phone: 360-725-0908	Date: 03/18/2025
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 03/18/2025

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.

See attached narrative.

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.

See attached narrative.

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.

See attached narrative.

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

See attached narrative.

**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: **1971 ESHB**

HCA Request #: 25-163

Title: **Prescription hormone therapy**

### Part I: Estimates

☐ No Fiscal Impact

#### Estimated Cash Receipts to:

NONE

#### 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:

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- ☐ 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: **1971 ESHB**

HCA Request #: 25-163

Title: **Prescription hormone therapy**

## 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 1971 amends RCW 41.05.017 (State Health Care Authority) and creates a new section under chapter 48.43 RCW (Insurance Reform) requiring health plans offered by the Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) programs to provide reimbursement for 12-month refills of covered prescription hormone therapies effective January 1, 2026.

#### Section 1 (New Section, Chapter 48.43 RCW)

Establishes requirements for coverage of 12-month refills on covered prescription hormone therapy, defined as all drugs approved by the United States Food and Drug Administration (FDA) used to medically suppress, increase, or replace hormones that the body is not producing at intended levels, exclusive of GLP-1 agonists.

#### Section 3 (Amends RCW 41.05.017)

Extends the requirements in Section 2 to health plans offered to employees and their covered dependents under the PEBB and SEBB programs, including the state's self-insured Uniform Medical Plan (UMP).

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The engrossed substitute version of HB 1971 amends Section 1 to specify that the 12-month coverage requirement only applies to prescription hormone therapies that do not need refrigeration, and to permit health plans to apply prescription drug utilization management strategies to drugs covered under this Section.

### 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.*

### **Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) Program Impacts:**

HCA estimates that this bill would result in indeterminate additional annual claims liability in UMP Classic and UMP Achieve 2 that would impact the state's contribution to medical benefits for employees under the PEBB and

## HCA Fiscal Note

Bill Number: **1971 ESHB**

HCA Request #: 25-163

Title: **Prescription hormone therapy**

SEBB programs (Employer Medical Contribution, or EMC). For reasons described below, a reliable cost estimate is not possible at this time.

Section 1 establishes requirements for coverage of 12-month refills of shelf-stable covered hormone therapies by group commercial health plans, which would include fully insured plans offered in PEBB and SEBB. These requirements are extended to UMP under Section 2.

Except for contraceptive drugs, UMP does not allow a 12-month supply of prescription drugs to be dispensed at one time. The full scope of drugs included under the definition of “hormone therapy” is unclear, and HCA is unable to predict how provider prescribing practices would change if this bill became law. Additionally, patients undergoing hormone therapy may require adjustments to medications and/or dosing during treatment. While the bill does not expand which drugs are covered, it may result in drug waste and associated costs to members and health plans. The amendment in the engrossed substitute, which limits 12-month coverage to prescription hormone therapies that do not require refrigeration, reduces but does not eliminate potential drug waste. The magnitude of the impact is not calculable.

### Assumptions/Considerations:

- This bill does not require pharmacies or pharmacists to dispense a 12-month supply. Pharmacies may be unable to dispense the full quantity at one time.
- UMP already allows the maximum day supply required by law for controlled substances, including testosterone.
- This bill does not impose requirements for cost sharing for a 12-month supply of prescription hormone therapies. For UMP, it is assumed that the cost share would be 12 times the amount of a 30-day supply.
- UMP already allows a 12-month supply of contraceptive products. In 2024, less than 4% of claims for prescription contraceptives were dispensed in a supply of greater than 90 days.
- This bill does not require a health plan to cover a 12-month supply of prescription hormone therapy if it is a first fill, pursuant to RCW 18.64.520 (Dispensing of drug other than controlled substance—Supply limit).
- “Prescription hormone therapy”, as defined by this bill, includes but is not limited to:
  - Testosterone products
  - Estrogen and progesterone products
  - Gonadotropin-releasing hormones, used for central precocious puberty, gender dysphoria, prostate cancer, and other indications
  - Drugs used to treat high or low thyroid levels
  - Corticosteroid drugs used for a wide variety of indications, including many short-term uses
  - Drugs that increase insulin secretion from the pancreas or drugs that affect glucagon secretion, excluding insulin, which requires refrigeration; this would apply to all diabetes medication and products used to treat low blood glucose levels
    - The bill clarifies that only GLP-1 agonists are not included in the definition
  - A large variety of cancer drugs that work by suppressing hormones, including tamoxifen and abiraterone
  - Most drugs indicated to treat blood pressure and other cardiovascular conditions, including those that work by suppressing the renin-angiotensin-aldosterone pathway, and beta-blockers
  - All drugs that work by inhibiting or increasing dopamine, acetylcholine and serotonin; this would include antipsychotics, antidepressants, anxiety medications, medications for Parkinson’s disease, Alzheimer’s, dementia, and many other medications for psychiatric and neurologic conditions
  - Certain medications for insomnia
  - Certain medications for osteoporosis, including calcitonin and bisphosphonates

## HCA Fiscal Note

Bill Number: **1971 ESHB**

HCA Request #: 25-163

Title: **Prescription hormone therapy**

- Medications to treat obesity
- Medications that affect gastrin levels, like proton pump inhibitors and H-2 inhibitors
- Medications for infertility
- Medications for overactive bladder
- Medications for restless leg syndrome
- Inhalers for asthma and COPD, including albuterol and inhaled corticosteroids
- Stimulants for ADHD (Schedule II controlled substances subject to maximum 6-month prescription)
- Many more drugs that directly or indirectly affect hormone levels.

There is no impact to the Medicare Advantage (MA) plans offered to Medicare eligible PEBB retirees because state laws are pre-empted by Federal laws for MA and Part D offerings.

### **Apple Health (AH) Impacts:**

None. The provisions in this bill do not impact the AH program.

## **Part III: Expenditure Detail**

### **III. A - Operating Budget Expenditure**

Non-zero but indeterminate cost.

### **III. B - Expenditures by Object or Purpose**

Non-zero but indeterminate cost.

**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)**

## **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.



## HCA Fiscal Note

Bill Number: **1971 ESHB**

HCA Request #: 25-163

Title: **Prescription hormone therapy**

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.

NONE

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1971 E S HB	<b>Title:</b> Prescription hormone therapy	<b>Agency:</b> 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	0.3	0.1	0.2	0.1	0.1
<b>Account</b>					
Insurance Commissioners Regulatory Account-State 138-1	55,248	8,780	64,028	17,560	17,560
<b>Total \$</b>	55,248	8,780	64,028	17,560	17,560

### 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: Greg Attanasio	Phone: 360-786-7410	Date: 03/13/2025
Agency Preparation: Sydney Rogalla	Phone: 360-725-7042	Date: 03/18/2025
Agency Approval: Tom Zuvela	Phone: (800) 562-6900	Date: 03/18/2025
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 03/19/2025

## 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 1 requires a health plan issued or renewed on or after January 1, 2026 that includes coverage for prescription hormone therapy, to provide reimbursement for a 12-month refill of covered prescription hormone therapy obtained at one time by the enrollee, unless: a) the enrollee requests a smaller supply; b) the prescribing provider instructs that the enrollee must receive a smaller supply; or c) the prescription hormone therapy is a controlled substance.

The 12-month refill requirement only applies to prescription hormone therapy that is able to be safely stored at room temperature without refrigeration.

### 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 1 requires a health plan issued or renewed on or after January 1, 2026 that includes coverage for prescription hormone therapy, to provide reimbursement for a 12-month refill of covered prescription hormone therapy obtained at one time by the enrollee, unless: a) the enrollee requests a smaller supply; b) the prescribing provider instructs that the enrollee must receive a smaller supply; or c) the prescription hormone therapy is a controlled substance.

The 12-month refill requirement only applies to prescription hormone therapy that is able to be safely stored at room temperature without refrigeration.

Section 1 will require additional review of health plan form filings to ensure health plans cover reimbursement for a 12-month refill of prescription hormone therapy. Therefore, the OIC will require one-time costs, in FY2026, of 17 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 staff.

Additionally, the OIC receives an average of 450 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 FY2026 and an additional 5 minutes of review per form filing in FY2027 and thereafter. Therefore, the OIC requires 113 hours (450 form filings x 15 minutes) in FY 2026 and 38 hours (450 form filings x 5 minutes) in FY2027 and thereafter of a Functional Program Analyst 3.

The OIC anticipates a 4% increase in calls, complaints, and written inquiries from these consumers. This amounts to 49.9 hours (1,246 complaints \* 4% \* 0.9 hours) of complaint handling, 10.9 hours [(3,251 calls \* 4% \* 5.01 minutes) / 60] of call handling, and 8.1 hours [(1,008 written inquiries \* 2% \* 12 minutes) / 60] of inquiry handling annually. Therefore, the OIC requires a total of 68.9 hours of a Functional Program Analyst 3 starting in the year of implementation and thereafter.

Normal rulemaking will be required.

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	55,248	8,780	64,028	17,560	17,560
Total \$			55,248	8,780	64,028	17,560	17,560

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.1	0.2	0.1	0.1
A-Salaries and Wages	33,756	5,178	38,934	10,356	10,356
B-Employee Benefits	10,442	1,846	12,288	3,692	3,692
C-Professional Service Contracts					
E-Goods and Other Services	11,050	1,756	12,806	3,512	3,512
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 \$	55,248	8,780	64,028	17,560	17,560

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 3	78,468	0.1	0.1	0.1	0.1	0.1
Functional Program Analyst 4	86,712	0.1		0.0		
Senior Policy Analyst	131,328	0.2		0.1		
Total FTEs		0.3	0.1	0.2	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

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.*

Yes, rulemaking will be required. New rules may be necessary under WAC 284-43 Subchapter L, Reproductive Health Care and Contraception.??There may be requests to further define “hormone therapy” and what types of drugs are included under that definition. Rulemaking is expected to be normal.