

Multiple Agency Fiscal Note Summary

Bill Number: 2128 S HB	Title: Certificate of need program
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Financial Management	.5	1,969,000	1,969,000	1,969,000	.3	583,000	583,000	583,000	.0	0	0	0
Washington State Health Care Authority	Fiscal note not available											
Office of Insurance Commissioner	.0	0	0	3,774	.0	0	0	1,886	.0	0	0	0
Department of Social and Health Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Health	.1	29,000	29,000	29,000	.1	10,000	10,000	10,000	.0	0	0	0
Total \$	0.6	1,998,000	1,998,000	2,001,774	0.4	593,000	593,000	594,886	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.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
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Department of Health	.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: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Preliminary 2/ 5/2024
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Individual State Agency Fiscal Note

Bill Number: 2128 S HB	Title: Certificate of need program	Agency: 075-Office of the Governor
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kim Weidenaar	Phone: 360-786-7120	Date: 01/30/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 02/01/2024
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/01/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/01/2024

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 of Substitute House Bill 2128 establishes the Certificate of Need Modernization Committee. Certain individuals for this committee are to be appointed by the governor, including one representative from the Governor's Office. The Governor's Office believes appointing these positions and participating in this committee will have a minimal, if any, fiscal impact.

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.

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: 2128 S HB	Title: Certificate of need program	Agency: 105-Office of Financial Management
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	1.0	0.5	0.3	0.0
Account					
General Fund-State 001-1	0	1,969,000	1,969,000	583,000	0
Total \$	0	1,969,000	1,969,000	583,000	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: Kim Weidenaar	Phone: 360-786-7120	Date: 01/30/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 02/02/2024
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/02/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/02/2024

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 (1) creates the certificate of need modernization advisory committee. A representative from OFM, as appointed by the Governor, is a member of the committee.

Section 1 (2) (a) requires the Governor to appoint the chair of the committee, whom must convene the committee every two months.

Section 1 (2) (b) requires OFM to contract with a contractor to complete a review. Prior to beginning the review, the contractor shall interview every member of the advisory committee for their input on the review. In addition, the contractor may interview other stakeholders. The contractor shall provide regular progress reports to the advisory committee and by December 15, 2024, shall submit initial findings to the advisory committee and relevant policy committees of the legislature. The contract is exempt from the competitive procurement requirements in chapter 39.26 RCW.

Section 1 (2) (c) requires OFM to provide staff support to the advisory committee.

Section 1 (3) requires the contractor to provide the following information to the committee:

- Research on the role and impact of certificate of need programs in other states, including:
 - The scope of each reviewed state's certificate of need legislation, including covered facility types and services.
 - Factors considered in reviewing certificate of need applications.
 - The process for reviewing certificate of need applications and appeals of initial certificate of need determinations.
 - The scope of authority regarding conditions that can be included in any certificate of need approval and mechanisms to monitor and enforce compliance with such conditions.
 - Any reports or studies regarding the function and outcome of the state's certificate of need program.
 - For states that have repealed their certificate of need programs, the state's experience since repeal with respect to expansion or contraction of supply of those services and facilities no longer subject to a certificate of need.

- A review of recent research related to the impacts of certificate of need programs on access, quality, and cost of health care services. To the extent research is available, the review should include available research on the issues referenced in subsection (4) of the bill.

Section 1 (8) requires the contractor to submit their findings and recommendations to the governor and each chamber of the legislature in two phases.

- By December 15, 2024:
 - The contractor shall submit a preliminary report summarizing the findings based on the review of items identified in subsection (3) of the bill. This report must be submitted to the governor and relevant committees of the legislature and presented to the advisory committee.

- By October 15, 2025:
 - The contractor shall formally present their findings based on the review of items identified in subsection (3) of the bill and their recommendations to the advisory committee. The recommendations must focus on whether to modernize, expand, reduce, eliminate, or maintain the certificate of need program based on access to care, quality of care, and total health care expenditures. The advisory committee must have an opportunity to provide feedback to the contractor on all recommendations.
 - A final report must be submitted to the advisory committee, the governor, and relevant committees of the legislature. The final report to the legislature must include the contractor's findings, recommendations, and any feedback from the advisory committee on the recommendations.

Section 1 (9) sets an expiration of the bill for July 1, 2026.

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.

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 (1) creates the certificate of need modernization advisory committee. A representative from OFM, as appointed by the Governor, is a member of the committee. OFM assumes that representation by OFM on the committee can be accomplished within current responsibilities and staffing, and therefore this section has no fiscal impact.

Section 1 (2) (c) requires OFM to provide staff support to the advisory committee. OFM would require additional staffing to provide program and administrative support to the committee and the required contractor.

1 FTE – Program Specialist (18-months, beginning 7/1/2024) - the time-limited specialist position is necessary to provide support to the advisory committee.

Cost assumptions per FTE:

- o Goods and services: supplies, communications services, lease space, training, software licensing at \$3,000 per FTE annually.
- o Travel: travel associated with the positions at \$4,000 per FTE annually.
- o Capital Outlays: a workstation, furniture, and computer at \$5,000 per FTE.
- o Shared Service Costs: administrative support, IT support, budget and accounting services, facilities support, and human resource assistance at \$30,000 per FTE annually.

Section 1 (2) (b) requires OFM to contract a contractor with relevant expertise to complete a review. OFM assumes that an external contractor with the resources and expertise on hand to complete such work would require between \$1.5 million and \$2.3 million to: meet with every member of the advisory committee, complete an initial review, submit a preliminary report by December 15th, 2024, complete the review, incorporate feedback from the advisory committee, and submit the final findings and recommendations by October 15th, 2025. An example timeline of such a contract is estimated as:

- o May-June 2024 - \$0 - Find and procure a contractor and negotiate contract.
- o Jul - Dec 2024 - between \$500,000 and \$800,000 - Contractor meets with every member and compiles initial report.
- o Oct - Jun 2025 - between \$700,000 and \$1,000,000 - Contractor continues review, attends committee meetings, incorporates feedback.
- o Jul - Oct 2025 - between \$300,000 and \$500,000 - Contractor completes review and submits final report and recommendations.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	1,969,000	1,969,000	583,000	0
Total \$			0	1,969,000	1,969,000	583,000	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		1.0	0.5	0.3	
A-Salaries and Wages		95,000	95,000	48,000	
B-Employee Benefits		32,000	32,000	16,000	
C-Professional Service Contracts		1,800,000	1,800,000	500,000	
E-Goods and Other Services		3,000	3,000	2,000	
G-Travel		4,000	4,000	2,000	
J-Capital Outlays		5,000	5,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		30,000	30,000	15,000	
9-					
Total \$	0	1,969,000	1,969,000	583,000	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 2024	FY 2025	2023-25	2025-27	2027-29
Program Specialist	95,000		1.0	0.5	0.3	
Total FTEs			1.0	0.5	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.

Individual State Agency Fiscal Note

Bill Number: 2128 S HB	Title: Certificate of need program	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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.0	0.0
Account					
Insurance Commissioners Regulatory Account-State 138-1	0	3,774	3,774	1,886	0
Total \$	0	3,774	3,774	1,886	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: Kim Weidenaar	Phone: 360-786-7120	Date: 01/30/2024
Agency Preparation: Jane Beyer	Phone: 360-725-7043	Date: 02/01/2024
Agency Approval: Bryon Welch	Phone: 360-725-7037	Date: 02/01/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/02/2024

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 establishes a certificate of need modernization advisory committee, of which the Commissioner or their designee is a member. The advisory committee will be staffed by the Office of Financial Management and a contractor chosen by OFM. Advisory committee members include affected state agencies, entities subject to certificate of need regulation, consumers and health care purchasers. Meetings must occur every 2 months, with a preliminary report due to the legislature by December 15, 2024, and a final report due by October 15, 2025.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

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 establishes a certificate of need modernization advisory committee, of which the Commissioner or their designee is a member. The advisory committee will be staffed by the Office of Financial Management and a contractor chosen by OFM. Advisory committee members include affected state agencies, entities subject to certificate of need regulation, consumers and health care purchasers. Meetings must occur every 2 months, with a preliminary report due to the legislature by December 15, 2024, and a final report due by October 15, 2025.

Participating on the advisory committee will require the Office of Insurance Commissioner (OIC) to spend time researching, collecting and analyzing data, and preparing for and attending advisory committee meetings. The OIC anticipates attending 6 meetings in FY2025 and 2 meetings in FY2026 with each meeting requiring 6 hours for preparation, attendance, and follow up. The OIC will require the equivalent of 36 hours (6 meetings x 6 hours) in FY2025 and 12 hours (2 meetings x 6 hours) in FY2026 of a Senior Policy Analyst, to prepare for and attend the advisory committee meetings, conduct research and analysis, collect data, and review drafts of the report.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
138-1	Insurance Commissioners Regulatory Account	State	0	3,774	3,774	1,886	0
Total \$			0	3,774	3,774	1,886	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.0	0.0	0.0	
A-Salaries and Wages		2,323	2,323	1,161	
B-Employee Benefits		696	696	348	
C-Professional Service Contracts					
E-Goods and Other Services		755	755	377	
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 \$	0	3,774	3,774	1,886	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 2024	FY 2025	2023-25	2025-27	2027-29
Senior Policy Analyst	116,148		0.0	0.0	0.0	
Total FTEs			0.0	0.0	0.0	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.

Individual State Agency Fiscal Note

Bill Number: 2128 S HB	Title: Certificate of need program	Agency: 300-Department of Social and Health Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kim Weidenaar	Phone: 360-786-7120	Date: 01/30/2024
Agency Preparation: Sara Corbin	Phone: 360-902-8194	Date: 02/02/2024
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 02/02/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/05/2024

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.

SHB 2128 has no fiscal impact to the Department of Social and Health Services (DSHS). The bill would establish a certificate of need modernization advisory committee with members to include one representative from each category of "health care facility" as defined in RCW 70.38.025. "Health care facility" includes DSHS operated licensed residential treatment facilities as defined in chapter 71.12 RCW, and DSHS contracted licensed nursing facilities as defined in RCW 70.38.025. If a DSHS representative is selected to participate as a member of the advisory committee attending meetings and participating in a report, the staff-time to perform duties will be accomplished by existing staff within their existing workload, therefore, no fiscal impact.

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.

None

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

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: 2128 S HB	Title: Certificate of need program	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.1	0.1	0.1	0.0
Account					
General Fund-State 001-1	0	29,000	29,000	10,000	0
Total \$	0	29,000	29,000	10,000	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: Kim Weidenaar	Phone: 360-786-7120	Date: 01/30/2024
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 02/02/2024
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 02/02/2024
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/02/2024

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 fiscal note has changed from the previous fiscal note on House Bill 2128. The proposed substitute removes the secretary of the Department of Health (department) from serving as the chair of the advisory committee and moves the staffing and contracting responsibility from the department to the Office of Financial Management (OFM). The costs for the department have been updated to reflect these changes.

Section 1(1): Establishes the certificate of need modernization advisory committee and requires the secretary of the department of health, or the secretary's designee to serve as a member of the committee.

Section 1(2)(b): Requires the Office of Financial Management to contract with a contractor with relevant expertise to complete the review of items outlined in subsection 3 and provide a report of all research and findings.

Section 1(8): The contractor shall submit their findings and recommendations to the governor and each chamber of the legislature in two phases, (a) a preliminary report by December 15, 2024 and (b) a formal report of their findings by October 15, 2025.

Section 1(9); This section expires July 1, 2026.

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 Certificate of Need program is fee supported. For this bill, the department is requesting General Fund State (GF-S) to cover expenses related to this one-time advisory committee as the work identified in this bill is outside of the department's normal regulatory work.

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.

The department will support the advisory committee and contractor with data collection for the duration of the committee. The department will provide historical information, current data, and programmatic information from the certificate of need program to address the topics that must be considered in the review. Work will include gathering and compiling facility data, retrieving, and organizing historical data and program files, and offering support to the committee regarding current certificate of need functions.

Costs include staff and associated expenses (including goods and services, travel, intra-agency, and indirect charges).

FY 2025 costs will be 0.1 FTE and \$29,000 (GF-S)

FY 2026 costs will be 0.1 FTE and \$10,000 (GF-S)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	29,000	29,000	10,000	0
Total \$			0	29,000	29,000	10,000	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.1	0.1	
A-Salaries and Wages		17,000	17,000	6,000	
B-Employee Benefits		5,000	5,000	2,000	
E-Goods and Other Services		6,000	6,000	2,000	
T-Intra-Agency Reimbursements		1,000	1,000		
9-					
Total \$	0	29,000	29,000	10,000	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 2024	FY 2025	2023-25	2025-27	2027-29
WMS02	118,932		0.1	0.1	0.1	
Total FTEs			0.1	0.1	0.1	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.