Multiple Agency Fiscal Note Summary

Bill Number: 5083 E 2S SB 5083-S2.E AMH MACR H2008.1	**Title:** Health carrier reimbursement

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
Washington State Health Care Authority	0	0	(36,095,000)	0	0	(169,596,000)	0	0	(184,722,000)
University of Washington	0	0	(21,061,192)	0	0	(84,244,766)	0	0	(84,244,766)
University of Washington	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Total $	**0**	**0**	**(57,156,192)**	**0**	**0**	**(253,840,766)**	**0**	**0**	**(268,966,766)**

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	.3	0	0	(36,095,000)	1.0	0	0	(169,596,000)	1.0	0	0	(184,722,000)
University of Washington	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**0.3**	**0**	**0**	**(36,095,000)**	**1.0**	**0**	**0**	**(169,596,000)**	**1.0**	**0**	**0**	**(184,722,000)**

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
University of Washington	.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: Jason Brown, OFM	Phone: (360) 742-7277	Date Published: Final 5/14/2025

Individual State Agency Fiscal Note

Bill Number:	Title:	Agency:
5083 E 2S SB 5083-S2.E AMH MACR H2008.1	Health carrier reimbursement	107-Washington State Health Care Authority

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
St Health Care Authority Admin Acct-State 418-1		187,000	187,000	472,000	472,000
Uniform Medical Plan Benefits Administration Account-Non-Appropriated 439-6		2,565,000	2,565,000	2,940,000	2,940,000
School Employees' Insurance Admin Acct-State 492-1		187,000	187,000	472,000	472,000
School Employees' Insurance Account-Non-Appropriated 493-6		(19,275,000)	(19,275,000)	(82,137,000)	(89,742,000)
School Employees' Benefits Board Medical Benefits Administrative Account-Non-Appropriated 494-6		2,565,000	2,565,000	2,940,000	2,940,000
Public Employees' and Retirees Insurance Account-Non-Appropriated 721-6		(22,324,000)	(22,324,000)	(94,283,000)	(101,804,000)
Total $		(36,095,000)	(36,095,000)	(169,596,000)	(184,722,000)

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.0	0.5	0.3	1.0	1.0
Account					
St Health Care Authority Admin Acct-State 418-1	0	187,000	187,000	472,000	472,000
Uniform Medical Plan Benefits Administration Account-Non-Appropriated 439-6	0	2,565,000	2,565,000	2,940,000	2,940,000
School Employees' Insurance Admin Acct-State 492-1	0	187,000	187,000	472,000	472,000
School Employees' Insurance Account-Non-Appropriated 493-6	0	(19,275,000)	(19,275,000)	(82,137,000)	(89,742,000)
School Employees' Benefits Board Medical Benefits Administrative Account-Non-Appropriated 494-6	0	2,565,000	2,565,000	2,940,000	2,940,000
Public Employees' and Retirees Insurance Account-Non-Appropriated 721-6	0	(22,324,000)	(22,324,000)	(94,283,000)	(101,804,000)
Total $	0	(36,095,000)	(36,095,000)	(169,596,000)	(184,722,000)

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:

[X] 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.

[X] Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/23/2025
Agency Preparation:	Sara Whitley	Phone: 360-725-0944	Date: 04/23/2025
Agency Approval:	Tanya Deuel	Phone: 360-725-0908	Date: 04/23/2025
OFM Review:	Jason Brown	Phone: (360) 742-7277	Date: 04/23/2025

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

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
418-1	St Health Care Authority Admin Acct	State	0	187,000	187,000	472,000	472,000
439-6	Uniform Medical Plan Benefits Administration Account	Non-Appropriated	0	2,565,000	2,565,000	2,940,000	2,940,000
492-1	School Employees' Insurance Admin Acct	State	0	187,000	187,000	472,000	472,000
493-6	School Employees' Insurance Account	Non-Appropriated	0	(19,275,000)	(19,275,000)	(82,137,000)	(89,742,000)
494-6	School Employees' Benefits Board Medical Benefits Administrative Account	Non-Appropriated	0	2,565,000	2,565,000	2,940,000	2,940,000
721-6	Public Employees' and Retirees Insurance Account	Non-Appropriated	0	(22,324,000)	(22,324,000)	(94,283,000)	(101,804,000)
		Total $	0	(36,095,000)	(36,095,000)	(169,596,000)	(184,722,000)

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		0.5	0.3	1.0	1.0
A-Salaries and Wages		62,000	62,000	248,000	248,000
B-Employee Benefits		20,000	20,000	76,000	76,000
C-Professional Service Contracts		250,000	250,000	500,000	500,000
E-Goods and Other Services		20,000	20,000	42,000	42,000
G-Travel		4,000	4,000	8,000	8,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		(36,469,000)	(36,469,000)	(170,540,000)	(185,666,000)
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		18,000	18,000	70,000	70,000
9-					
Total $	0	(36,095,000)	(36,095,000)	(169,596,000)	(184,722,000)

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 02	123,000		0.5	0.3	1.0	1.0
Total FTEs			0.5	0.3	1.0	1.0

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

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.

Section 1(8) provides the HCA with the explicit authority to adopt rules to implement this legislation, to include but not limited to: levying fines and taking other contract actions to enforce compliance with state law.

HCA Fiscal Note

Bill Number: **5083 S2.E AMH MACR H2008.1** Title: **Health carrier reimbursement**

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts:

ACCOUNT	ACCOUNT TITLE	TYPE	FY-2027	FY-2028	FY-2029	FY-2030	2025-27	2027-29	2029-31
721	Public Employees' and Retirees' Insurance Account	Non-Appropriated	($22,324,000)	($45,895,000)	($48,388,000)	($50,902,000)	**($22,324,000)**	**($94,283,000)**	**($101,804,000)**
493	School Employees' Insurance Account	Non-Appropriated	($19,275,000)	($39,809,000)	($42,328,000)	($44,871,000)	**($19,275,000)**	**($82,137,000)**	**($89,742,000)**
418	State Health Care Authority Admin Account	State	$187,000	$236,000	$236,000	$236,000	**$187,000**	**$472,000**	**$472,000**
492	School Employees' Insurance Admin Account	State	$187,000	$236,000	$236,000	$236,000	**$187,000**	**$472,000**	**$472,000**
439	Uniform Medical Plan Benefits Administration Account	Non-Appropriated	$2,565,000	$1,470,000	$1,470,000	$1,470,000	**$2,565,000**	**$2,940,000**	**$2,940,000**
494	School Employees' Benefits Board Medical Benefits Administration Account	Non-Appropriated	$2,565,000	$1,470,000	$1,470,000	$1,470,000	**$2,565,000**	**$2,940,000**	**$2,940,000**
		ACCOUNT - TOTAL $	**($36,095,000)**	**($82,292,000)**	**($87,304,000)**	**($92,361,000)**	**($36,095,000)**	**($169,596,000)**	**($184,722,000)**

Estimated Operating Expenditures:

ACCOUNT	ACCOUNT TITLE	TYPE	FY-2027	FY-2028	FY-2029	FY-2030	2025-27	2027-29	2029-31
721	Public Employees' and Retirees' Insurance Account	Non-Appropriated	($22,324,000)	($45,895,000)	($48,388,000)	($50,902,000)	**($22,324,000)**	**($94,283,000)**	**($101,804,000)**
493	School Employees' Insurance Account	Non-Appropriated	($19,275,000)	($39,809,000)	($42,328,000)	($44,871,000)	**($19,275,000)**	**($82,137,000)**	**($89,742,000)**
418	State Health Care Authority Admin Account	State	$187,000	$236,000	$236,000	$236,000	**$187,000**	**$472,000**	**$472,000**
492	School Employees' Insurance Admin Account	State	$187,000	$236,000	$236,000	$236,000	**$187,000**	**$472,000**	**$472,000**
439	Uniform Medical Plan Benefits Administration Account	Non-Appropriated	$2,565,000	$1,470,000	$1,470,000	$1,470,000	**$2,565,000**	**$2,940,000**	**$2,940,000**
494	School Employees' Benefits Board Medical Benefits Administration Account	Non-Appropriated	$2,565,000	$1,470,000	$1,470,000	$1,470,000	**$2,565,000**	**$2,940,000**	**$2,940,000**
		ACCOUNT - TOTAL $	**($36,095,000)**	**($82,292,000)**	**($87,304,000)**	**($92,361,000)**	**($36,095,000)**	**($169,596,000)**	**($184,722,000)**

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.

Part II: Narrative Explanation

II. A - Brief Description of What the Measure Does That Has Fiscal Impact

This version of the bill differs from the previous version in the following ways:

- Removes the mandate for licensed hospitals to contract with HCA carriers and third-party administrators (TPAs)
- Specifies that reimbursement caps contained in the bill only apply to facilities licensed and operating in WA.
- Adds a 185 percent of Medicare reimbursement limit for out-of-network services provided at acute care hospitals.
- Removes the "phase 2" step-down in reimbursement for all hospital types, originally intended to start in calendar year 2029.
- Modifies the reimbursement caps specific to children's hospitals by limiting reimbursement to:
    - For children's hospitals in King County:
        - In-network: 150 percent of the hospital specific Medicaid inpatient (IP) ratio of costs to charges (RCC)
        - Out-of-network: 135 percent of hospital specific Medicaid IP RCC
    - For children's hospitals in Pierce County:
        - In-network: 190 percent of the hospital specific Medicaid IP RCC
        - Out-of-network: 175 percent of Medicaid IP RCC
- Prohibits balance billing for out-of-network services.
- Exempts all sole community hospitals, except for those that are owned or operated by a health system that owns or operates more than two acute care facilities.
- Creates a definition for "total amount Medicare would have reimbursed for the same or similar services".

This amendment strikes everything after the enacting clause and inserts the following:

Section 1 adds a new chapter to RCW 41.05 (State Health Care Authority) to enact the following:

- Section 1(1)(a) defines:
    - "contractor" as a health carrier or third-party administrator (TPA) that provides medical coverage offered to public employees (which includes employees covered by the Public Employees Benefits Board and school employees covered by the School Employees Benefits Board programs) and their covered dependents, and;
    - "the total amount Medicare would have reimbursed for the same or similar services" as the amount of reimbursement for a claim that would be paid as if the centers for Medicaid and Medicare services (CMS) reimbursed the claim, including applicable post-claim settlements.
- Section 1(2)(a) requires that claims submitted for reimbursement under this section must include all current year CMS required modifiers so that all rebates, incentives, or adjustments that would have applied if reimbursed by Medicare apply.
    - Section 1(2)(b) directs the HCA to adopt rules to determine the reimbursement amount for services with a low volume of Medicare experience or for which there is no applicable CMS reimbursement for a service.
- Section 1(3) requires:
    - In-network services:

- Any hospital licensed under RCW 70.41 (Hospital licensing and regulation) operating in WA shall receive the lesser of billed charges, the contractor's contracted rate for the hospital, or 200 percent (in-network) or 185 percent (out-of-network) of the total amount Medicare would have reimbursed for the same or similar services for IP and outpatient (OP) hospital services.
- Any hospital licensed under RCW 70.41 (Hospital licensing and regulation) operating in WA and primarily engaged in the treatment of children shall receive the following reimbursement, based on county of operation:
  - King County: the lesser of billed charges, the contractor's contracted rate for the hospital, or 150 percent (in-network) or 135 percent (out-of-network) of the facility specific Medicaid IP ratio of costs to charges (RCC) as determined by HCA for IP and OP facility services
  - Pierce County: the lesser of billed charges, the contractor's contracted rate for the hospital, or 190 percent (in-network) or 175 percent (out-of-network) of the facility specific Medicaid IP ratio of costs to charges (RCC) as determined by HCA for IP and OP facility services
- Reimbursement for services provided by rural hospitals certified by CMS as critical access hospitals (CAHs) may not be less than 101 percent of allowable costs as defined by CMS for purposes of cost reporting.
- Reimbursement for primary care services (PC), as defined by the HCA, may not be less than 150 percent of the amount that would have been reimbursed under Medicare for the same or similar services.
- Reimbursement for non-facility based behavioral health (BH) services, as defined by the HCA, may not be less than 150 percent of the amount Medicare would have reimbursed for the same or similar services.

  - Balance billing is prohibited for providers identified as out-of-network.

- Section 1(4)(a) clarifies that Facility reimbursement caps referenced in subsection 3(a) do not apply to:
  - Services provided by rural hospitals certified by CMS as CAHs, sole community hospitals (SCHs) except for hospitals that are owned or operated by a health system that owns or operates more than two acute care facilities licensed under RCW 70.41 (Hospital licensing and regulation).
  - Hospitals located on an island operating within a public hospital district in Skagit county (Island Health hospital)
  - Hospitals that are not currently designated as a CAH but are located on the land of federally recognized Indian tribe (Toppenish Hospital).
- Section 1(5) states that a contractor may reimburse a hospital through a non-fee-for-service (FFS) payment methodology, so long as any payments incentivize higher quality and improved health outcomes, and that the contractor complies will all other reimbursement requirements of this legislation.
- Section 1(6) requires health plans to incorporate any resulting financial impacts of changes in reimbursement, resulting from this legislation, in future premium development.
- Section 1(7) requires contractors to provide cost and quality of care information and/or data to the HCA upon a request. Contractors may not enter into an agreement with a provider or any third party that would restrict the HCA from receiving information or data related to this provision.
- Section 1(8)(a) requires the HCA, in consultation with the Office of the Insurance Commissioner (OIC) provide a report to the governor's office and relevant committees of the legislature analyzing the initial impacts of this section on network access, enrollee premiums, cost sharing, and state expenditures for medical coverage by December 31, 2030.
- Section 1(8)(b) requires a second report be delivered to the governor's office and relevant committees by December 31, 2034.

- Section (1)(9) clarifies charges for professional services are not included in the definition of reimbursement for inpatient and outpatient services.
- Section 1(10) provides the HCA authority to adopt rules to implement this legislation, to include but not limited to: levying fines and taking other contract actions to enforce compliance with state law, as the HCA deems necessary.

II. B - Cash Receipts Impact

Given the fiscal analysis detailed below, and all associated assumptions, HCA estimates that this bill could result in allowed cost avoidance in the state's self-insured Uniform Medical Plan (UMP), resulting in an impact to future UMP bid rates and the state's contribution toward medical benefits for employees under the PEBB and SEBB programs (Employer Medical Contribution, or EMC). Any decreases in assumed expenditures are assumed to require a parallel decrease in revenue via future PEBB and SEBB funding rates. See detailed analysis below.

ACCOUNT	ACCOUNT TITLE	TYPE	FY-2027	FY-2028	FY-2029	FY-2030	2025-27	2027-29	2029-31
721	Public Employees' and Retirees' Insurance Account	Non-Appropriated	($22,324,000)	($45,895,000)	($48,388,000)	($50,902,000)	**($22,324,000)**	**($94,283,000)**	**($101,804,000)**
493	School Employees' Insurance Account	Non-Appropriated	($19,275,000)	($39,809,000)	($42,328,000)	($44,871,000)	**($19,275,000)**	**($82,137,000)**	**($89,742,000)**
418	State Health Care Authority Admin Account	State	$187,000	$236,000	$236,000	$236,000	**$187,000**	**$472,000**	**$472,000**
492	School Employees' Insurance Admin Account	State	$187,000	$236,000	$236,000	$236,000	**$187,000**	**$472,000**	**$472,000**
439	Uniform Medical Plan Benefits Administration Account	Non-Appropriated	$2,565,000	$1,470,000	$1,470,000	$1,470,000	**$2,565,000**	**$2,940,000**	**$2,940,000**
494	School Employees' Benefits Board Medical Benefits Administration Account	Non-Appropriated	$2,565,000	$1,470,000	$1,470,000	$1,470,000	**$2,565,000**	**$2,940,000**	**$2,940,000**
		ACCOUNT - TOTAL $	**($36,095,000)**	**($82,292,000)**	**($87,304,000)**	**($92,361,000)**	**($36,095,000)**	**($169,596,000)**	**($184,722,000)**

This version of the legislation has resulted in a changes to the resulting fiscal modeling. Components of the bill driving significant changes are as follows, and listed in order of significance:

1. Children's hospital cap methodology moving to percent of Medicaid IP RCC
2. Removing phase 2 reimbursement caps
3. Clarifying definition of SCH/CAH that are exempt from the legislation

II. C – Expenditures

<u>Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) programs</u>
Given the fiscal analysis detailed below, and all associated assumptions, HCA estimates that this bill could result in allowed cost avoidance in the state's self-insured Uniform Medical Plan (UMP), resulting in an impact to future UMP bid rates and the state's contribution toward medical benefits for employees under the PEBB and SEBB programs (Employer Medical Contribution, or EMC). Additionally, given feedback from Premera, a SEBB fully insured carrier, HCA assumes allowed cost avoidance and potential impacts to fully insured (FI) bid rates in future periods.

Section 1 adds a new section to RCW 41.05 that requires all contracted health plans (both fully insured carriers and self-insured TPAs) of the PEBB and SEBB programs to comply with the following reference-based pricing reimbursement requirements, using Medicare reimbursement and Medicaid IP ratio of costs to charges (RCC) as reference pricing mechanisms beginning January 1, 2027:

- <u>Acute care facilities and affiliated CAH/SCHs:</u> reimbursement for IP and OP hospital services may not exceed 200 percent (in-network) or 185 percent (out-of-network) of the amounts Medicare would have reimbursed.
- <u>Children's Hospitals:</u> reimbursement to specialty Children's Hospitals for IP and OP hospital services may not exceed the following thresholds (based on the hospital's county of operation):

  - King County: 150 percent (in-network) or 135 percent (out-of-network) of the facility specific Medicaid IP RCC as determined by HCA for IP and OP facility services
  - Pierce County: 190 percent (in-network) or 175 percent (out-of-network) of the facility specific Medicaid IP RCC as determined by HCA for IP and OP facility services
- Reimbursement to CAHs must not be less than 101 percent of allowable costs
- Reimbursement for PC services, as defined by the HCA, may not be less than 150 percent of Medicare and,
- Reimbursement for BH services, as defined by the HCA, may not be less than 150 percent of Medicare.

Non-affiliated facilities identified as either a CAH or SCH via reimbursement under WA RCW 74.09.5225(3)(a) or Federal CMS designation (as defined under section 4(a)), Island Health hospital, and Toppenish Hospital have been removed from the facilities assumed to be subject to the reimbursement caps applied in this legislation. Removal of these facilities, and the estimated impact to baseline cost avoidance under this version of the analysis, is detailed in Step 3 below.

IP and OP facility-based hospital services represent a significant portion of the overall PEBB and SEBB plan claims liability for the self-insured UMP and fully insured plan offerings. HCA interprets the hospital reimbursement "caps" imposed by this version of the legislation to be implemented at the facility level, not at the granular service level or aggregate carrier level. An analysis of facility level reimbursement in the UMP revealed several hospitals are currently being reimbursed at levels that exceed the reimbursement caps applied under this version of the legislation.

Decreasing UMP reimbursement to these facilities to comply with the requirements of this bill results in an assumed allowed cost avoidance for IP and OP facility-based services in all plans. However, reimbursement for PC and BH services may need to increase relative to current levels, potentially resulting in increases to certain allowed costs. The assumed investment in PC and/or BH services is not expected to exceed the total projected cost avoidance for facility-based services. Therefore, despite increasing reimbursement for some services, HCA projects a net allowed cost avoidance for all PEBB and SEBB medical plans resulting from this legislation. Details regarding specific impacts to the self-insured UMP and fully insured plans are detailed below.

HCA makes no assumptions regarding reimbursement for hospitals assumed to be out-of-network in future periods and no analysis has been conducted under the newly proposed out-of-network reimbursement caps. All facilities included in this analysis are presumed to remain in-network for the UMP.

The UMP is the state's self-insured health plan, governed under RCW 41.05 (State health care authority). The state's contribution toward employee medical premiums, known as the Employer Medical Contribution (EMC) is calculated using the non-Medicare UMP Classic (PEBB) and UMP Achieve 2 (SEBB) plan bid rates. While the EMC is developed using UMP projected costs, it is applied to all PEBB and SEBB employee plan premiums.

Self-insured Uniform Medical Plan (UMP) impact and state costs

The self-insured UMP medical benefit, and all associated provider and facility contracting for the UMP, is administered by Regence. Given analysis of current reimbursement levels for facility IP/OP, Children's Hospital and PC and BH services, HCA assumes Regence will need to adjust provider contracts to meet the requirements of this legislation. Therefore, there are two main cost implications facing the UMP should this legislation pass as written:

Increased administrative costs associated with implementation of this Legislation

Given a preliminary assessment of this legislation, Regence indicates a significant investment in time and resources to ensure successful implementation and compliance with bill requirements.

Regence estimates an initial required investment of $5.3 million for implementation of the requirements of this legislation, and annual ongoing costs of approximately $2.9 million. Administrative fees paid to Regence are paid out of fund 439 (Uniform Medical Plan Benefits Administration Account) and fund 494 (School Employees' Benefits Board Medical Benefits Administration Account).

Allowed cost avoidance and cost liability
HCA estimates net allowed cost avoidance in future periods resulting in decreased claims liability driven by caps in reimbursement for IP/OP facility-based hospital services. Changes in UMP claims liability will impact fund 721 (Public Employees' and Retirees' Insurance Account) and fund 493 (School Employees' Insurance Account) and could result in changes to projected employer contributions via the EMC and associated state expenditures.

To effectively estimate projected impacts to UMP cost liability, HCA completed this analysis in four steps:

Step 1: Determine current (Calendar year (CY) 2023) and projected reimbursement levels
For hospitals *not* engaged primarily in the treatment of Children, HCA analyzed CY2023 UMP hospital IP/OP experience at the individual hospital using actual claims experience to determine the scope of current allowed claims that could be subject to the requirements of this legislation. The Milliman Medicare Repricing (MMR) software, developed by HCA's contracted actuary Milliman, Inc., was applied to reprice UMP allowed claims to determine what the estimated Medicare reimbursement could be for those services. The ratio of UMP allowed to repriced Medicare allowed was calculated to determine a facility-specific percent of Medicare reference price.

For Children's hospitals, this version of the bill applies a reference price cap using an IP Medicaid RCC methodology based on the county of hospital operation. Seattle Children's Hospital (King County) and MultiCare Mary Bridge Children's Hospital (Pierce County) are the two Children's hospitals assumed impacted. Using base period CY2023 UMP IP/OP experience the published facility specific proposed Medicaid RCC values as of April 15th, 2025, HCA determined the relative percent of Medicaid RCC for Seattle Children's and MultiCare Mary Bridge Children's Hospital.

The intended implementation date of this legislation is assumed to be January 1, 2027, with projected impacts assumed through at least December 31st, 2030; therefore, HCA applied a trend to CY2023 UMP claims for each individual hospital. UMP allowed trend was derived using Milliman's biannual analysis of UMP medical trends, to project CY2023 UMP allowed cost liability forward to CY2030. For Children's hospitals, a billed charges trend was applied to project assumed chargemaster changes from CY2023 billed amounts to the applicable policy period. Similarly, a Medicare FFS unit cost trend, derived from CMS released publications, was applied to project estimated Medicare allowed costs through the same period. The same trends, as noted above, were applied to each applicable hospital.

These projections do not account for utilization trends, changes in service mix, population shifts or any future or currently uncaptured changes to provider or facility fee schedules. Should any aspect of this analysis deviate from actual results, the resulting fiscal impacts will change.

Step 2: Determine baseline impact of reimbursement caps across all hospitals and calculate projected cost avoidance

After projecting claims liability forward to future periods under current market assumptions, HCA determined the modeled impact of implementing the legislated reimbursement caps assumed in place as of January 1, 2027:

- Acute care and affiliated CAH/SCH in-network IP/OP hospital reimbursement does not exceed 200 percent of Medicare
- Children's Hospital in-network IP/OP hospital reimbursement does not exceed:
  - Seattle Children's Hospital: 150 percent of Medicaid IP RCC
  - MultiCare Mary Bridge Children's Hospital: 190 percent of Medicaid IP RCC
- PC and BH services reimbursement is at least 150 percent of Medicare

Given CY2023 experience and the analysis performed in Step 1, HCA estimates approximately 23 hospitals included in this analysis, and subject to the reimbursement limitations imposed via this legislation, exceed the caps to be implemented in January 2027. Furthermore, BH service reimbursement is assumed to require increases in provider reimbursement to meet the 150 percent of Medicare minimum threshold. PC service reimbursement levels are projected to exceed the 150 percent of Medicare minimum in CY2027, therefore there is no assumed required investment for these services.

PEBB and SEBB program benefit periods, and the implementation of this legislation, are assumed to run on a calendar year basis; *all financial estimates have been converted to a fiscal year (FY) projection of cost avoidance or investment.*

Estimated UMP Cost Avoidance/Investment in projected periods (in millions)

		Projection Period	Acute care Hospital IP/OP	Children's Hospital IP/OP	Behvioral Health (BH)	Primary Care (PC)	Total projected net cost avoidance
PEBB	Phase 1	FY2027*	($26.8)	($3.2)	$9.1	$0.0	($20.9)
		FY2028	($54.8)	($5.8)	$17.7	$0.0	($42.9)
	Phase 2	FY2029	($57.4)	($4.6)	$16.8	$0.0	($45.2)
		FY2030	($60.2)	($3.2)	$15.9	$0.0	($47.5)
SEBB	Phase 1	FY2027*	($10.9)	($0.9)	$4.6	$0.0	($7.2)
		FY2028	($22.3)	($1.6)	$9.1	$0.0	($14.8)
	Phase 2	FY2029	($23.4)	($1.1)	$8.7	$0.0	($15.8)
		FY2030	($24.5)	($0.6)	$8.3	$0.0	($16.7)

*Represents only 6 months of cost avoidance/investment.

Step 3: Estimate impact to baseline cost avoidance estimates resulting from this version of the legislation (Children's Hospital RCC caps, removal of Phase 2 drops in reimbursement, exemption of SCH/CAHs) relative to the baseline scenario

HCA assumes there are approximately 47 CAH/SCH in WA identified as either a CAH/SCH via reimbursement under WA RCW 74.09.5225(3)(a) or Federal CMS designation; of which, 38 are assumed to be either non-affiliated facilities or SCHs and are *exempt* from the reimbursement caps applied in this version of the bill. The resulting impact of this version of the legislation relative to baseline cost avoidance scenario, to include the proposed reimbursement caps for Children's hospitals, is detailed below (all amounts are in millions).

Estimated Impact to UMP Cost Avoidance relative to Baseline scenario in projected periods (in millions)

		Projection Period	Net cost avoidance under baseline scenario	Net cost avoidance under current version of bill	Estimated impact from baseline scenario
PEBB	Phase 1	FY2027*	($31.5)	($20.9)	↓$10.6
		FY2028	($65.2)	($42.9)	↓$22.4
	Phase 2	FY2029	($83.9)	($45.2)	↓$38.7
		FY2030	($103.2)	($47.5)	↓$55.7
SEBB	Phase 1	FY2027*	($12.4)	($7.2)	↓$5.3
		FY2028	($25.8)	($14.8)	↓$11
	Phase 2	FY2029	($34.1)	($15.8)	↓$18.3
		FY2030	($42.7)	($16.7)	↓$26

*Represents only 6 months of cost avoidance/investment.

Step 4: Estimate potential impact on future UMP bid rates, projected Employer Medical Contribution (EMC), and state expenditures resulting from net cost avoidance estimates

Any decreases in projected claims liability in UMP is assumed to impact underlying trends, bid rates and projected state expenditure related to the employer contribution toward PEBB and SEBB employee premiums, known as the EMC. As noted above, the EMC is calculated using the non-Medicare UMP Classic (PEBB) and UMP Achieve 2 (SEBB) plan bid rates. As plan cost liability decreases in each of these plans, the State's contribution toward employee medical premiums is also expected to decrease.

HCA assumes, given estimated net cost avoidance associated with the impacts of Phase 1 this legislation (calculated above in step 3), future UMP bid rates and the resulting EMC could decrease by approximately 1.3 to 2.9 percent in the PEBB program and approximately 1 to 2.3 percent in the SEBB program.

The EMC is calculated using the UMP projected plan liability and then applied uniformly across all PEBB and SEBB plan offerings. Based on these assumptions, HCA estimates the following possible range of impact to EMC projected expenditures:

Estimated EMC expenditure impact for projection period

	PEBB non-Medicare	SEBB Active	Total
	Assumed Annual Expenditure Decrease	Assumed Annual Expenditure Decrease	Total Assumed Annual Expenditure Decrease
FY2027*	($22,324,000)	($19,275,000)	($41,599,000)
FY2028	($45,895,000)	($39,809,000)	($85,704,000)
FY2029	($48,388,000)	($42,328,000)	($90,716,000)
FY2030	($50,902,000)	($44,871,000)	($95,773,000)

Represents only 6 months of impact

This analysis was performed under a discrete set of assumptions, all of which are based on projections of historical experience forward to future periods. Past-experience is not a prediction of future experience, and any deviations from the assumptions applied in this analysis will yield different results. Due to

decreases in projected EMC expenditure resulting from impacts of this legislation, HCA assumes the potential for parallel impacts to current projected funding rates for each program should this bill be enacted as written. Any decreases in projected expenditures are assumed to result in decreases to assumed revenue, in the form of funding rate changes, to the PEBB and SEBB programs. The following table summarizes the estimated incremental impacts (per eligible employee per month) to the funding rates charged to all state agency, higher education and school district employers:

	Assumed incremental impact to Funding Rate (per eligible employee per month)	
	PEBB	SEBB
FY2027	($13)	($11)
FY2028	($27)	($22)
FY2029	($28)	($23)
FY2030	($30)	($25)

Key assumptions:

- The supporting detailed claims and facility specific data underlying this analysis is considered proprietary and confidential and are therefore not included in this summary.
- All modeling and underlying results should be considered draft; all results are preliminary and are subject to change given changes in underlying service mix, utilization of services, future provider fee-schedule adjustments and inflationary pressures.
- Should actual experience deviate from modeled values, the results of this analysis will change.
- Base period of experience: Allowed claims incurred January 1, 2023, through December 31, 2023; paid through March 31, 2024.
- The reimbursement "caps" imposed in the legislation will apply statewide to the entirety of the UMP network of hospitals, with the exception of non-affiliated CAHs, SCHs, Island Health hospital in Skagit county, and Toppenish Hospital. Children's Hospitals included in this analysis are: Seattle Children's Hospital and Mary Bridge Children's Hospital.
- Claims for PEBB non-Medicare and SEBB active population only; does not include exclusions for claims coordinated with Medicare or other payers.
- PEBB Medicare risk pool claims experience excluded from analysis.
- IP/OP allowed claims were identified using the Milliman Health Cost Guidelines grouper and include all services provided in a facility-based setting and any applicable facility fees assessed.
- Behavioral health (BH) services are defined using the set of procedure codes defined by HCA. All service costs for claims where at least one of the defined procedure codes appeared in any claim line are included in the underlying assumption of BH allowed cost.
- Primary Care Provider (PC) services are defined consistent with the WA Health Care Cost Transparency Board's (HCCTB) definition of Primary Care (HCPCS/CPT codes and provider specialty).
- Total projected UMP Allowed amounts include all categories of service (IP, OP, Prof, and Pharmacy) and are trended forward to future periods using the underlying trend assumption noted in the above analysis. All other UMP Allowed amounts are specific to applicable categories of service included and trended forward using the applicable trend assumption.
- UMP Allowed claims were repriced to Medicare using the Milliman Medicare Repricer (MMR). The Medicare Repricer includes inpatient, outpatient, Ambulatory Surgical Center (ASC), and professional claims repricing capabilities, and replicates the Medicare claim adjudication logic including diagnosis-related group (DRG) and ambulatory payment classification (APC) grouping.
- WA Facility specific repricing was applied using the MMR when a claim includes a Medicare Facility ID and fee schedule specific to that ID.

- For claims that did not have a facilityID/specific fee schedule (Cancer Hospitals, etc.) a WA metropolitan statistical area (MSA) fee schedule was applied to reprice claims to Medicare Allowed amounts. These facility types were repriced to Medicare assuming they were standard acute care facility types using an IPPS/OPPS approach.
- For Critical Access Hospitals (CAH) and Sole Community Hospitals (SCH) the MMR assigned per diem rates and cost to charge ratios to claims using information derived from Medicare cost report data and a database of FFS payments.
- The CY2023 base period of claims experience, and assumed repriced Medicare allowed amounts, are trended forward to future periods using the following methodology:
    - UMP projected allowed amounts are trended forward using only assumed unit cost trends, and do not account for utilization or total allowed trends.
    - UMP projected billed amounts (Children's hospitals only) are trended forward using a 5 percent assumed trend, following consultation with the Children's Hospitals impacted by this legislation.
    - All cost avoidance estimates do not account for shifts in utilization or assumed allowed cost trends that include an assumption for utilization. For this reason, all resulting values should be considered estimates.
    - UMP IP/OP annual unit cost trend applied to 2023 base period of experience is the composite weighted average of CY2021-CY2027 actual and projected unit cost trend for IP and OP service categories respectively, weighted on proportion of allowed dollars.
    - UMP Professional annual unit cost trend applied to 2023 base period of experience is the average of CY2021-CY2027 actual and projected unit cost trend.
    - Average CY2021-CY2025 actual and projected Medicare FFS unit cost trends for IP/OP and Professional services are applied to the 2023 base period of experience to project Medicare allowed costs into future periods.
- It is unknown how the Medicare FFS unit cost trends and underlying service mix will change in the future; should trends or utilization of the underlying service mix used to reprice these claims deviate from assumed trends in this analysis, the results will change.
- HCA made no assumptions regarding the scale or impact of reimbursement for hospitals and services that could be out-of-network. All facilities and services included in this analysis are assumed to be in-network for the UMP, including for future periods.

Fully insured plan impact and member premiums

Feedback and analysis from Premera and Kaiser indicate the potential for allowed cost avoidance resulting from the impacts of this legislation.

Required FTEs

Section 1(8) provides the HCA with the explicit authority to adopt rules to implement this legislation, to include but not limited to: levying fines and taking other contract actions to enforce compliance with state law, as the HCA deems necessary. HCA assumes one Washington Management System 2 (WMS 2) FTE will be required to meet the agency's need for implementation and ongoing oversight and management of the work associated with this legislation.

Required funding for actuarial support

In addition to staffing assumptions detailed above, HCA assumes actuarial support will be required for implementation and ongoing oversight and management of the work associated with this legislation. HCA estimates $250,000 will be required annually beginning CY2026.

Part III: Expenditure Detail

III. A - Operating Budget Expenditure

ACCOUNT	ACCOUNT TITLE	TYPE	FY-2027	FY-2028	FY-2029	FY-2030	2025-27	2027-29	2029-31
721	Public Employees' and Retirees' Insurance Account	Non-Appropriated	($22,324,000)	($45,895,000)	($48,388,000)	($50,902,000)	**($22,324,000)**	**($94,283,000)**	**($101,804,000)**
493	School Employees' Insurance Account	Non-Appropriated	($19,275,000)	($39,809,000)	($42,328,000)	($44,871,000)	**($19,275,000)**	**($82,137,000)**	**($89,742,000)**
418	State Health Care Authority Admin Account	State	$187,000	$236,000	$236,000	$236,000	**$187,000**	**$472,000**	**$472,000**
492	School Employees' Insurance Admin Account	State	$187,000	$236,000	$236,000	$236,000	**$187,000**	**$472,000**	**$472,000**
439	Uniform Medical Plan Benefits Administration Account	Non-Appropriated	$2,565,000	$1,470,000	$1,470,000	$1,470,000	**$2,565,000**	**$2,940,000**	**$2,940,000**
494	School Employees' Benefits Board Medical Benefits Administration Account	Non-Appropriated	$2,565,000	$1,470,000	$1,470,000	$1,470,000	**$2,565,000**	**$2,940,000**	**$2,940,000**
		ACCOUNT - TOTAL $	**($36,095,000)**	**($82,292,000)**	**($87,304,000)**	**($92,361,000)**	**($36,095,000)**	**($169,596,000)**	**($184,722,000)**

III. B - Expenditures by Object or Purpose

OBJECT	OBJECT TITLE	FY-2027	FY-2028	FY-2029	FY-2030	2025-27	2027-29	2029-31
Object A	Salaries and Wages	$62,000	$124,000	$124,000	$124,000	**$62,000**	**$248,000**	**$248,000**
Object B	Employee Benefits	$20,000	$38,000	$38,000	$38,000	**$20,000**	**$76,000**	**$76,000**
Object C	Professional Service Contracts	$250,000	$250,000	$250,000	$250,000	**$250,000**	**$500,000**	**$500,000**
Object E	Goods and Other Services	$20,000	$21,000	$21,000	$21,000	**$20,000**	**$42,000**	**$42,000**
Object G	Travel	$4,000	$4,000	$4,000	$4,000	**$4,000**	**$8,000**	**$8,000**
Object N	Grants, Benefits & Client Services	($36,469,000)	($82,764,000)	($87,776,000)	($92,833,000)	**($36,469,000)**	**($170,540,000)**	**($185,666,000)**
Object T	Intra-Agency Reimbursements	$18,000	$35,000	$35,000	$35,000	**$18,000**	**$70,000**	**$70,000**
	OBJECT - TOTAL $	**($36,095,000)**	**($82,292,000)**	**($87,304,000)**	**($92,361,000)**	**($36,095,000)**	**($169,596,000)**	**($184,722,000)**

III. C - Operating FTE Detail:

FTE JOB TITLE	SALARY	FY-2027	FY-2028	FY-2029	FY-2030	2023-25	2025-27	2027-29	2027-30
WMS BAND 02	123,000	0.5	1.0	1.0	1.0	**0.0**	**0.3**	**1.0**	**2.0**

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object or Purpose

NONE

IV. C - Capital Budget Breakout:

NONE

IV. D - Capital FTE Detail:

NONE

Part V: New Rule Making Required

Section 1(8) provides the HCA with the explicit authority to adopt rules to implement this legislation, to include but not limited to: levying fines and taking other contract actions to enforce compliance with state law, as the HCA deems necessary.

Individual State Agency Fiscal Note

Bill Number:	Title:	Agency:
5083 E 2S SB 5083-S2.E AMH MACR H2008.1	Health carrier reimbursement	360-University of Washington

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
University of Washington Hospital-Non-Appropriated 505-6		(21,061,192)	(21,061,192)	(84,244,766)	(84,244,766)
Total $		(21,061,192)	(21,061,192)	(84,244,766)	(84,244,766)

In addition to the estimates above, there are additional indeterminate costs 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:		Phone:	Date: 04/23/2025
Agency Preparation:	Michael Lantz	Phone: 2065437466	Date: 04/29/2025
Agency Approval:	Michael Lantz	Phone: 2065437466	Date: 04/29/2025
OFM Review:	Ramona Nabors	Phone: (360) 742-8948	Date: 05/08/2025

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.

The striking amendment to Engrossed Second Substitute Senate Bill 5083 concerns reimbursement rates for hospitals for services provided to public employees and their dependents insured on PEBB and SEBB plans. The last version of this measure the University of Washington (UW) evaluated was the second substitute.

The amendment makes several changes compared to previous versions of this measure. It removes the requirement that hospitals licensed under RCW 70.41 contract with a health carrier upon a good faith offer. It also modifies previous reimbursement rate caps for hospitals, which are discussed further in the Cash Receipts section.

Meanwhile, the amendment maintains several provisions common to previous versions of the measure. The amendment specifies that nothing in this measure prohibits a non fee-for-service payment methodology, if the payment method incentivizes higher quality or improved health outcomes. It also requires premiums to consider changes to reimbursement rates anticipated from this measure. Additionally, it authorizes the Health Care Authority to access data from carriers and adopt rules to implement the measure. Finally, it requires a report to the Legislature and Governor by December 31, 2030, with an additional report due by December 31, 2034.

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.

The striking amendment requires reimbursement for in-network inpatient and outpatient hospital services to be the lesser of billed charges, the contractor's contracted rate for the provider, or 200 percent of the total amount Medicare would have reimbursed for the same or similar services beginning January 1, 2027. Unlike in previous versions of the measure, the reimbursement rate is not reduced to 190 percent in 2029. Meanwhile, the reimbursement rate for inpatient or outpatient hospital services must be the lesser of billed charges or 185 percent of the amount Medicare would have reimbursed. The amendment also clarifies how the Medicare reimbursement rate is to be calculated for the purpose of the measure.

UW Medicine has 17,467 PEBB/SEBB encounters per year at Harborview and 71,551 patient encounters at UW Medical Center. Given SB 5083 caps reimbursement rates for services provided to patients covered by public employee health plans at 200 percent of Medicare Rates, UW Medicine assumes the following impacts for UW Medical Center (Mountlake and Northwest campuses) and Harborview Medical Center.

While this version of the bill provides clarity that reimbursement will be calculated inclusive of supplemental payment programs, recent actions at the federal level have delayed approval of the supplemental payment programs UW Medicine participates in. The continuation of these programs is unclear at this time, and therefore UW Medicine is still providing both estimates for this fiscal note. Starting January 1, 2027 (mid-way through FY27), the Medicare reimbursement rate for purposes of calculating a 200 percent cap using the actual reimbursement rate for these services inclusive of supplemental payment programs, the impacts are assessed as a reduction in reimbursement for these services provided by approximately $42,122,383 per FY (shown as negative cash receipts in the table).

If the Medicare reimbursement rate for purposes of calculating a 200 percent cap uses the base Medicare rate only as a result of supplemental payment programs not being approved or no longer funded, the impacts are assessed as a reduction in reimbursement for these services provided by approximately $61,075,757 per FY.

This version of the bill also removes the requirement to accept a good faith offer to contract. However for the purposes of this fiscal note, UW Medicine assumes it will continue to contract with PEBB/SEBB plans. This version also provides rates for out of network services at 185% of Medicare rates. The impacts of this change are indeterminate given it is unknown

how many PEBB and SEBB patients would seek care at UW Medicine if UW Medicine were not to accept a contract to participate in a specific network in the future.

In addition to the clinical services UW Medicine provides, the University of Washington, including UW Medicine, employees are public employees who are insured under state PEBB plans. If the reduction in reimbursement rates for services provided for patients insured by PEBB plans were to result in a reduction in premiums for those plans, this may result in cost savings for the portion of premiums paid by the University of Washington as the employer. However, the impacts are indeterminate for the purposes of this fiscal note given those reductions in premium rates are not directly mandated or specified by this bill and are not known at this time.

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.