



Agency Recommendation Summary

Governor Inslee signed RCW 18.79.440 (SHB 1255) reducing stigma and financial hardships that prevent healthcare professionals licensed by Washington State Board of Nursing (WABON) from participating in the Washington Health Professional Services (WHPS) monitoring program. The legislature appropriated \$25,000 (GF-S) annually for the stipend program, that amount is insufficient to adequately fund the program and meet the intent of the law. In an effort to assist nurses who would otherwise be unable to participate in WHPS monitoring program due to financial hardship, WABON requests additional funding to defray out-of-pocket expenses that are incurred while in the program.

Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Operating Expenditures						
Fund 001 - 1	\$553	\$553	\$1,106	\$553	\$553	\$1,106
Total Expenditures	\$553	\$553	\$1,106	\$553	\$553	\$1,106

Decision Package Description

A. Problem Statement & Background: Stipend Program

RCW 18.79.440 (SHB 1255) allotted \$25,000 annually from GF-S to support the stipend program. Further research has shown additional funds are necessary to fund the stipend program and meet the intent of the law.

The stipend program is intended to defray the out-of-pocket expenses incurred in connection with participation in WHPS in an effort to assist nurses who would otherwise be unable to participate in the program because of personal financial limitations. Based on the current program enrollees (225) in August 2023, sixty-two percent were unemployed at program entry. Out-of-pocket expenses incurred in the first two years in WHPS significantly impact nurses due to added requirements which include treatment services and other program related costs including evaluations, drug testing, and peer support group. The out-of-pocket costs for participation in WHPS range from \$2,000 to \$75,000 depending on contract length and treatment requirements.

Insurance companies frequently do not cover expenses incurred while participating in WHPS or have high deductibles, resulting in many nurses paying up to 100% of out-of-pocket related costs of program.

A recent survey of nurses currently in WHPS showed:

- 10% did not have insurance at program entry.
- 26% of insured nurses reported their insurance did not cover substance use disorder (SUD) evaluations.
- 23% of insured nurses reported their insurance did not cover treatment expenses.
- The majority of insured nurses had a high deductible before their insurance would cover any treatment costs.

To be eligible for the stipend program, the nurse must meet the following conditions:

1. Hold an active, inactive, or suspended Washington state license.
2. Submit a completed stipend application to be reviewed by WHPS and WABON.
3. Be an active nurse in WHPS or have successfully completed the program within six months of submission of a stipend application.
4. Demonstrate a financial need with expenses incurred in connection with WHPS participation.
 - a. WABON may cover up to 80% of out-of-pocket expenses incurred while participating in WHPS. Covered expenses include:
 - i. Evaluations
 - ii. Treatment
 - iii. Drug testing
 - iv. Peer Support Group
 - v. Other expenses approved by WABON
5. A nurse must provide supporting documentation verifying out-of-pocket expenses associated with participation in WHPS.
6. WABON will pay facilities and providers directly for all approved out-of-pocket expenses or payments.

7. WABON is mandated to provide the following information on the WABON website:
 - a. Total number of nurses participating in the stipend program.
 - b. The average total amount of eligible expenses defrayed for each nurse.
 - c. The amount of funds available for the stipend program.

The following chart depicts the cost estimates based on the total number of nurses in WHPS, using data of employment status, insurance, and number of nurses who in 2022 experienced financial limitations related to participation in WHPS.

1. The stipend will fund 100% of nurses’ initial SUD evaluations at 80% equaling \$75,600 annually.
2. The stipend will fund treatment for an estimated 50% of nurses who need assistance at 80% equaling \$205,620 annually.
3. The stipend will fund drug testing for an estimated 75% of nurses who need assistance at 80% equaling \$225,096 annually.
4. The stipend will fund peer support group fees for an estimated 35% of nurses who need assistance at 80% equaling \$54,432 annually.
5. The estimated annual stipend funds needed for nurses’ expenses in WHPS is \$545,628.

	Total Cost	Nurses (n=216)	Allotment	Total Annual Stipend
Evaluations	\$ 75,600	100% will be covered	80%	\$ 60,480
Treatment	\$ 514,050	50% estimated need assistance	80%	\$ 205,620
Drug Testing	\$ 375,160	75% estimated need assistance	80%	\$ 225,096
PSG	\$ 194,400	35% estimated need assistance	80%	\$ 54,432
				\$ 545,628

B. Additional Context: RCW 18.79.440 (SHB 1255): Reducing Stigma

There are over 140,000 nurses licensed in Washington State. It is estimated that 12-14% of nurses may suffer from SUD based on the general population estimates with SUD. As of September 1, 2023, there were only 231 nurses in WHPS; it is likely that nurses with SUD could be as many as 14,000 to 19,000. Stigma and limited financial resources contribute to the reasons nurses do not enroll in WHPS. The stigma related to SUD directly impacts nurses’ ability to gain employment without prejudice from potential employers and the public. WHPS provides structure and accountability to nurses with SUD to support their recovery and maintain safe nursing practice.

Over the past three years, WHPS and many other states have experienced a significant decrease in program enrollment. Nurses are unable to enter WHPS due to financial hardship and/or the stigma associated with SUD and/or treatment. This decrease in alternative to discipline program enrollment has resulted in several states no longer offering monitoring programs as an alternative for nurses with SUD.

Nurses can enroll in WHPS three ways: voluntarily, in lieu of discipline, or by disciplinary order. WHPS may offer a monitoring contract. The contract language includes terms and conditions that are meant to protect patients, the nurses, and the public. Contract length, terms, conditions, and restrictions are determined based upon the SUD evaluation recommendations, the significance of the nurse’s diagnosis, and enforcement action against the nurse’s license. In the event of a disciplinary order, the enforcement action is posted on the DOH website and made available for public view, which may include peers, potential employers, and patients.

Effective July 24, 2023, RCW 18.79.440 allows WABON to remove any enforcement action listed on the DOH website against nurses in WHPS if the following conditions are met:

1. A nurse has contacted WHPS and if recommended, signed a WHPS monitoring contract to participate in the program.
2. Has substantially maintained compliance with the terms and conditions of the contract and order/agreement.
3. Has successfully completed WHPS.

When enforcement action is removed from the DOH website, it increases nurses’ confidence and provides more opportunities for employment. Additionally, removing enforcement action reduces prejudice by potential employers, peers, and patients.

C. Proposal Timing

The stipend program proposal is needed in FY24 with the increased need in WHPS program participants and to be able to sufficiently implement the program as intended by law. Data continues to be collected to further refine programmatic fiscal needs in the future.

D. Previous Requests

Funding for this program has not been previously requested though \$25,000 was originally allotted with the initial legislation.

How WABON proposes to address the problem

WABON proposes to address the problem by providing financial support to nurses who would otherwise be unable to participate in WHPS due to financial hardships.

Why is this proposal the best option

RCW 18.79.440 directs WABON to provide financial assistance to help defray costs associated with participation in WHPS.

Who will be affected by this Decision Package (DP)

Nurses, facilities, hospitals, patients, and the public will be affected by this decision package.

How many nurses will or will not be served

All nurses who participate in WHPS will have 80% of their initial SUD evaluation cost covered. Approximately 62% of nurses may receive varying levels of financial support with out-of-pocket expenses contingent on their financial status. Nurses with SUD who are not in WHPS or not compliant with WHPS contracts will not be served.

What are you purchasing and how does it solve the problem?

WABON is meeting the mandate of RCW 18.79.440 to reduce stigma and incentivize participation in WHPS to include using stipend funds to cover 80% costs of SUD evaluations, treatment, drug testing, peer support group fees, and other costs associated with WHPS participation.

RCW18.79.440 alleviates the financial burden on nurses who may otherwise not be able to afford to participate in WHPS or complete the program and return to safe practice.

Alternatives

No alternatives were explored as this request to implement the stigma and stipend program were mandated by the passage of RCW 18.79.440. Without adequate stipend funds, several nurses with SUD may not be able to enter or continue to participate in WHPS.

The following chart shows estimated costs associated related to participation in WHPS with or without insurance:

WHPS Participation Costs			
Service:	Without insurance/ Nurse Share	With insurance/ Nurse Share	Additional expenses/notes
Inpatient/Residential TX	\$21-\$45 k	\$4200-\$9000 (20%)	30 day averaging \$700-\$1500 per day per visit
Intensive Outpatient (IOP) TX	\$6,000	\$1200 (20%)	30-60 days, 2-3x weekly/ \$25-\$50 copay per visit
Outpatient TX	\$3,200	\$640 (20%)	30-60 days, 1-2x weekly/\$25-50 copay per visit
ADIS (Relapse Prevention)	\$560	\$560	
Mental Health TX	\$4,100	\$820 (20%)	30-60 day, 2-3x monthly \$25-\$50 copay per visit
Peer Support Group	Groups avg. \$75 equals \$900/yr		
SUD Evaluation	\$350	\$25-\$50 copayment	
Mental Health Evaluation	\$350	\$25-\$50 copayment	

WHPS Survey Regarding Nurses' Insurance Status n: 231 with 73 responses
1. Eight do not have health insurance
2. Of the 65 that do have health insurance, 17 do not cover evaluation costs
3. Of 65 that have health insurance, 15 do not cover treatment services
4. Mixture between co-pay and/or deductible for cost of services
5. Six are on state insurance which pays 100% of evaluation and treatment services

Employment at Program Entry		
	Total	Percentage
Employed	85	38%
Not Employed	140	62%

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

This is a new program so there is no historical data or information.

Detailed Assumptions and Calculations:

1. As of September 1, 2023, there were 231 nurses enrolled in WHPS. Nurses are required to cover all costs while in WHPS. Costs include SUD evaluations, treatment, drug testing, and participation in peer support group. Some nurses are also on medication assisted treatment (MAT) and are responsible for the costs of the consultation with their healthcare provider and the prescribed medications.
 2. The average cost of an SUD evaluation is \$300. The cost of SUD treatment varies with the level of treatment. Intensive inpatient treatment varies between \$8,000 to \$42,000 depending on the facility and services provided. Facilitator led peer support group sessions cost \$90 per month. The costs associated with drug testing vary depending on the type of test. A urine drug screen averages \$65 plus collection site fees. The cost of specialty tests can cost as much as \$650 plus collection fees.
 3. Nurses in WHPS are required to obtain an SUD evaluation from a licensed and WHPS approved SUD provider. They are required to follow the treatment recommendations listed in the evaluation which could be intensive inpatient treatment, intensive outpatient treatment, outpatient treatment, or Alcohol and Drug Information School (ADIS).
 4. Nurses are required to submit to random drug testing between 12 to 30 times per year. Frequency of testing depends on employment. Unemployed nurses are required to test 12 to 18 times per year. Employed nurses are required to test between 24 to 30 times per year. The cost depends on the type of test.
 5. Nurses with an SUD diagnosis must attend weekly facilitator led peer support group sessions.
1. The estimated annual cost to fund this stipend program is \$545,680.00. WHPS determined the annual costs for each of the expenses: evaluations, treatments, drug testing, and peer support groups sessions, based on the current 216 in-state nurses in the program. Estimates were made on the percentage of nurses that would need and qualify for financial assistance for those expenses. The following chart shows the total costs, the estimated percentage of nurses qualifying for assistance, and the 80% that the stipend program could allot toward those expenses. The last column lists the estimated total costs for each expense for the 2023 and 2024 years.

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				\$ 545,628

Workforce Assumptions:

At this time there are no anticipated additional FTEs needed to support this program.

Strategic and Performance Outcomes

Strategic Framework:

This program is designed to help nurses with SUD. Nurses in WHPS will be able to return to safe practice through monitoring, treatment, and testing. Nurses in recovery will increase patient and public safety.

Washington has experienced a nursing shortage over the last three years. When a nurse successfully completes WHPS they will have better employment opportunities which will result in more nurses providing quality patient care.

Performance Outcomes:

The WABON will be monitoring several outcomes to determine the success of this stipend and stigma program. WHPS will track and compare the following data with previous year numbers:

1. The number of nurses who enter the program.
2. The number of nurses who drop out of the program for financial reasons.
3. The number of nurses who successfully complete the program and are in recovery.
4. The number of nurses who need financial assistance and use the stipend program.
5. The expenditures by each service the stipend program paid.
6. Total costs and funds remaining in the account.
7. The number of nurses employed while in the WHPS monitoring program.
8. The number of nurses in the program with insurance who apply and receive stipend assistance.

WABON anticipates an increase in the number of nurses who enter WHPS which will increase the number of nurses who safely practice nursing and reduce the number of nurses who are practicing while impaired that puts patients and the public at risk of harm.

Equity Impacts**Community outreach and engagement:****Community outreach and engagement**

WHPS has recently instituted an outreach program that targets healthcare facilities, healthcare providers, human resource managers, and educational institutions to explain the benefits of WHPS to encourage participation of nurses with SUD and encourage employment of nurses who are in WHPS.

Disproportional Impact Considerations:**Disproportional impact considerations**

The stigma and stipend programs impact the entire nursing population across Washington state. The benefits of more nurses caring for patients would have a positive impact on the entire population in Washington state.

Stipend funds will not be used to financially support nurses who are participating in another SUD monitoring program.

Target Populations or Communities:**Target populations and communities**

This request will meet the intent of RCW 18.79.440 and will positively impact nurses in Washington state and the public. Nurses who complete WHPS will experience better employment opportunities, and this will impact the nursing shortage currently being experienced in Washington, including rural communities. More employed nurses in monitoring in WHPS increases and improves patient care. Reducing nurses with active SUD will increase the quality of care provided to patients.

Other Collateral Connections**Puget Sound Recovery:**

No impact on Puget Sound recovery.

State Workforce Impacts:

No impacts anticipated.

Intergovernmental:

This program will be available to all nurses credentialed in Washington.

Stakeholder Response:

This program will have a significant impact on nurses, and health care facilities (hospitals, senior living facilities, healthcare provider offices). Many facilities and nurses have expressed support for the stigma and stipend program.

State Facilities Impacts:

No impacts are anticipated to facilities, workplace needs, or capital budget.

Changes from Current Law:

Rules and regulations will need to be developed and implemented.

Legal or Administrative Mandates:

This budget proposal is in response to RCW 18.79.440.

HEAL Act Agencies Supplemental Questions

2024 Supplemental Budget HEAL Act Template

Supplemental HEAL Act Questions

1. Please describe specific likely or probable environmental harms and/or benefits and their associated health impacts to overburdened communities and vulnerable populations.

There are no environmental impacts associated with this proposal.

2. Please describe any potential significant impacts to Indian tribes' rights and interest in their tribal lands.

There are no impacts to tribal rights or land interests.

3. Describe how your agency engaged with Tribes in developing this proposal, including offers for tribal consultation, and any direction provided by Tribes through this engagement.

N/A

4. Has an [Environmental Justice Assessment](#) been completed? If so, please submit the assessment as an attachment in ABS.

N/A

5. Describe how your agency used the Environmental Justice Assessment process to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits? If your agency determined that you were unable to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits, please provide a justification for not doing so.

N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Obj. N	\$546	\$546	\$1,092	\$546	\$546	\$1,092
Obj. T	\$7	\$7	\$14	\$7	\$7	\$14

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