

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 6103 E S SB AMH HCW H4364.4	<b>Title:</b> Reflexology & massage thrpy
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## Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Health	0	0	0	321,000	0	325,000
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>321,000</b>	<b>0</b>	<b>325,000</b>

## Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Health	.3	0	61,000	3.3	0	585,000	1.1	0	210,000
<b>Total</b>	<b>0.3</b>	<b>\$0</b>	<b>\$61,000</b>	<b>3.3</b>	<b>\$0</b>	<b>\$585,000</b>	<b>1.1</b>	<b>\$0</b>	<b>\$210,000</b>

## Estimated Capital Budget Impact

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

<b>Prepared by:</b> Jim Albert, OFM	<b>Phone:</b> (360) 902-0419	<b>Date Published:</b> Final 3/ 2/2012
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID 32446

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6103 E S SB AMH HCW H4364.4	<b>Title:</b> Reflexology & massage thrpy	<b>Agency:</b> 160-Office of Insurance Commissioner
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## Part I: Estimates

**No Fiscal Impact**

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*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: 02/27/2012
Agency Preparation: Donna Dorris	Phone: (360) 725-7040	Date: 02/27/2012
Agency Approval: Meg Jones	Phone: (360) 725-7170	Date: 02/27/2012
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 02/27/2012

Request # FN 45-1

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## **Part IV: Capital Budget Impact**

NONE

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6103 E S SB AMH HCW H4364.4	<b>Title:</b> Reflexology & massage thrpy	<b>Agency:</b> 240-Department of Licensing
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## Part I: Estimates

**No Fiscal Impact**

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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

Check applicable boxes and follow corresponding instructions:

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- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/27/2012
Agency Preparation: Christeen Leeper	Phone: (360) 902-3781	Date: 02/28/2012
Agency Approval: Sam Knutson	Phone: (360) 902-3644	Date: 02/28/2012
OFM Review: Paul Ingiosi	Phone: (360) 902-9822	Date: 02/28/2012

Request # 6103 ES SB-1

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## **Part IV: Capital Budget Impact**

NONE

## **Part II: Explanation**

ES SB 6103 AMH HCW H4364.4 amends RCW 18.108 regarding persons licensed as a massage practitioner or certified as a reflexologist who are regulated by the Department of Health.

### **II. A – Brief Description of What the Measure Does that Has Fiscal Impact**

No fiscal impact to the Department of Licensing. These professions are regulated by the Department of Health.

### **II. B – Cash Receipt Impact**

None

### **II. C – Expenditures**

None

## **Part IV: Capital Budget Impact**

None

## **Part V: New Rule Making Required**

None

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6103 E S SB AMH HCW H4364.4	<b>Title:</b> Reflexology & massage thpry	<b>Agency:</b> 303-Department of Health
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2012	FY 2013	2011-13	2013-15	2015-17
Health Professions Account-State 02G-1				321,000	325,000
<b>Total \$</b>				321,000	325,000

### Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	0.5	0.3	3.3	1.1
<b>Account</b>					
Health Professions Account-State 02G-1	0	61,000	61,000	585,000	210,000
<b>Total \$</b>	0	61,000	61,000	585,000	210,000

### Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:	Phone:	Date: 02/27/2012
Agency Preparation: Danny Howard	Phone: (360) 236-4625	Date: 02/29/2012
Agency Approval: Wendi Gunther	Phone: 360-236-4530	Date: 02/29/2012
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 03/01/2012

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## Part II: Narrative Explanation

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

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

NOTE: The fiscal impact has changed since the previous fiscal note, FN12-122, ESSB 6103.

Section 5: Prohibits anyone from representing themselves as a reflexologist without being certified as a reflexologist or licensed as a massage practitioner by the department.

Section 6: Prohibits any person from advertising, using any title or description relating to reflexology without being certified as a reflexologist or licensed a massage practitioner. Conversely a reflexologist may not advertise, use any title or description relating to massage without being licensed as a massage practitioner. Also requires reflexologists to display their name and certification number on all advertisements.

Section 7: Requires reflexologists to conspicuously display their credential at their principal place of business or a copy available for inspection if no principal place of business is established.

Section 10: Beginning July 1, 2013, the Department of Health (DOH) will issue a reflexologist certification to individuals who: 1) complete a reflexologist course approved by the department; 2) complete a examination administered or approved by the department; and 3) are eighteen years of age or older. Applicants for a reflexologist certification are subject to the Uniform Disciplinary Act.

Sections 12: Beginning July 1, 2013, applicants for the reflexology certification examination must demonstrate the following requirements are met: 1) completion of a reflexologist course approved by the department; 2) successful completion of an apprenticeship program approved by the department; 3) are eighteen years of age or older; and 4) complete an examination administered or approved by the department. Applicants who fail to make the required grade in the first examination are entitled to take up to two additional examinations upon payment of appropriate fees for each examination. Upon failure of three examinations, the department may invalidate the original application and require such remedial education as required before admission to future examinations. All records for a reflexologist candidate's performance shall be maintained for a period not less than a year. All examinations will be conducted in fair and impartial manor as determined by the department.

Section 14: Allows DOH to: 1) adopt rules necessary to credential reflexologists; 2) set examination, license and renewal fees; 3) establish forms and procedures; 4) issue a reflexology certification to any applicant meeting the requirements or deny certification to applicants who do not meet the requirements; and 5) hire administrative and investigative staff to implement this chapter. In addition, the Secretary of Health is the disciplinary authority for reflexology.

Section 15: DOH may certify an applicant as a reflexologist without examination if the person has practiced at least five years prior to July 1, 2013 and applies for certification within one year of July 1, 2013. Additionally, an applicant holding a reflexology credential in another state with standards substantially equivalent to the standards in Washington may be certified to practice without examination as determined by the department.

Section 16: Gives the department authority to inspect massage or reflexology businesses during business hours to

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determine violations of the chapter. If the business denies access to any premises or establishment, DOH may apply to any court of competent jurisdiction for a warrant authorizing access to the premises or establishment.

Section 19: Gives the Secretary of Health disciplinary authority.

Section 21: DOH will adopt any rules necessary to implement this bill.

Section 22: Sections 1 through 19 take effect July 1, 2013.

## **II. B - Cash receipts Impact**

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Section 14: Current law requires that health professions be fully self-supporting and that sufficient revenue be collected through fees to fund expenditures in the Health Professions Account. Revenue will be collected, starting in fiscal year (FY) 2014. Based on input from the Washington Chapter of the American Massage Therapy Association the department assumes a growth rate of less than 1 percent per year, and the following number of applications, leveling off in FY 2017:

FY 2014 – 800 new applications

FY 2015 – 805 (5 new applications, 800 renewals)

FY 2016 – 810 (5 new applications, 805 renewals)

FY 2017 – 815 (5 new applications, 810 renewals)

Note: Actual fees will be determined during the rulemaking process. Since it is assumed most applicants will become registered by FY 2015, fees will be developed at a lower rate where the program will not become self supporting until FY 2021.

## **II. C - Expenditures**

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Assumption: DOH will use the current national certification exam through the American Reflexology Certification Board to meet the examination requirements. The department will use alternate versions of that exam to meet the needs of non-reading or non-English speaking applicants. The cost associated with the exam will be paid by the applicant directly to the exam company and will not be factored in as part of the license fee. Fees will need to be established and collected to offset the costs for this new profession.

### **Rulemaking**

Sections 14 & 21: There will be one-time costs for rulemaking in FY 2013 and FY 2014. DOH assumes this rulemaking will take 18 months due to the complexity. This bill places reflexology in Chapter 18.108 RCW, which regulates the practice of massage. The department will develop new rules to establish certification requirements for a reflexologist. This will include two stakeholder meetings and one formal rules hearing at free facilities. The stakeholder

meetings will take place during regularly scheduled Board of Massage business meetings to minimize costs. Costs will include minimal travel for staff to travel to locations outside of the Olympia area in order to allow stakeholders the opportunity to participate and provide comments during the rulemaking process. Costs include staff and associated costs, printing, and Office of Attorney General time. In FY 2013, costs will be 0.2 FTE Health Services Consultant (HSC) 3 and \$24,000. In FY 2014, costs will be 0.1 FTE HSC3 and \$13,000.

#### Program Implementation and Management

Sections 10, 12 & 14: After the rules are adopted, there will be one-time costs to implement the new certification program. This will include conducting a business analysis, configuring the database system, and testing a new credential type. Tasks include establishing credentialing workflows, user defined fields, templates, fee tables, renewals and modification or creation of reports in the department's Integrated Licensing and Regulatory System. In addition, the department will develop the initial application, renewal form, create a Web site and determine acceptable training programs. Ongoing, staff will manage the reflexologist profession. This will include being a resource for applicants, certified reflexologists and other stakeholders, managing cases, and monitoring monthly expenditures. Costs in FY 2013 total of 0.3 and \$37,000. Costs in FY 2014 will be 0.2 FTE and \$24,000.

Starting in FY 2015 and ongoing, costs will include staff and associated costs for program management and administrative tasks, for a total 0.1 FTE HSC3 and \$6,000 each year.

#### Credentialing

Sections 10, 12, 14 & 15: In FY 2014, there will be costs for additional staff to review and process initial applications, run background checks through the Washington State Patrol (all new applicants) provide technical assistance, and issue certifications for qualified applicants. The majority of initial applications will be received in FY 2014. In subsequent years, DOH will process more renewals than initial applications. Initial applications take significantly more time to process than renewals. Costs in FY 2014 will include staff and associated costs, and one-time equipment costs in the amount of \$3,000 for new staff. Total costs in FY 2014 will be 0.9 FTE and \$79,000. Starting in FY 2015 and ongoing, costs will be 0.2 FTE and \$11,000 each year

#### Discipline

Sections 5-7, 14, 16 & 19: Based on experience in the Massage Practitioner Program, DOH is estimating 100 complaints per year in FY 2014 and FY 2015. Starting in FY 2016, DOH expects complaints to level off at 5 percent of registered reflexologists per year.

The complaint response process includes five steps: 1) intake, 2) assessment, 3) investigation, 4) case disposition, and 5) adjudication. Staff will review the complaint, identify the history of the person about whom the complaint was made, and help assess whether an investigation is needed. In more than half the cases, investigation is needed. The investigator obtains information about the complaint, and the respondent and prepares a report detailing the findings. After investigation, the disciplining authority decides whether to pursue legal action. Staff attorneys, paralegals, and other staff develop the legal documents and charge the violation. Most cases are settled, and the staff attorney manages that process. 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.

Cost estimates for the complaint response process were calculated using the department's Disciplinary Workload Model. With the number of estimated complaints being higher in the first two years, disciplinary costs will be higher in FY 2014 and FY 2015. The department anticipates higher discipline costs in the first two years while DOH investigates and takes action against the hundreds of existing "foot spas" that have no licensure requirements and are believed to be promoting prostitution. Costs include staff and associated costs, Office of Attorney General time, travel, and equipment costs for new staff for a total of 1.8 FTE and \$229,000 in FY 2014 and 1.8 FTE and \$223,000 in FY 2015. Starting in FY 2016, ongoing costs will be 0.7 FTE and \$88,000 each year.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		0.5	0.3	3.3	1.1
A-Salaries and Wages		37,000	37,000	352,000	126,000
B-Employee Benefits		12,000	12,000	109,000	42,000
C-Personal Service Contracts					
E-Goods and Services		10,000	10,000	106,000	40,000
G-Travel				2,000	
J-Capital Outlays		2,000	2,000	9,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements				7,000	2,000
9-					
<b>Total:</b>	\$0	\$61,000	\$61,000	\$585,000	\$210,000

**III. B - 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 2012	FY 2013	2011-13	2013-15	2015-17
ADMINISTRATIVE ASST 3	40,524				0.1	0.0
CUSTOMER SVCS SPEC 2	36,756				0.4	0.1
CUSTOMER SVCS SPEC 3	40,524				0.1	0.0
CUSTOMER SVCS SPEC 4	44,712				0.0	0.0
Fiscal Analyst 2	45,828				0.4	0.1
FISCAL TECHNICIAN 2	34,260				0.0	0.0
FORMS & RECORDS ANALYST 2	42,588		0.0	0.0	0.0	0.0
HEALTH CARE INVESTIGATOR 3	60,120				0.5	0.2
HEALTH CARE INVESTIGATOR 4	63,192				0.1	0.0
Health Svcs Conslt 1	44,712				0.4	0.1
HEALTH SVCS CONSLT 3	61,632		0.4	0.2	0.9	0.3
HEALTH SVCS CONSLT 4	68,016				0.1	0.0
HEARINGS EXAMINER 3	78,900				0.2	0.1
INFORMATION TECH SPEC 5	78,900		0.0	0.0		
LEGAL SECRETARY 2	42,588				0.1	0.1
LEGAL SECRETARY 3	45,828				0.0	0.0
PARALEGAL 2	58,656				0.0	0.0
PARALEGAL 3	64,740				0.0	0.0
WMS02	78,900				0.0	0.0
WMS03	87,096				0.0	0.0
<b>Total FTE's</b>	1,118,472		0.5	0.3	3.3	1.1

**III. C - Expenditures By Program (optional)**

Program	FY 2012	FY 2013	2011-13	2013-15	2015-17
Hlth Systems Quality Assurance (060)		55,000	55,000	521,000	188,000
Administration (090)		6,000	6,000	64,000	22,000
<b>Total \$</b>		61,000	61,000	585,000	210,000

**Part IV: Capital Budget Impact**

NONE

**Part V: New Rule Making Required**

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Sections 14 & 21: Gives the department authority to adopt rules as necessary to implement the bill.