

Multiple Agency Fiscal Note Summary

Bill Number: 5066 SB	Title: Health care benefit managers
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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
Washington State Health Care Authority	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Insurance Commissioner	4.1	0	0	1,206,132	4.1	0	0	1,194,132	4.1	0	0	1,194,132
Total \$	4.1	0	0	1,206,132	4.1	0	0	1,194,132	4.1	0	0	1,194,132

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	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
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
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Individual State Agency Fiscal Note

Bill Number: 5066 SB	Title: Health care benefit managers	Agency: 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:

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: Greg Attanasio	Phone: 360-786-7410	Date: 01/31/2023
Agency Preparation: Sara Whitley	Phone: 360-725-0944	Date: 02/03/2023
Agency Approval: Tanya Deuel	Phone: 360-725-0908	Date: 02/03/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/03/2023

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

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

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: SB 5066

HCA Request #: 23-091

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Section 1(2) amends RCW 48.200.040 (Health care benefit managers, Contract requirements) to add health carriers under the requirements listed for benefit managers to file contracts and contract amendments with the Office of the Insurance Commissioner (OIC). Contracts and contract amendments between health care benefit managers and health carriers that were executed prior to the effective date of this legislation and remain in force must be filed within 60 days of this legislations effective date.

II. B - Cash Receipts Impact

None.

II. C – Expenditures

Public Employees Benefits Board (PEBB) and School Employee Benefits Board (SEBB) Program Impacts

No fiscal impact.

This legislation imposes requirements on health carriers to file contracts and contract amendments with the Office of the Insurance Commissioner. There are no assumed impacts to HCA.

Medicaid

No impacts to Medicaid lines of business.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 5066 SB	Title: Health care benefit managers	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	4.1	4.1	4.1	4.1	4.1
Account					
Insurance Commissioners Regulatory Account-State 138-1	609,066	597,066	1,206,132	1,194,132	1,194,132
Total \$	609,066	597,066	1,206,132	1,194,132	1,194,132

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: 01/31/2023
Agency Preparation: Shari Maier	Phone: 360-725-7173	Date: 02/03/2023
Agency Approval: Michael Wood	Phone: 360-725-7007	Date: 02/03/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/03/2023

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(2) requires a health care benefit manager (HCBM) to file every benefit management contract and contract amendment between itself and a health carrier with the Office of Insurance Commissioner (OIC). Such contracts and contract amendments that were executed prior to the effective date of this section and remain in force must be filed with the OIC no later than 60 days following the effective date of this section.

Section 2 declares this bill is necessary for the immediate preservation of the public peace, health, or safety and takes effect immediately.

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(2) requires a health care benefit manager (HCBM) to file every benefit management contract and contract amendment between itself and a health carrier with the Office of Insurance Commissioner (OIC). Such contracts and contract amendments that were executed prior to the effective date of this section and remain in force must be filed with the OIC no later than 60 days following the effective date of this section.

Section 2 declares this bill is necessary for the immediate preservation of the public peace, health, or safety and takes effect immediately.

Under current state law, the HCBMs do not file these contracts or contract amendments with the OIC. Health carriers are currently required to submit their contracts and contract amendments with the HCBMs for OIC review. Based upon the submissions the OIC received from health carriers in 2022, the OIC anticipates that 1,015 contract submissions per year will be filed by HCBMs, with the first filing due within the first 60 days of the bill's enactment. The OIC assumes approximately 10 minutes of processing time and 3 hours of review time per contract filing requiring 169 hours (1,015 contract filings x 10 minutes) of an Insurance Technician 3 and 3,045 hours (1,015 contract filings x 3 hours) of a Functional Program Analyst 3 beginning in FY2023 .

The provisions in Section 1(2) will also lead to an increase in enforcement actions, including hearing demands. The OIC anticipates an additional 102 enforcement cases (10% of the 1,015 contract filings), with 10 cases being sent to hearings, each year to address noncompliance of filing requirements and/or contract provisions. Enforcement actions require the equivalent of approximately 30 hours per case and hearings generally require 40 hours per case requiring a total of 3,460 hours (102 cases x 30 hours and 10 hearings x 40 hours) of an Insurance Enforcement Specialist beginning in FY2024.

Section 1(2) will require 'simple' rulemaking, in FY2023 , to update WAC 284-180-460 and to address issues when both the health carriers and the Health Care Benefit Managers file their contracts with each other.

Ongoing Costs:

Salary, benefits and associated costs for 2.14 FTE Insurance Enforcement Specialist, 1.88 FTE Functional Program Analyst 3, and .10 FTE Insurance Technician 3.

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	609,066	597,066	1,206,132	1,194,132	1,194,132
Total \$			609,066	597,066	1,206,132	1,194,132	1,194,132

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.1	4.1	4.1	4.1	4.1
A-Salaries and Wages	355,509	355,509	711,018	711,018	711,018
B-Employee Benefits	122,144	122,144	244,288	244,288	244,288
C-Professional Service Contracts					
E-Goods and Other Services	119,413	119,413	238,826	238,826	238,826
G-Travel					
J-Capital Outlays	12,000		12,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	609,066	597,066	1,206,132	1,194,132	1,194,132

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
Functional Program Analyst 3	73,260	1.9	1.9	1.9	1.9	1.9
Insurance Enforcement Specialist	99,516	2.1	2.1	2.1	2.1	2.1
Insurance Technician 3	48,156	0.1	0.1	0.1	0.1	0.1
Total FTEs		4.1	4.1	4.1	4.1	4.1

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

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(2) will require ‘simple’ rulemaking, in FY2023 , to update WAC 284-180-460 and to address issues when both the health carriers and the Health Care Benefit Managers file their contracts with each other.