

Multiple Agency Fiscal Note Summary

Bill Number: 5271 SB	Title: DOH facilities/enforcement
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	319,000	0	0	1,260,000	0	0	1,260,000
Department of Health	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	319,000	0	0	1,260,000	0	0	1,260,000

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 Attorney General	1.2	0	0	319,000	4.6	0	0	1,260,000	4.6	0	0	1,260,000
Department of Health	3.9	376,000	376,000	1,653,000	9.7	926,000	926,000	4,650,000	9.7	926,000	926,000	4,650,000
Total \$	5.1	376,000	376,000	1,972,000	14.3	926,000	926,000	5,910,000	14.3	926,000	926,000	5,910,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.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: Breann Boggs, OFM	Phone: (360) 485-5716	Date Published: Final 2/16/2023
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Individual State Agency Fiscal Note

Bill Number: 5271 SB	Title: DOH facilities/enforcement	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1	3,000	316,000	319,000	1,260,000	1,260,000
Total \$	3,000	316,000	319,000	1,260,000	1,260,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	2.3	1.2	4.6	4.6
Account					
Legal Services Revolving Account-State 405-1	3,000	316,000	319,000	1,260,000	1,260,000
Total \$	3,000	316,000	319,000	1,260,000	1,260,000

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Andie Parnell	Phone: 3607867439	Date: 01/18/2023
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 02/13/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/13/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/14/2023

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: Amends RCW 18.46.010, adds definition of “immediate jeopardy”.

Section 2: Amends RCW 18.46.050, allows department to take certain actions against birthing centers for failing to comply with standards or regulations. Also sets out actions the department can take and penalties and fines that can be imposed and requires department to adopt rules. Also sets out appeal rights.

Section 3: New Section to chapter 18.46 RCW. Department permitted to give cease and desist orders. Sets our procedure for these situations including fines and appeal rights.

Section 4: Amends RCW 18.46.130, permits injunctions and sets out fines for violations of an injunction.

Section 5: Amends RCW 70.42.010, adds definition of “immediate jeopardy”.

Section 6: Amends RCW 70.42.130, adds to the circumstances under which the department can place conditions on a licensee.

Section 7: New Section added to chapter 70.42 RCW. Department can prohibit services at a medical test site and rules surrounding such an action including hearing requirements.

Section 8: New Section added to chapter 70.42 RCW. Department authorized to provide written cease and desist notice for unlicensed operation of medical test site as well as procedures, appeal rights and penalties.

Section 9: Amends RCW 70.42.180. Injunction does not relieve a person from criminal prosecution.

Section 10: Amends RCW 70.127.010, adds definition of “immediate jeopardy”.

Section 11: Amends RCW 70.127.170. When department can take action of an in-home services agency’s license.

Section 12: New Section added to chapter 70.127 RCW, allows department to assess civil fines and take other actions for in home service agency violations in certain situations. Requires department to adopt rules for fines. Also includes appeal rights for licensing and other actions taken by department.

Section 13: New Section added to chapter 70.127 RCW. Notice requirements for department actions and hearings for department actions.

Section 14: Amends RCW 70.127.213, outlines effective dates for cease-and-desist orders and adjudicative proceedings for such orders.

Section 15: Amends 70.230.010, adds definition of “immediate jeopardy”.

Section 16: Amends 70.230.070, add to the circumstances under which the department can place conditions on a licensee. Also sets out actions the department can take and penalties and fines that can be imposed and requires department to adopt rules. Also sets out appeal rights.

Section 17: New Section to chapter 70.230 RCW. Department permitted to give cease and desist orders. Sets our procedure for these situations including fines and appeal rights.

Section 18: Amends RCW 71.12.710, changes psychiatric hospital to private establishment. What services the department can suspend and when a limited stop service and be imposed. Rules surrounding a limited stop service and appeal rights.

Section 19: Amends RCW 71.12.455, changes psychiatric hospital to private establishment or behavioral health.

Section 20: Amends RCW 71.12.500, allows department to examine a licensed private establishment to determine if it has complied with rules of this chapter.

Section 21: New Section to chapter 71.12 RCW. Department authorized to provide written cease and desist notice to person department believes is engaged in the unlicensed operation of a private establishment. Outlines effective dates for cease-and-desist orders and adjudicative proceedings for such orders.

Section 22: Amends RCW 70.38.025, changes psychiatric to behavioral health.

Section 23: Amends RCW 70.38.111, changes psychiatric to behavioral health.

Section 24: Amends RCW 70.38.260, changes psychiatric to behavioral health.

Section 25: Amends RCW 71.24.025, adds definition of “immediate jeopardy”.

Section 26: Reenacts and amends RCW 71.24.037, removes certain department authority.

Section 27: New Section added to chapter 71.24 RCW, requires department to conduct reviews and inspections of certain facilities and collect certain data. Permits the assessment of finds and requires rulemaking. Also provides appeal rights.

Section 28: Amends RCW 70.170.020, changes psychiatric to behavioral health.

Section 29: Amends RCW 18.64.005, allows requests for pro tempore members.

Section 30: Amends RCW 18.64.011, adds several definitions.

Section 31: New Section to chapter 18.64 RCW, allows for certain licensing actions to be taken.

Section 32: New Section to chapter 18.64 RCW, governs civil fine assessments.

Section 33: New Section to chapter 18.64 RCW, sets out other actions that can be taken against a licensee.

Section 34: New Section to chapter 18.64 RCW, requirements for petition for reinstatement of license.

Section 35: New Section to chapter 18.64 RCW, chapter 18.130 RCW governs the unlicensed practice of person required to obtain a license under this chapter.

Section 36: Amends RCW 18.64.047, removes language regarding revoking registration of a vendor.

Section 37: Amends RCW 8.64.165, changes wording regarding actions commission can take.

Section 38: Amends RCW 18.64A.020, adds reference to section 31 of this act.

Section 39: Amends RCW 18.64A.060, adds reference to section 31 of this act.

Section 40: New Section to chapter 69.38 RCW, statement of governing statutes for disciplinary action and license denials.

Section 41 – Amends RCW 69.45.080. RCW 18.64 governs license denials.

Section 42: new section to chapter 69.45 RCW, uniform disciplinary act governs unlicensed practice under this chapter.

Section 43: Amends RCW 69.43.100, allows pharmacy quality assurance commission to take action under this chapter.

Section 44: Amends – RCW 69.43.140, allows for good faith exception.

Section 45: Amends RCW 69.50, adds sections 31 and 33 of this act to statute.

Section 46: Amends RCW 69.50.303, minor additions.

Section 47: Amends RCW 69.50.304, adds governing statute language.

Section 48: Amends RCW 69.50.310, adds governing statute language.

Section 49: Amends RCW 69.50.320, adds governing statute language.

Section 50: Amends RCW 69.41.080, adds governing statute language.

Section 51: Repeals several statutes.

This bill is assumed effective 90 days after the end of the 2023 legislative session.

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.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Department of Health (DOH). The Attorney General's Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

AGO AGENCY ASSUMPTIONS:

DOH will be billed for non-Seattle rates:

FY 2024: \$3,000 for 0.01 Assistant Attorney General FTE (AAG) and 0.01 Legal Assistant 3 FTE (LA).

FY 2025: \$300,000 for 0.86 AAG, 0.43 LA, and 0.68 Paralegal FTE (PL).

FY 2026: \$614,000 for 1.72 AAG, 0.86 LA, and 1.48 PL, and each FY thereafter.

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.

Attorney General's Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2023 legislative session.

Location of staffing is assumed to be in a non-Seattle office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 FTE for a Legal Assistant 3 (LA) and 0.25 FTE of an MA.

Assumptions for the AGO Government Compliance & Enforcement Division (GCE) legal services for the Department of Health (DOH): Pharmacy Quality Assurance Commission (PQAC):

The AGO will bill DOH for legal services based on the enactment of this bill.

GCE represents the Pharmacy Quality Assurance Commission (PQAC) in disciplinary actions against licensed pharmacy personnel, other controlled substance registrations, and entities regulated by the Commission, including pharmacies.

This bill would expand the disciplinary actions that could be taken against entities and persons licensed under chapter 18.64 RCW to include the denial of an application, assessment of a civil fine of up to \$10,000 per violation, imposition of a limited stop service, imposition of reasonable license conditions and modification of a license.

The PQAC assumes that this bill would result in annual referral of 40 new disciplinary actions to GCE, seven of which would proceed to hearing. Of the 33 cases that would be referred to GCE but not result in a hearing, we assume that 13 would resolve prior to the filing of charges, and the remaining 20 would resolve after charges were filed but before hearing.

The PQAC assumes that because of rulemaking needs, litigation referrals would begin during the second half of FY 2025, GCE would receive approximately half the number of case referrals in FY 2025 as it would in FY 2026 and continuing each year thereafter.

Preparation and litigation of DOH cases are labor intensive, and cases are staffed by one AAG and one Paralegal (PL). Based on past experience with PQAC cases, GCE assumes: 13 cases that would resolve prior to charges would utilize 20 AAG hours and 20 PL hours each. 20 cases that would result in charges but resolve prior to hearing would utilize 50 AAG hours and 50 PL hours each case. Seven cases that would proceed to hearing would utilize an average of 200 AAG and 200 PL each case.

GCE workload assumptions:

FY 2025: six cases x (20 AAG hours + 20 PL hours) + 10 cases x (50 AAG hours + 50 PL hours) + three cases x (200 AAG hours + 200 PL hours)

FY 2026: 13 cases x (20 AAG hours + 20 PL hours) + 20 cases x (50 AAG hours + 50 PL hours) + seven cases x (200 AAG hours + 200 PL hours), and each FY thereafter.

GCE assumes that the new administrative litigation would result in one new judicial review case each year. As a result of the Senate Bill 5225 (from FY 2021), GCE assumes that these judicial reviews would be certified to the Court of Appeals. Because of the more stringent requirements for litigation before the Court of Appeals, GCE assumes that each judicial review would utilize an average of 120 AAG hours, which would occur in FY 2026 and each year thereafter.

As a result of this legislative proposal, GCE assumes a total increase as follows:

FY 2025 - 1,220 AAG hours and 1,220 PL hours.

FY 2026 - 2,780 AAG hours (2,660 + 120) and 2,660 PL hours, and each FY thereafter.

GCE total FTE workload impact for non-Seattle rates:

FY 2025: \$255,000 for 0.68 AAG, 0.34 LA and 0.68 PL.

FY 2026: \$569,000 for 1.48 AAG, 0.77 LA and 1.48 PL and each FY thereafter.

Assumptions for the AGO Agriculture & Health Division (AHD) legal services for DOH:

The AGO will bill DOH for legal services based on the enactment of this bill.

This bill would give DOH new authority to take different types of enforcement action against several kinds of health care facilities (birthing centers, medical test sites, in-home services agencies, ambulatory surgical facilities, residential treatment facilities, and behavioral health agencies).

This bill would give DOH rulemaking authority to implement the new authorities it receives.

DOH will require legal advice on rulemaking from AHD, estimated at 24 hours in FY 2024.

DOH will require legal representation in additional enforcement matters resulting from the enactment of this bill, estimated at 320 hours per FY, starting in FY 2025 based on an assumed additional caseload of 20 cases per FY at 16 AAG hours on average per case.

AHD total FTE workload impact for non-Seattle rates:

FY 2024: \$3,000 for 0.01 AAG and 0.01 LA.

FY 2025: \$45,000 for 0.18 AAG and 0.09 LA, and each FY thereafter.

GCE and AHD total FTE workload impact for non-Seattle rates:

FY 2024: \$3,000 for 0.01 AAG and 0.01 LA

FY 2025: \$300,000 for 0.86 AAG, 0.43 LA and 0.68 PL.

FY 2026: \$614,000 for 1.72 AAG, 0.86 LA, and 1.48 PL and each FY thereafter.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
405-1	Legal Services	State	3,000	316,000	319,000	1,260,000	1,260,000
	Revolving Account						
	Total \$		3,000	316,000	319,000	1,260,000	1,260,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	2.3	1.2	4.6	4.6
A-Salaries and Wages	2,000	205,000	207,000	814,000	814,000
B-Employee Benefits	1,000	69,000	70,000	276,000	276,000
E-Goods and Other Services		40,000	40,000	160,000	160,000
G-Travel		2,000	2,000	10,000	10,000
Total \$	3,000	316,000	319,000	1,260,000	1,260,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Assistant Attorney General	118,700	0.0	0.9	0.5	1.8	1.8
Legal Assistant 3	55,872	0.0	0.5	0.2	0.9	0.9
Management Analyst 5	91,524		0.2	0.1	0.4	0.4
Paralegal 2	71,520		0.7	0.3	1.5	1.5
Total FTEs		0.0	2.3	1.2	4.6	4.6

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Agriculture & Health Division (AHD)	3,000	61,000	64,000	122,000	122,000
Government Compliance & Enforcement Division (GCE)		255,000	255,000	1,138,000	1,138,000
Total \$	3,000	316,000	319,000	1,260,000	1,260,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5271 SB	Title: DOH facilities/enforcement	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	7.6	3.9	9.7	9.7
Account					
General Fund-State 001-1	58,000	318,000	376,000	926,000	926,000
General Fund-Private/Local 001-7	0	1,040,000	1,040,000	3,236,000	3,236,000
Health Professions Account-State 02G-1	0	220,000	220,000	440,000	440,000
OTHER 1-State NEW-1	0	17,000	17,000	48,000	48,000
Total \$	58,000	1,595,000	1,653,000	4,650,000	4,650,000

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Andie Parnell	Phone: 3607867439	Date: 01/18/2023
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 01/23/2023
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 01/23/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 01/25/2023

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.

SB 5271 strengthens patient safety protection by extending the enforcement provisions for acute and psychiatric hospitals to the other types of health care facilities regulated by the department.

Birthing Centers

Section 1: Amends RCW 18.46.010 (Definitions) and 2000 c 93 s 30 to add the definition of “Immediate Jeopardy.”

Section 2: Amends RCW 18.46.050 (Actions Against License) to allow the Department of Health (department) to adopt rules to impose reasonable conditions and to assess a civil fine on a birthing center license when the licensee has the same or similar types of violations of statute or rule, the same or similar types of statements of deficiencies of statute or rule, or failed to correct noncompliance with statute or rule. It gives the department the ability to suspend a specific category or categories of services within the birthing center related to the violation by imposing a limited stop service if the department finds that noncompliance results in immediate jeopardy, and allows the department to suspend new admissions to the birthing center by imposing a stop placement if the department finds that noncompliance results in immediate jeopardy and is not confined to a specific category or categories of care. This section provides the right to an adjudicative procedure act and outlines the requirements for the licensee and the department.

Section 3: Adds a new chapter to 18.46 RCW (Birthing Centers) to allow the department to give written notice to cease and desist to any person whom the department believes is engaging in unlicensed practice of a birthing center. This section provides the right to an adjudicative procedure act and allows the department to assess a civil fine and outlines the requirements for the licensee and the department for these actions.

Section 4: Allows for the department to assess a civil penalty if a person violates and injunction issued under this chapter.

Medical Test Sites

Section 5: Amends RCW 70.42.010 (Definitions) and 1989 s 386 c 2 to add the definition of “Immediate Jeopardy.”

Section 6: Allows the department to adopt standards or rules for regulating medical test sites.

Section 7: Adds a new section to 70.42 RCW (Medical Test Sites) to allow the department to adopt rules to impose a limited stop service for noncompliance that results in immediate jeopardy and outlines when the limited stop service shall be terminated. This section provides the right to an adjudicative procedure act and outlines the requirements for the licensee and the department.

Section 8: Adds a new section to 70.42 RCW (Medical Test Sites) to allow the department to give written notice to cease and desist to any person whom the department believes is engaging in unlicensed practice of a medical test site. This section provides the right to an adjudicative procedure act and allows the department to assess a civil fine and outlines the requirements for the licensee and the department for these actions.

Section 9: Allows for the department to assess a civil penalty if a person violates and injunction issued under this chapter.

Home Care Services

Section 10: Amends RCW 70.127.010 (Definitions) and 2011 c 89s 13 to add the definition of “Immediate Jeopardy.”

Section 11: Allows the department to adopt standards or rules for regulating in-home services agencies.

Section 12: Adds a new chapter to 70.127 RCW (In-Home Services Agencies) to allow the department to adopt rules to impose reasonable conditions and to assess a civil fine on an in-home services license when the licensee has the same or similar types of violations of statute or rule, the same or similar types of statements of deficiencies of statute or rule or failed to correct noncompliance with statute or rule. It gives the department the ability to suspend a specific category or categories of services provided by the in-home service agency, related to the violation, by imposing a limited stop service if the department finds that noncompliance results in immediate jeopardy. It also allows the department to suspend new admissions to the in-home services agency by imposing a stop placement if the department finds that noncompliance results in immediate jeopardy and is not confined to a specific category or categories of care.

Section 13: This section provides the right to an adjudicative procedure act and outlines the requirements for the licensee and the department for these actions.

Section 14: Amends RCW 70.127.213 (Unlicensed operation of an in-home services agency—Cease and desist orders—Adjudicative proceedings—Fines) and 2000 c 175 s 19 to allow the department to give written notice to cease and desist to any person whom the department believes is engaging in unlicensed practice of an in-home services agency. This section provides the right to an adjudicative procedure act and allows the department to assess a civil fine and outlines the requirements for the licensee and the department for these actions.

Ambulatory Surgical Facility

Section 15: Amends RCW 70.230.010 (Definitions) and 2011 c 76 s 1 to add the definition of “Immediate Jeopardy.”

Section 16: Amends RCW 70.203.070 (Denial, suspension, or revocation of license—Investigating complaints—Penalties) and 2007 c 273 s 8 to allow the department to adopt rules to impose reasonable conditions and to assess a civil fine on an ambulatory surgical facility license when the licensee has the same or similar types of violations of statute or rule, the same or similar types of statements of deficiencies of statute or rule, or failed to correct noncompliance with statute or rule. It gives the department the ability to suspend a specific category or categories of services within the ambulatory surgical facility related to the violation by imposing a limited stop service if the department finds that noncompliance results in immediate jeopardy, and allows the department to suspend new admissions to the ambulatory surgical facility by imposing a stop placement if the department finds that noncompliance results in immediate jeopardy and is not confined to a specific category or categories of care. This section provides the right to an adjudicative procedure act and outlines the requirements for the licensee and the department.

Section 17: Adds a new section to 70.230 RCW (Ambulatory Surgical Facilities) to allow the department to give written notice to cease and desist to any person whom the department believes is engaging in unlicensed practice of an ambulatory surgical facility. This section provides the right to an adjudicative procedure act and allows the department to assess a civil fine and outlines the requirements for the licensee and the department for these actions.

Residential Treatment Facility

Section 18: Amends RCW 71.12.710 (Psychiatric hospitals—Noncompliance—Penalties) and 2020 c 115 s 3 to allow the department to suspend a specific category or categories of service within the private establishment by imposing a limited stop placement, or limited stop service, if the department finds that noncompliance results in immediate jeopardy. This section provides the right to an adjudicative procedure act and outlines the requirements for the licensee and the department.

Section 20: Amends RCW 71.12.500 (Examination of premises as to compliance with the chapter, rules, and license—License changes) and 2000 c 93 s 25 to allow the department to adopt rules to regulate private establishments.

Section 21: Adds a new section to 71.12 RCW (Private Establishments) to allow the department to give written notice to cease and desist to any person whom the department believes is engaging in unlicensed practice of a private facility. This section provides the right to an adjudicative procedure act and allows the department to assess a civil fine and outlines the requirements for the licensee and the department for these actions.

Behavioral Health Agency

Section 25: Amends RCW 71.24.025 (Definitions) and 2021 c 302 s 401 to add the definition of “Immediate Jeopardy.”

Section 27: Adds a new section to 71.24 RCW (Community Behavioral Health Services Act) directing the department to review reports and other information alleging a failure to comply, and to annually evaluate each program that admits children to inpatient substance use disorder treatment. This section creates limitations on transferring or selling a behavioral health agency that is in violation of licensing standards to a family member. It directs the department to adopt rules to impose reasonable conditions and to assess a civil fine on a behavioral health agency license when the licensee has the same or similar types of violations of statute or rule, the same or similar types of statements of deficiencies of statute or rule, or failed to correct noncompliance with statute or rule. It gives the department the ability to suspend a specific category or categories of services within the behavioral health facility related to the violation by imposing a limited stop service, or a limited stop placement, if the department finds that noncompliance results in immediate jeopardy. This section provides the right to an adjudicative procedure act and outlines the requirements for the licensee and the department.

Pharmacy Commission

Section 30: Amends RCW 18.64.011 (Definitions) to include a definition for “Directed Plan of Correction,” “Immediate

Jeopardy,” “Plan of Correction” and “Statement of Deficiency”

Section 32: Adds a new section to 18.64 RCW (Pharmacists) allowing the department to assess a civil fine against a licensee, provides the right to an adjudicative procedure act and outlines the requirements for the licensee and the department for these actions.

Section 33: Adds a new section to 18.64 RCW (Pharmacists) allowing the department to assess a civil fine against a licensee or nonresident pharmacy that has the same or similar types of violations of statute or rule, the same or similar types of statements of deficiencies of statute or rule, or failed to correct noncompliance with statute or rule. This section allows the department to impose a limited stop service if the department finds that noncompliance results in immediate jeopardy, and provides the right to an adjudicative procedure act and outlines the requirements for the licensee and the department for these actions.

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.

Civil Fines

Fines will be assessed during the enforcement process. The department estimates taking 175 enforcement actions each fiscal year. Fines collected will be used to provide training or technical assistance to the respective facility type and to offset costs associated with licensing facilities. While the department estimates taking 175 formal enforcement actions, the value of revenue collected from civil fines is indeterminate until the severity matrix is established for fines and cost-recovery and rules are adopted.

Licensing Fees

Current law, RCW 43.70.250 (License fees for professions, occupations, and businesses.) requires that a business-licensing program be self-supporting and sufficient revenue be collected through fees to fund expenditures. The department anticipates the need to increase licensing fees to support the changes proposed in this bill. The department will monitor the program fund balance and adjust fees over a six (6) year period to ensure that fees are sufficient to cover all program expenditures.

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 following assumptions were used to inform this analysis:

- Eighteen months for rulemaking (July 2023 – December 2024)
- 175 enforcement actions per year starting in FY 2025:
 - o 43 surveys per year will result in a stop service type/category or limited stop service type/category
 - o 132 surveys per year would result in finding duplicate deficiencies from previous surveys
- Higher utilization of Office of Attorney General services with increased enforcement and rules support

Rulemaking:

The department will adopt rules to establish the severity matrix for fines and as needed to implement this bill. The department anticipates this will be a complex rulemaking process taking approximately 18 months to complete due to the large number of facilities and stakeholders effected by this change. Rulemaking will include 12 stakeholder meetings as well as one formal hearing which allows for stakeholder participation. Costs include staff, associated expenses (including goods and services, travel, intra-agency, and indirect charges), and Office of Attorney General support in the amount of \$4,100. In fiscal year 2024, one-time costs for rulemaking will be 0.2 FTE and \$45,000 in FY24 and 0.1 FTE and 24,000 in FY25 (001-1).

Health Technology Systems (HTS):

Updates will need to be made in the Healthcare Enforcement and Licensing Modernization Solution (HELMS) to track

repeat violations. The department estimates additional contractor hours of 29 hours for a one-time cost of \$8,000 in FY 2024. Other FY 2024 costs include staff and associated costs (goods and services, intra-agency, and indirect charges) for a total of \$13,000 (001-1). Starting in FY2025 and ongoing costs will be \$5,000 (001-7) each year.

Investigation:

The department will conduct an estimated 175 additional on-site inspections when a facility has repeat violations or an immediate jeopardy has been identified resulting in a stop service type/category or limited stop service type/category. Tasks include the review of repeat violations, drafting an inspection report, tracking response(s) from the facility, meeting with facility management. To complete an onsite inspection, the department estimates 1 staff at an average of fifteen (15) hours including travel to the facility to complete the tasks related to onsite inspection: 1) inspection preparations; 2) travel; 3) onsite inspection; 4) inspection report writing; 5) responding to the facility’s questions and reviewing a statement of corrections if necessary; and 6) management review and oversight. In FY 2025 total costs include staff and associated costs (goods and services, intra-agency, and indirect charges) will be 2.4 FTE and \$166,000 (001-1), \$579,000 (001-7), and \$6,000 (202). Starting in FY2026 and ongoing costs will be 4.6 FTE and \$335,000 (001-1), \$1,157,000 (001-7), and \$12,000 (202).

Enforcement:

The enforcement process has two steps: 1) violation identification and 2) adjudication. Department staff review the history of the facility, assess whether an enforcement action is needed, and decides whether to pursue legal action. Staff attorneys, paralegals, assistant attorney general and other staff work to develop the legal documents and charge the violation. Most cases are settled, and the staff attorney manages that process. However, if the respondent asks for a hearing, staff must schedule the hearing, and the health law judge considers all legal motions, presides over the hearing, and drafts the final order. Also, the Office of the Attorney General will represent the department at hearing and may provide advice throughout the enforcement process. All Investigation and inspection statements of deficiencies, plans of correction, enforcement actions, notices of resolution will be posted online under RCW 43.70.790 (Health Care Facility Inspection and Investigation Availability). In FY 2025 costs include staff and associated costs (goods & services, intra-agency and indirect charges) for a total of 5.1 FTE and \$128,000 (001-1), \$456,000 (001-7), \$220,000 (02G), and \$11,000 (202) each year. Starting in FY 2026 and ongoing costs include 5.1 FTE and \$128,000 (001-1), \$456,000 (001-7), \$220,000 (02G), and \$12,000 (202) each year.

Total costs to implement this bill:

FY 2024: 0.2 FTE and \$58,000 (General Fund-State)

FY 2025: 7.6 FTE and \$318,000 (001-1), \$1,040,000 (001-7), \$220,000 (02G), and \$17,000 (202)

FY 2026 and ongoing: 9.7 FTE and \$463,000 (001-1), \$1,618,000 (001-7), \$220,000 (02G), and \$24,000 (202)

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	58,000	318,000	376,000	926,000	926,000
001-7	General Fund	Private/Local	0	1,040,000	1,040,000	3,236,000	3,236,000
02G-1	Health Professions Account	State	0	220,000	220,000	440,000	440,000
NEW-1	OTHER 1	State	0	17,000	17,000	48,000	48,000
Total \$			58,000	1,595,000	1,653,000	4,650,000	4,650,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	7.6	3.9	9.7	9.7
A-Salaries and Wages	30,000	924,000	954,000	2,556,000	2,556,000
B-Employee Benefits	10,000	340,000	350,000	930,000	930,000
C-Professional Service Contracts	8,000		8,000		
E-Goods and Other Services	7,000	251,000	258,000	928,000	928,000
G-Travel		24,000	24,000	92,000	92,000
J-Capital Outlays	1,000		1,000		
T-Intra-Agency Reimbursements	2,000	56,000	58,000	144,000	144,000
9-					
Total \$	58,000	1,595,000	1,653,000	4,650,000	4,650,000

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 2024	FY 2025	2023-25	2025-27	2027-29
ADMINISTRATIVE ASST 3	50,592		0.3	0.2	0.3	0.3
Fiscal Analyst 2	53,000	0.1	0.1	0.1		
FORMS & RECORDS ANALYST 2	53,100		0.4	0.2	0.4	0.4
FORMS & RECORDS ANALYST 3	60,156		0.1	0.1	0.1	0.1
HEALTH SERVICES CONSULTAN 1	55,872		1.5	0.8	1.5	1.5
HEALTH SERVICES CONSULTAN 2	66,420		0.1	0.1	0.1	0.1
HEALTH SERVICES CONSULTAN 3	75,120		0.3	0.2	0.3	0.3
HEALTH SERVICES CONSULTAN 4	82,896	0.1	0.8	0.5	1.4	1.4
HEARINGS EXAMINER 3	96,156		1.3	0.7	1.3	1.3
NURSING CONSULTANT, INSTITUTIONAL	133,512		0.9	0.5	1.8	1.8
PHARMACIST - INVESTIGATOR	120,132		0.6	0.3	0.6	0.6
PHARMACIST SUPERVISOR	132,612		0.1	0.1	0.1	0.1
WMS02	114,360		0.8	0.4	1.2	1.2
WMS03	129,336		0.3	0.2	0.6	0.6
Total FTEs		0.2	7.6	3.9	9.7	9.7

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.

The department will adopt rules in the below WACs as necessary to implement the bill.

246-329 WAC (Childbirth Centers); 246-338 WAC (Medical Test Site Rules); 246-335 WAC (In-Home Services Agencies); 246-330 WAC (Ambulatory Surgical facilities); 246-337 WAC (Residential Treatment Facility); 246-322 WAC (Private Psychiatric and Alcoholism Hospitals); 246-324 WAC (Private Alcohol and Chemical Dependency Hospitals); 246-341 WAC (Behavioral Health Agency Licensing and Certification Requirements); 246-945 WAC (Pharmacy Quality Assurance Commission)