

State of Washington  
Decision Package

FINAL

Agency: **303 Department of Health**  
Decision Package Code/Title: **N2 Fees to Maintain Current Programs**  
Budget Period: **2015-17**  
Budget Level: **PL-Performance Level**

**Recommendation Summary Text:**

The Department of Health works to protect and improve the health of people in Washington, promote healthy behaviors and maintain high standards for quality health care delivery. Many of the regulatory programs within the department rely on fees to support the services provided. The department is requesting fee increase authority for six groups of fees: animal massage practitioner; home care aide; marriage and family therapist and associate; massage practitioner; nursing assistant, and pharmacy. Currently these fee groups are not earning enough revenue to meet program needs. The revenue from these increases will continue current levels of service.

**Fiscal Detail**

Revenue					
	Fund	Source	FY 2016	FY 2017	Total
02G	Health Professions Acct	0299 Other Licenses/Permits	\$1,325,000	\$2,654,000	\$3,979,000
	<b>Total Revenue</b>		<b>1,325,000</b>	<b>2,654,000</b>	<b>3,979,000</b>

**Package Description:**

The Department of Health (DOH) helps ensure that health care professionals provide safe services by regulating more than 400,000 license holders in 83 different professions who practice in Washington. Regulation involves licensing and often discipline of professionals, as well as support for the boards, commissions and committees that oversee these professions. Each licensed or certified professional pays fees as part of the credentialing process, and the methodology of fee calculation remains consistent with previous years: dividing the total estimated program cost for each profession by the estimated number of applicants. To provide services without interruption, fees are reviewed periodically, as operating costs increase or decrease and new work is required through legislation.

The department is requesting fee increase authority for six groups of fees, animal massage practitioner, home care aide, marriage and family therapist and associate, massage therapist, nursing assistant, pharmacy controlled substance researcher, and pharmacy assistant. Currently, each fee group is not earning enough revenue to meet program needs. The revenue from these increases will continue current levels of service. The fee increases are necessary because these professions have experienced mounting discipline costs which have left the profession's revenue not supporting expenses.

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**Narrative Justification and Impact Statement:**

***What specific performance outcomes does the agency expect?***

The DOH will continue to regulate and support health care professionals to make access to safe, high quality health care possible.

The fee increases being requested in this decision package support programs that tie to at least a dozen different performance measures. While the department can prepare a list of performance measures that are at least partially related, the list would be too large to be meaningful in this decision package.

**Performance Measure Detail**

**Activity: A015 Patient and Consumer Safety**

***Is this DP essential to implement a strategy identified in the agency's strategic plan?***

This package supports:

Goal 3: Improve access to quality, affordable, and integrated healthcare for everyone in Washington.

Objective 2: Ensure safe, quality healthcare

Patient and consumer safety are among the department's top priorities. The department works to ensure the more than 400,000 health care providers and roughly 7,000 health care facilities comply with health, safety, and professional standards through licensing, investigation and disciplinary activities.

***Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?***

This program makes key contributions to Goal 4: Healthy & safe communities. Adequate funding for these programs will help insure timely credentialing and regulation of these health care practitioners, ultimately improving the health and safety of patients.

***What are the other important connections or impacts related to this proposal?***

RCW 43.70.250 requires that professions, occupations and business licensing programs be fully funded by the members of that profession, occupation or business.

***What alternatives were explored by the agency and why was this alternative chosen?***

The department considered reduced regulation of these providers. The department decided that meeting statutory timelines and satisfying the priorities of government are more important than maintaining static fees.

***What are the consequences of adopting or not adopting this package?***

Not adopting this package would mean operating expenses of the program will continue to outpace revenue and the department will not be able to meet statutory regulatory requirements and timelines for licensing and

regulating health care providers. This could result in increased shortages of health care providers and unethical or unsafe providers continuing to practice.

***What is the relationship, if any, to the state capital budget?***

None.

***What changes would be required to existing statutes, rules, or contracts, in order to implement the change?***

Fee levels are currently established in rule, WAC chapter 246, and will need to be updated.

***Expenditure and revenue calculations and assumptions***

Revenue:

The proposed fee increases affect six professions (animal massage practitioner, home care aide, marriage and family therapist and associate, massage therapist, nursing assistant, pharmacy controlled substance researcher, and pharmacy assistant) which are about 107,000 of the more than 400,000 licensed health professionals in Washington State. Examples of fees that will be increased include application fees, renewal fees and expired license renewal fees. The fee increases will be implemented January 1, 2016 and the projected additional revenue is \$3,979,000 for the 2015-17 biennium.

Expenditures:

The agency has sufficient appropriation authority to align with this fee increase. No additional expenditure authority is necessary.

***Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?***

All fee increases will be ongoing.

***For federal grants: Does this request require maintenance of effort or state match?***

N/A

***For all other funding: Does this request fulfill a federal grant's maintenance of effort or match requirement?***

N/A