

Multiple Agency Fiscal Note Summary

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|---|---|
| Bill Number: 1846 E S HB AMS WM S2534.1 | Title: Stand-alone dental coverage |
|---|---|

Estimated Cash Receipts

| Agency Name | 2013-15 | | 2015-17 | | 2017-19 | |
|----------------------------------|--|-------|-----------|-------|-----------|-------|
| | GF- State | Total | GF- State | Total | GF- State | Total |
| Department of Revenue | Non-zero but indeterminate cost. Please see discussion." | | | | | |
| Office of Insurance Commissioner | Non-zero but indeterminate cost. Please see discussion." | | | | | |
| Total \$ | 0 | 0 | 0 | 0 | 0 | 0 |

Estimated Expenditures

| Agency Name | 2013-15 | | | 2015-17 | | | 2017-19 | | |
|--|------------|------------|------------------|------------|------------|------------|------------|------------|------------|
| | FTEs | GF-State | Total | FTEs | GF-State | Total | FTEs | GF-State | Total |
| Washington State Health Care Authority | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Revenue | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Office of Insurance Commissioner | .8 | 0 | 212,038 | .0 | 0 | 0 | .0 | 0 | 0 |
| Total | 0.8 | \$0 | \$212,038 | 0.0 | \$0 | \$0 | 0.0 | \$0 | \$0 |

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.

| | | |
|---|-------------------------------|---|
| Prepared by: Cherie Berthon, OFM | Phone: 360-902-0659 | Date Published: Final 5/ 1/2013 |
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 35700

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

| | | |
|---|---|--|
| Bill Number: 1846 E S HB AMS WM S2534.1 | Title: Stand-alone dental coverage | Agency: 107-Wash State Health Care Authority |
|---|---|--|

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,

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.

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|-------------------------------------|-----------------------|------------------|
| Legislative Contact: | Phone: | Date: 04/25/2013 |
| Agency Preparation: Marcia Wendling | Phone: 360-725-1836 | Date: 04/30/2013 |
| Agency Approval: Janice Baumgardt | Phone: 360-725-9817 | Date: 04/30/2013 |
| OFM Review: Richard Pannkuk | Phone: (360) 902-0539 | Date: 05/01/2013 |

Request # 13-94-1

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.

See attached narrative.

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.

See attached narrative.

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.

See attached narrative.

Part III: Expenditure Detail

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.

See attached narrative.

HCA Fiscal Note

Bill Number: 1846 ES HB AMS HLTH S2534.1

HCA Request #: 13-94-1

Part II: Narrative Explanation

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

This bill requires the Insurance Commissioner (OIC) to establish, by rule, the review and approval requirements and procedures for pediatric oral services when offered in stand-alone dental coverage in non-grandfathered individual and small group markets outside of the Health Benefit Exchange (Exchange), if permitted by federal law or guidance.

OIC must allow health carriers to offer pediatric oral services within the health benefit plan in non-grandfathered individual and small group markets outside of the Exchange.

This version of the bill makes additional statutory changes which do not impact HCA.

There is no fiscal impact to HCA from this version of the bill.

II. B – Cash Receipts Impact

None.

II. C - Expenditures

None.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Department of Revenue Fiscal Note

| | | |
|---|---|--|
| Bill Number: 1846 E S HB AMS WM S2534.1 | Title: Stand-alone dental coverage | Agency: 140-Department of Revenue |
|---|---|--|

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Indeterminate Impact

Estimated Expenditures from:

NONE

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,

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.

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| Legislative Contact: | Phone: | Date: 04/25/2013 |
| Agency Preparation: Erin Valz | Phone: 360-534-1522 | Date: 04/26/2013 |
| Agency Approval: Don Gutmann | Phone: 360-534-1510 | Date: 04/26/2013 |
| OFM Review: Cherie Berthon | Phone: 360-902-0659 | Date: 04/26/2013 |

Request # 1846-2-1

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

This bill description is for the striker to ESHB 1846, 1846-S.E. AMS WM S2534.

This bill:

- For benefit years beginning January 1, 2015, requires the Insurance Commissioner to establish (by rule) review and approval requirements and procedures for pediatric oral services that are offered in stand-alone dental plans in the non-grandfathered individual and small group markets outside of the Washington Health Benefit Exchange (Exchange).
- Unless prohibited by federal law and guidance, requires the Insurance Commissioner to allow health carriers to also offer pediatric oral services within the health benefit plan in the non-grandfathered individual and small group markets outside of the Exchange.
- For purposes of the insurance premiums tax, expands the definition "taxpayer" in RCW 48.14.0201 to include limited health care service contractors, disability carriers, and health maintenance organizations offering pediatric oral health services as an essential health benefit.
- Provides that amounts received for stand-alone pediatric oral services offered as essential health benefits outside of the Exchange are subject to the insurance premiums tax, the same as stand-alone pediatric services offered through the Exchange.

The bill would take effect 90 days after the close of the 2013 legislative session.

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

Because the Office of the Insurance Commissioner is unable to determine the amount of taxable activity resulting from pediatric oral health care service benefits, the Department is not able to estimate the change in business and occupation taxes collected. As result, the revenue impact is indeterminate.

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

The Department of Revenue will not incur any costs with the implementation of this legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

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.

No rule-making required.

Individual State Agency Fiscal Note

| | | |
|---|---|--|
| Bill Number: 1846 E S HB AMS WM S2534.1 | Title: Stand-alone dental coverage | Agency: 160-Office of Insurance Commissioner |
|---|---|--|

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

| | FY 2014 | FY 2015 | 2013-15 | 2015-17 | 2017-19 |
|---|---------|---------|---------|---------|---------|
| FTE Staff Years | 1.6 | 0.0 | 0.8 | 0.0 | 0.0 |
| Account | | | | | |
| Insurance Commissioners Regulatory Account-State 138-1 | 212,038 | 0 | 212,038 | 0 | 0 |
| Total \$ | 212,038 | 0 | 212,038 | 0 | 0 |

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,

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.

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|-------------------------------|-----------------------|------------------|
| Legislative Contact: | Phone: | Date: 04/25/2013 |
| Agency Preparation: Meg Jones | Phone: (360) 725-7170 | Date: 04/26/2013 |
| Agency Approval: Jim Keogh | Phone: (360) 725-7056 | Date: 04/26/2013 |
| OFM Review: Cherie Berthon | Phone: 360-902-0659 | Date: 04/26/2013 |

Request # 78-1

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.

Section 1(3)(c) requires the commissioner to establish by rule the review and approval requirements and procedures for pediatric oral services when offered in stand-alone dental plans in the nongrandfathered individual and small group markets outside of the exchange. The rules must be in place and effective for the benefit year that begins January 1, 2015.

Section 3(6)(c) exempts amounts received as prepayments for health care services included within the definition of practice of dentistry under RCW 18.32.020 except amounts received for pediatric oral services offered as minimum essential coverage, both on and off the Exchange. . This subsection will result in additional revenue to the General Fund for the premium tax attributed to these pediatric oral services, which have been previously exempt from insurance premium tax for health care service contractors, and which are now also exempt for health maintenance organizations under the same terms and conditions as health care service contractors.

Section 4 amends RCW 48.14.020, which applies to insurers, including disability insurers who write health benefit plan coverage. The measure adds (2) applying the same exemption from payment of premium tax for services related to dentistry except amounts that qualify for minimum essential coverage under P.L. 111-148 (2010) as amended. As with section 3 (6)(c), this will result in additional revenue to the General Fund for the premium tax attributed to these pediatric oral services.

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 3(6)(c) and Section 4 (2) exempts amounts received as prepayments for health care services included within the definition of practice of dentistry under RCW 18.32.020 except amounts received for pediatric oral services for minimum essential coverage (a defined term in the Affordable Care Act, P.L. 111-148 (2010)as amended. These subsections will result in additional revenue to the General Fund for the premium tax attributed to dentistry services, which have been previously exempt from insurance premium tax. However, the amount of additional revenue attributed to pediatric oral services is indeterminate.

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.

Section 1(3)(c) requires the commissioner to establish by rule the review and approval requirements and procedures for pediatric oral services when offered in stand-alone dental plans in the nongrandfathered individual and small grup markets outside of the exchange. The rules must be in place and effective for the benefit year that begins January 1, 2015. For rule implementation, this means that the rules must be completed and effective not later than the filing deadlines for the benefit year, or by April 1, 2014. The rule making will be complex.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

| | FY 2014 | FY 2015 | 2013-15 | 2015-17 | 2017-19 |
|--------------------------------------|-----------|---------|-----------|---------|---------|
| FTE Staff Years | 1.6 | | 0.8 | | |
| A-Salaries and Wages | 133,449 | | 133,449 | | |
| B-Employee Benefits | 36,181 | | 36,181 | | |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | 42,408 | | 42,408 | | |
| 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: | \$212,038 | \$0 | \$212,038 | \$0 | \$0 |

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 2014 | FY 2015 | 2013-15 | 2015-17 | 2017-19 |
|------------------------------|---------|---------|---------|---------|---------|---------|
| Functional Program Analyst 4 | 66,420 | 0.3 | | 0.2 | | |
| Senior Policy Analyst | 84,996 | 1.3 | | 0.7 | | |
| Total FTE's | 151,416 | 1.6 | | 0.8 | | 0.0 |

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.

Section 1(3)(c) requires the commissioner to establish by rule the review and approval requirements and procedures for pediatric oral services when offered in stand-alone dental plans in the nongrandfathered individual and small group markets outside of the exchange. The rules must be in place and effective for the benefit year that begins January 1, 2015. For rule implementation, this means that the rules must be completed and effective not later than the filing deadlines for the benefit year, or by April 1, 2014. The rule making will be complex.