



Fee Narrative
Remote Dispensing Site for Opioid Use Disorder Medications Registration
WAC 246-945-990

(note: a discussion of the fee proposal transitioning professions fees to a two year renewal cycle is in a separate attachment to this package)

March 12, 2021

Overview

The Department of Health's (department) top priority is to protect and improve the health of people in Washington State. The department accomplishes this work, in part, by assisting in the development of health systems to improve patient safety. This helps ensure that everyone has access to good health care and emergency medical services. The department regulates and supports more than 497,000 health professionals in 85 health professions collaborating with boards, commissions and advisory committees to set standards for education, credentialing, scope of practice, and conduct.

State law requires the work of licensing and regulating health care facilities to be fully funded by licensing fees (RCW 43.70.250). Department policy and Office of Financial Management guidelines require programs to maintain sufficient reserves to cover fluctuating or unexpected costs.

During the 2020 legislative session, the legislature passed Substitute Senate Bill (SSB) 6086 (Chapter 244, Laws of 2020), regarding remote dispensing sites for opioid use disorder (OUD) medications. To implement SSB 6086, the department and the Pharmacy Quality Assurance Commission jointly are proposing rules to establish a registration that would allow a pharmacy to extend their facility license to include a remote dispensing site that dispenses FDA-approved medications indicated for treating opioid use disorder. The law also grants the department the authority to establish a fee supporting this work.

How Proposed Fees Are Determined

Application and Renewal Fees

In proposing fees, the department conducts a fee study that considers several factors: the program's anticipated growth rate; anticipated revenues and expenditures; and the fund balance needed to maintain the recommended level of reserves.

Fee studies use the best information available at the time to set rates that are expected to recover all costs of administering the program. Actual revenue and expenditures will vary depending largely on the number of providers and disciplinary activities each year. Continual analysis of the program is necessary to ensure fees keep pace with expenditures, while not allowing revenues to become excessive. The goal of the proposed fees is to collect sufficient revenue to cover the anticipated costs of licensing and regulating the program, while retaining a desired ending fund balance over a six-year period.

For new credentials, the department considers information provided by interested parties, as well as history and experience regulating existing programs. The costs of administering a healthcare program include credentialing costs, such as issuing and renewing credentials, reviewing applications, and responding to questions from applicants; costs to adopt rules to implement legislation that affects a program; and the costs to conduct disciplinary activities, which include investigating complaints, hearings, and related activities.

The most variable and potentially largest cost of a program is for discipline, which is complex and can be difficult to predict. The number of complaints received, cases investigated, cases litigated, and the complexity of each case influences this cost.

The fund balance is a reserve available for unanticipated expenses such as costly disciplinary cases or other increases in operating costs. The recommended fund balance is set at a percentage of annual expenditures and influenced by the variability in costs, size of program, provider growth, and complaint history.

Late Renewal Penalties

Late renewal penalties are not figured into the fee studies. It is difficult to anticipate how many practitioners will be late in renewing, but it is a small percentage of renewals. In addition, late penalties are used to recover additional costs involved in processing late renewals, which cannot be automated like on-time renewals. Late penalties are set using the following standards:

If the renewal fee is:

- \$1 to \$50, the late renewal penalty is set at 100% of the renewal fee.
- \$51 to \$100, the late renewal penalty is set at \$50.
- \$101 or more, the late renewal penalty is set at 50% of the renewal fee, and no more than \$300.

Remote Dispensing Site Registration Fees and Renewal Cycle

The Remote Dispensing Site for Opioid Use Disorder Medications Registration is an extension of a participating pharmacy’s license. This enables a pharmacy to extend its license of location to a remote dispensing site where technology is used to dispense FDA-approved medications indicated for opioid use disorder. A licensed pharmacy can complete the site’s registration application concurrent with the pharmacy’s initial licensure or at any time thereafter. Once the Remote Dispensing Site Registration is issued, its renewal cycle will mirror the underlying pharmacy’s license renewal schedule. Each licensed pharmacy must renew annually on or before June 1 for a period of one year.

Fee Rates

The department proposes a fee of \$55 for both initial application and renewals. This aligns with fees for similar registration or licenses collected by the commission. Fees cover the costs of licensing, operating the license, and retaining sufficient reserves in the program’s account. The department will monitor the program’s fund balance and make adjustments when needed.

To establish the Remote Dispensing Site for Opioid Use Disorder Medications Registration, the proposed fees are as follows, effective December 1, 2021:

	Proposed		
	Initial Application	Renewal	Late Renewal Penalty
Remote Dispensing Site for Opioid Use Disorder Medications Registration	\$55	\$55	\$50