

Individual State Agency Fiscal Note

Bill Number: 2779 2S HB PL	Title: Children mental health serv.	Agency: 360-University of Washington
-----------------------------------	--	---

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.0	1.4	0.7	2.8	2.8
Account					
General Fund-State 001-1	0	8,395	8,395	218,642	824,196
Total \$	0	8,395	8,395	218,642	824,196

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:	Phone:	Date: 03/06/2018
Agency Preparation: Sharyl Morris	Phone: 2065434679	Date: 03/08/2018
Agency Approval: Sharyl Morris	Phone: 2065434679	Date: 03/08/2018
OFM Review:	Phone:	Date:

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.

2779 2S HB.PL differs from the previous version as a result of a committee striker that changes language to reflect two cochairs (one being a member of the legislature, the other from the executive branch members), and removes language that the work group shall choose three cochairs, with two representing the minority and majority caucuses in the House of Representatives; and also a floor amendment that removes language that the HCA must contract with a third party to build upon the research and strategies developed in the Washington State Home Visiting and Medicaid Financing Strategies report that was submitted by HCA to the Department of Early Learning in August of 2017.

Neither of these changes the financial impact of this bill on the University of Washington; thus, we are returning the same fiscal analysis for this version of the bill.

Sections 2 and 11 would have a fiscal impact on the UW.

Section 2 would create a work group that would include a representative from UW's Evidence-Based Practice Institute. The work group would be in place until December 30, 2020.

Section 11 would require the Department of Psychiatry and Behavioral Health Sciences within the University of Washington (UW) School of Medicine to create one additional 24-month residency fellowship in child & adolescent psychiatry.

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.

No cash receipts.

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 2

As it is unclear from the bill how much participation would be required of the UW's EBPI representative on the work group, where the meetings would occur, and the availability of teleconferencing options, it is difficult to estimate expenditures. For the purposes of this fiscal note, we assume that the work group would begin its work (and, thus, that these costs would begin occurring) at the beginning of FY19. As the work group is expected to conclude on December 30, 2020, we expect costs to extend through the middle of FY21.

Depending on the extent of consultation needed, we project that 2 weeks (.04 FTE) of faculty time (full-time annual salary of \$135,000, with a benefits rate of 24.9%) would allow for adequate participation in phone calls and/or meetings. Therefore, the salary and benefits costs would be approximately \$6,745 (\$5,400 salary and \$1,345 benefits) in each fiscal year. Assuming that teleconferencing options are not available, we estimate travel to and from the meeting locations would cost somewhere around \$1,650 in each fiscal year

Thus, estimated expenditures in each fiscal year would be approximately \$8,395 in FY19 and FY20, and \$4,198 in FY21 (half of the fiscal year).

SECTION 11

The Department of Psychiatry and Behavioral Sciences currently has an Accreditation Council for Graduate Medical Education (ACGME) approved child & adolescent fellowship program consisting of five positions per year for a total of ten positions (five first-year and five second-year). Section 11 would require the Department to create one additional 24-month residency fellowship in child & adolescent psychiatry. As a result of this bill, psychiatry residents at the UW would have access to a sixth fellowship. Like other fellowship positions, funding would be required for the initial position for the first year, and both the first- and second-year fellowship positions beginning in the second year.

Annual cost associated with each position would include the stipend payment and benefits coverage for the individual fellow, as well as the administrative cost of supporting the position. In FY21, the stipend for a child & adolescent psychiatry fellow is estimated to be \$68,496 with a benefits rate of approximately 30.5 percent, for a total of \$89,387 (\$68,496 salary and \$20,891 benefits). Additional expenses include an estimated \$3,398 for UW Graduate Medical Education (GME) collective bargaining agreement and reimbursement to the Dean's office of \$5,600 for school-level administrative support (intra-agency reimbursement total of \$8998). Because of the two-year nature of the position, the cost would double in the second year and thereafter to \$178,744 (\$136,992 salaries and \$41,752 benefits), and collective bargaining charges and administrative support of \$17,996. Therefore, the total cost of the fellowship position would be \$98,385 in FY21 and \$196,770 in FY22 and each year thereafter.

Each fellowship requires extensive support from a teaching faculty member within the Department. We estimate that each fellowship position requires the effort of approximately 0.4 FTE teaching faculty member. In FY21, the estimated annual salary for a teaching faculty member in the department is estimated to be \$215,500 with a benefits rate of approximately 24.9 percent. Therefore, the cost in faculty time to supervise a fellow is approximately \$107,664 (\$86,200 salary and \$21,464 benefits) in FY21. If a faculty member were not supervising a fellow, this portion of their salary would be covered (at least in part) by that faculty member seeing patients and billing for that patient care. Because of the two-year nature of the fellowship, the cost would double in the second year and thereafter to \$215,328 (\$172,400 salary and \$42,928 benefits). Therefore, the total cost of faculty effort associated with supporting this fellowship would be \$107,664 in FY21 and \$215,328 in FY22 and each year thereafter.

Therefore, the total cost of providing one additional two-year fellowship in child & adolescent psychiatry is approximately \$206,049 in the first fiscal year and \$412,098 in FY22 and each year thereafter.

TOTAL COST OF BILL: Please see expenditures tables.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years		1.4	0.7	2.8	2.8
A-Salaries and Wages		5,400	5,400	162,796	618,784
B-Employee Benefits		1,345	1,345	44,373	169,420
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel		1,650	1,650	2,475	
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements				8,998	35,992
9-					
Total:	\$0	\$8,395	\$8,395	\$218,642	\$824,196

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 2018	FY 2019	2017-19	2019-21	2021-23
Child & Adolescent Psychiatry	68,496		1.0	0.5	2.0	2.0
Fellow						
Child & Adolescent Psychiatry	215,500		0.4	0.2	0.8	0.8
Teaching Faculty						
Faculty member (for work group)	135,000		0.0	0.0	0.0	0.0
Total FTEs			1.4	0.7	2.8	2.8

Part IV: Capital Budget Impact

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.