

Chiropractic Quality Assurance Commission Fee Narrative

The Chiropractic Quality Assurance Commission (Commission) works with the Department of Health (department) to protect and improve the health of all people in Washington State. The Commission protects the health, safety, and welfare of all people of the State by ensuring that those credentialed by the Commission meet all licensure requirements, administering the disciplinary process promptly, fairly, and efficiently, and providing regular communications with the public and profession. The Commission accomplishes this work, in part, through regulation of chiropractors and chiropractic x-ray technicians ([Chapter 18.25 RCW](#)).

Current revenue is not sufficient to recover operating expenditures for the Commission. State law, [RCW 43.70.250](#) (License fees for professions, occupations, and businesses), requires fees to fully fund the work of licensing and regulating health care professions.

The Commission ended fiscal year (FY) 2024 with a fund balance of \$95,000 and a revenue shortfall of \$403,000. The Commission is forecasted to continue operating at a deficit, contributing to further decline of the fund balance through FY2032. Considering the Commission's financial forecast, the department recommends a fee increase to bring revenue into alignment with the cost of licensing and regulating chiropractic.

This document summarizes data on revenue and cost drivers for the Commission, the financial forecast, and the proposed fees.

**Health Systems Quality Assurance
WA State Department of Health**

In partnership with the
**Chiropractic Quality Assurance
Commission**

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Revenue

Annual fees charged at initial application and renewal generate revenue for this program ([WAC 246-808-990](#)). The current fee for chiropractors is \$625 at initial application and \$550 at renewal on the practitioner’s birthday annually. Chiropractor x-ray technicians pay \$182 at initial application and \$90 at annual renewal. The current fee was set October 1, 2019. Table 1 details current fees.

Table 1: Current Fees		
License Type	Fee Type	Current Fee
Chiropractor	Application	\$625
	Jurisprudence Examination	\$100
	Renewal	\$550
	Late Renewal Penalty	\$225
	Expired License Reissuance	\$302
	Temporary Practice Permit	\$105
	Inactive Renewal	\$257
	Inactive Late Renewal Penalty	\$130
	Inactive Expired License Reissuance	\$157
HEAL-WA	Active/Inactive License Fee	\$16
Chiropractor Preceptor	Preceptorship Application/Renewal	\$155
Chiropractor X-ray Technician	Application	\$182
	Renewal	\$90
	Late Renewal Penalty	\$50
	Expired Registration Reissuance	\$62

Prior to the COVID-19 pandemic, chiropractor application and renewal transactions remained consistent. Applications grew slightly and the program maintained a renewal rate of 95 percent with an average of 2,480 renewals each year. In FY2020, the number of applications and renewals dropped briefly, recovering in FY2021. Starting in FY2022, applications and renewals began dropping. In FY2022, the Commission received 107 applications and 2,494 renewals, with 89% of licensees renewing. In subsequent years, chiropractor renewals continued to decline, with FY2024 receiving 2,465 renewals.

Chiropractic x-ray technicians have maintained minimal growth with the renewal licensee base averaging 176 renewals over the last 9 years. Post-pandemic applications increased from an average of 52 to 111 in FY2023. This surge of applications increased the renewing licensee base to 208 in FY2024.

As of July 2024, the program licensed 2,651 active chiropractors and 232 chiropractic x-ray technicians in Washington state ([Chapter 18.25 RCW](#)).

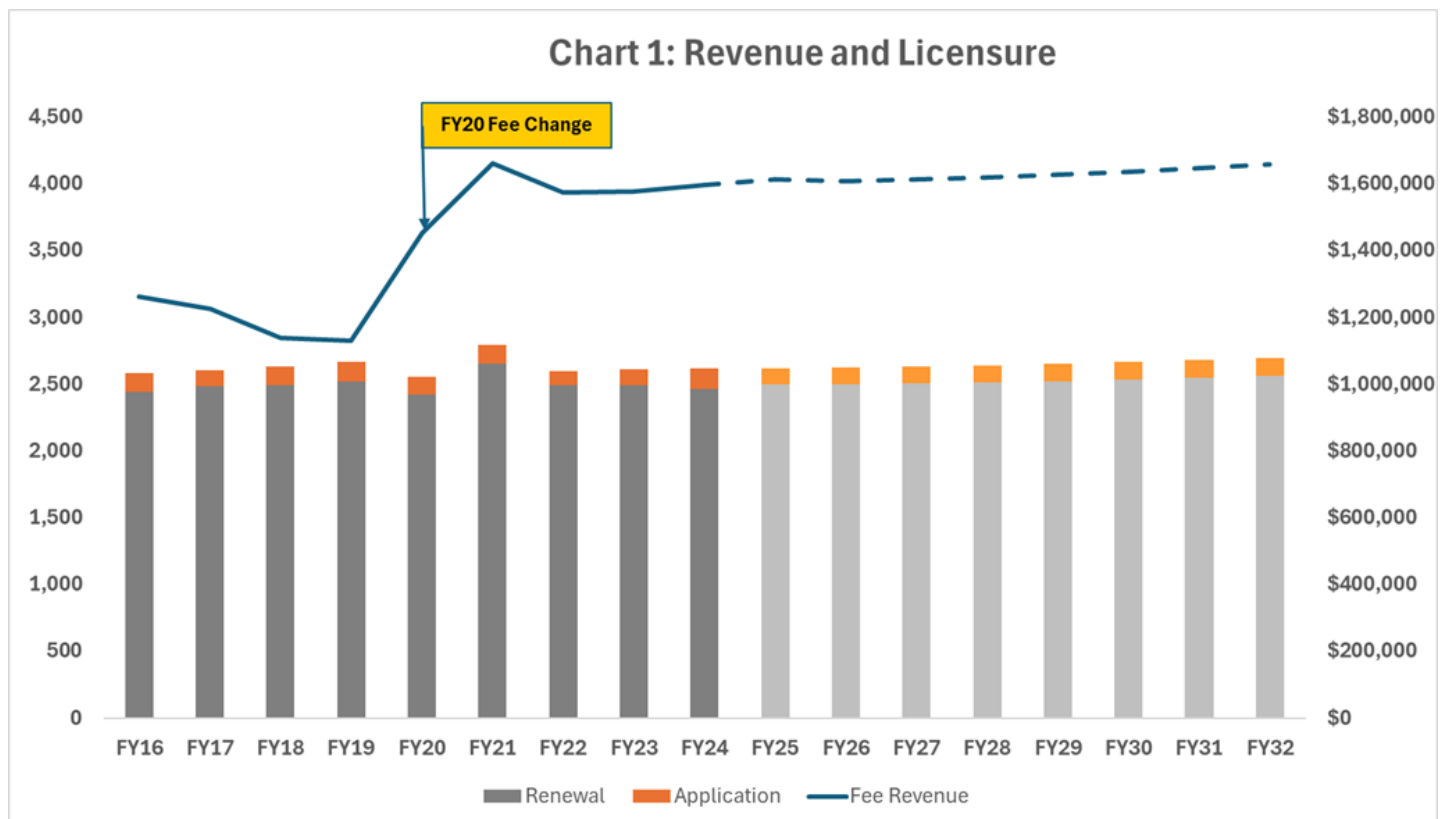
Revenue History

The last fee change for the Commission occurred in October 2019, increasing fees by 89% for applications and 45% for renewals. Prior to the increase in fees, revenue declined approximately 4% each year due to a series of fee reductions in FY2014 to FY2018. Table 2 outlines the profession's fee history.

These fee reductions took place in response to the Commission's consistently high fund balance. By FY2020, the Commission's fund balance was returned to a reasonable range slightly above its recommended reserve window. The department increased fees in hopes of stabilizing the declining fund balance and maintaining an adequate reserve. This fee increase led to 30% revenue growth in FY2020, with revenue totaling \$1.46 million. Incoming revenue stabilized at \$1.58 million by FY2022, growing minimally in subsequent years with revenue totaling \$1.60 million in FY2024. The department expects the continuing annual deficit to bring fund balances below the recommended 13% reserve threshold in FY2025.

Fiscal Year	Chiropractor	Chiropractic X-ray Technician
2013	Application: \$630 Renewal: \$582	Application: \$47 Renewal: \$62
2014	Application: \$530 Renewal: \$482	Application: \$47 Renewal: \$62
2016	Application: \$380 Renewal: \$432	No Change
2018	Application: \$330 Renewal: \$380	No Change
2020	Application: \$625 Renewal: \$550	Application: \$182 Renewal: \$90

Chart 1 displays actual application/renewal totals and revenue through FY2024, and projections from FY2025 through FY2032.



Expenditures

The Chiropractic Commission currently has an annual operating budget of \$2.0 million and ended FY2024 with an operating shortfall of \$403,000.

The primary work of the Commission is captured under the “program administration” category, which accounts for 38% of total program costs. This category includes all expenses necessary for departmental staff and Commission members to manage the program, including salaries, benefits, travel, rent and other staff associated costs.

Commission staff and members provide the Chiropractic Commission with administrative oversight and program management, development and implementation of legislation and rules, communication and outreach, and relations with interested parties. Commission staff also credential and renew licensees, provide customer service, facilitate case management and monitor compliance.

The Commission utilizes a few departmental provided licensing services, including resources such as the customer service desk and call center, online licensing software, the revenue processing unit, and the FBI background check processing team. These costs are categorized under “licensing.”

In addition to program management, the Commission has the responsibility of regulating the chiropractic community through the disciplinary process. For this purpose, the Commission utilizes departmental enforcement resources. These departmental costs are categorized under “enforcement” (41%) to include legal services; complaint intake; investigations and adjudicative services. Attorney General consultation is also included in this category. These costs vary from year-to-year and are charged to the program based on number of credentials and usage rates for the various services.

Indirect costs (19%) are agency-wide, general management costs necessary for any program to exist and consist of administrative activities for the general operation of the agency. Examples of indirect costs include financial services, human resources, and information resource management. The indirect rate is a standardized method of charging individual programs for their share of indirect costs and is reviewed and approved annually by the U.S. Department of Health and Human Services.

Costs categorized under “Other” represent short-term or one-time costs charged for passed legislation or projects. Table 3 lists detailed expenditures for each of these cost categories over the past five (5) years.

Chart 2: FY2024 Expenses by Category

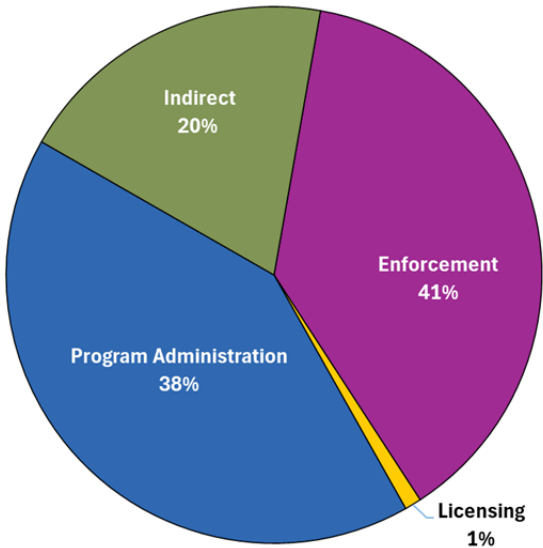


Table 3: Detailed Expenditures by Cost Category					
Cost Categories	FY2020	FY2021	FY2022	FY2023	FY2024
Program Administration	\$ 597,000	\$ 583,000	\$ 635,000	\$ 755,000	\$ 765,000
Licensing	\$ 11,000	\$ 10,000	\$ 8,000	\$ 11,000	\$ 9,000
Enforcement	\$ 553,000	\$ 781,000	\$ 608,000	\$ 744,000	\$ 819,000
Indirect	\$ 307,000	\$ 328,000	\$ 301,000	\$ 366,000	\$ 386,000
Other	\$ 20,000	\$ 40,000	\$ 54,000	\$ 52,000	\$ 21,000
Total	\$ 1,488,000	\$ 1,742,000	\$ 1,606,000	\$ 1,928,000	\$ 2,000,000

Expenditure History

In 2013, the Commission started a pilot to become an independent regulatory entity responsible for its own staffing and finances. At this time, the Commission assumed authority and responsibility for the work of licensing and case management alongside the general administration and oversight of the program. It chose to continue usage of departmental legal and investigative resources. In 2018, with the passing of HB2313, the Commission's pilot status became permanent, and the Commission assumed full management and responsibility of program finances.

During the transition to permanent Commission status, the program was able to reduce its licensing and enforcement costs as it took control over credentialing, customer service, and case management workloads. Alongside these reductions, the program experienced staffing vacancies, reducing overall program administration costs.

In FY2020, the Commission experienced additional cost savings as it maintained its reduced staffing level while halting travel due to the COVID-19 pandemic. Enforcement costs began to increase, however, as the program received complaints involving compliance with state-issued pandemic guidance.

In FY2021, the department continued to receive an influx of complaints and enforcement stemming from the COVID-19 pandemic. In FY2022, costs reduced slightly as complaint levels temporarily subsided. Disciplinary activity resumed at heightened levels in FY2023 and FY2024, increasing enforcement costs. The Commission also increased staffing during this period, filling long-held vacant positions as well as hiring additional management staff.

Commission Staffing

In FY2018, the Chiropractic Commission officially became an independent self-regulating body. To complete its new responsibilities and adequately manage the program, the Commission employed 5.2 staffing FTEs. In FY2019, staffing FTEs dropped to 4.8 due to vacancies in licensing staff. The Commission held these positions vacant through FY2022, maintaining a reduced average of 4.6 FTE, to slow the Commission's declining fund balance. In FY2022, the Commission repurposed positions, creating a Regulatory Analyst 3 to lead and coordinate the analysis, development, and implementation of Commission rules, policies, and legislation. This position also serves as the Commission lead in monitoring, analyzing, and reporting Commission financial data and information in the development of the Commission budget. In FY2023, the Commission began operating at full capacity, returning the program to 5.0 staffing FTEs, to increase capacity to handle growing enforcement activity and to guide rules efficiently through the rulemaking process.

Enforcement Activity

Enforcement costs directly correlate to the investigative and disciplinary activity undertaken by the department. Changes in costs are primarily driven by the usage of services rendered and hours billed by entities such as the State Attorney General’s office, departmental staff attorneys, investigators and health law judges.

Enforcement costs for the Commission have grown 20% since FY2018. In FY2018, the Commission received 102 complaints and authorized 79 investigations, billing 4,094 hours across disciplinary services. Costs decreased in FY2019 as hours billed declined to 3,332. In FY2020, the department halted standard processes to redirect resources towards critical services and backlogs created due to the COVID-19 pandemic. During this period, the Commission began receiving an influx of complaints as licensees responded to the department’s COVID-19 guidance and directives. In FY2021, the workflows suspended during the COVID-19 emergency response resumed, resulting in a return of investigative and enforcement activity as the department processed delayed and incoming complaints. This workload is reflected in FY2021’s heightened costs.

In FY2023 and FY2024, the department pursued a handful of more complex enforcement actions to ensure compliance and protect the safety of patients. These actions required extensive usage of attorney general, health law judge, and legal service hours, totaling \$486,000 in FY2023 and \$618,000 in FY2024.

Other Legislative and Project costs

Since 2018, the Commission has undertaken an assortment of implementation and project costs. These expenditures are categorized under the “Other” category in Table 3 and reflect atypical or short-term costs. Included in these totals are the following projects:

The HELMS (Healthcare Enforcement and Licensing Management System) assessment is a temporary cost that is assessed against the fund balance of each healthcare profession and facility that will benefit from the new modernized electronic licensing system that is replacing the department’s current system (ILRS). The assessment is charged annually for the duration of the project. This department-wide IT project was initiated with costs starting at \$7,000 in FY2020 and growing to an average of \$47,000 in FY2021 through FY2023. The cost dropped back down to \$18,000 in FY2024.

To implement other assorted legislation, the Commission has spent the following:

Table 4: Costs to Implement Legislation		
Fiscal Year	Legislation	Costs
2020	SB5817 Chiropractic Senior Students (2019)	\$13,000
2023	E2SSB5229 Health Equity (2022)	\$ 5,000
2024	2SHB1009 Military Spouse (2023)	\$ 3,000

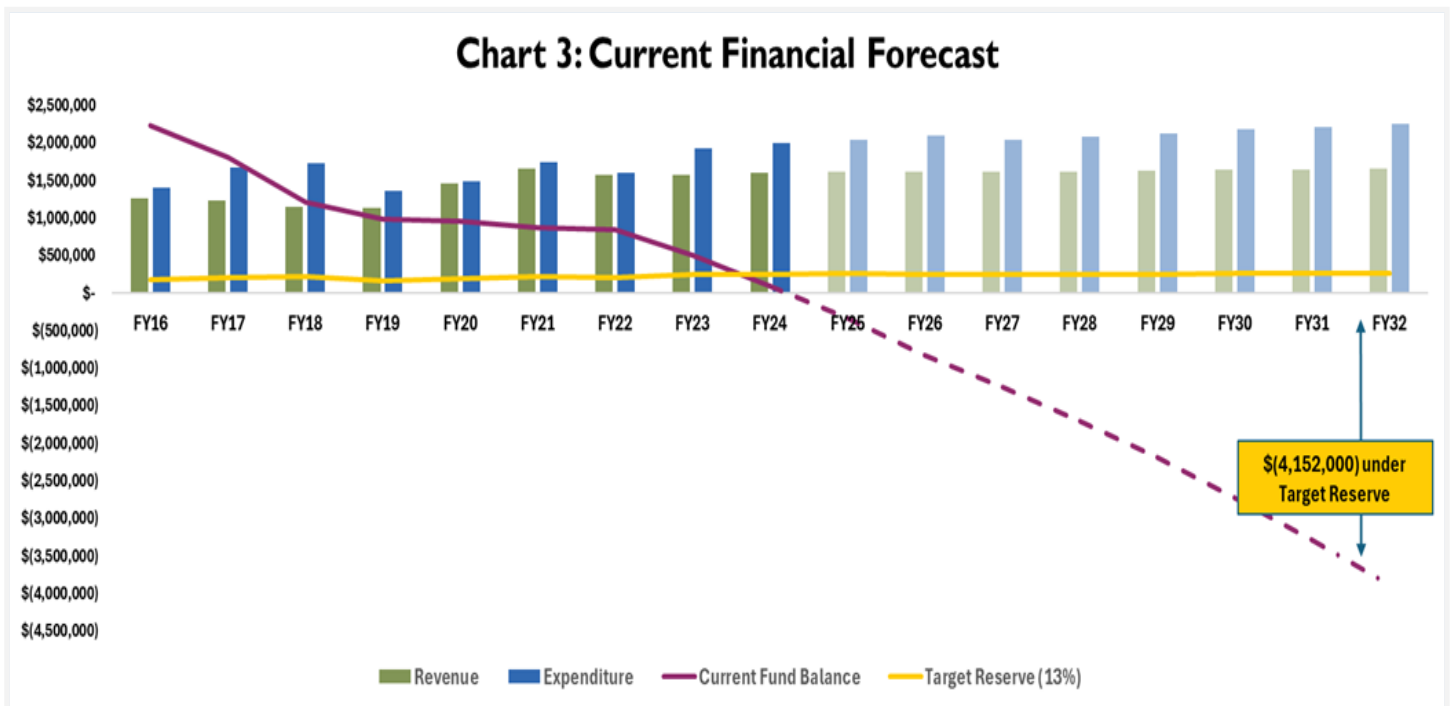
Financial Summary and Forecast

The costs required to maintain adequate staffing and handle the current and projected levels of disciplinary activity will result in a continued funding shortfall for the Chiropractic Commission in FY2025 and subsequent years. Increasing costs are expected to create a negative fund balance of \$(425,000) in FY2025, with an ongoing annual revenue gap of \$465,000+ in subsequent years. Without action to increase revenue, the program will have a negative fund balance of \$(3.9) million by FY2032, ending \$4.15 million under its target reserve.

The Office of Financial Management (OFM) requires agencies to maintain a reasonable working capital reserve in state accounts to cover fluctuations in cash flow. The cash reserve should be enough to protect against financial volatility as a result of significant enforcement activity or unforeseen changes in license trends. In order to be aligned with OFM recommendations, the program should have a reserve equivalent to 13% of annual expenditures. At the current rate of expenditures, the program needs a target reserve of \$250,000.

The current fund balance and revenue is not sufficient to sustain the program, maintain an adequate reserve, and fund anticipated spending.

Chart 3 shows actual revenue and expenditures from FY2016 through FY2024, and projected revenue and expenditures from FY2025 through FY2032.



Fee Proposal

To address the revenue shortfall of the Chiropractic Commission and build the recommended reserve, the department proposes raising fees effective November 1, 2025.

The department intends to raise the renewal fees for both chiropractors and chiropractic x-ray technicians. The renewal fee would be \$800 for chiropractors and \$140 for chiropractic x-ray technicians. Other penalty fees will also increase in accordance with standard departmental policy.

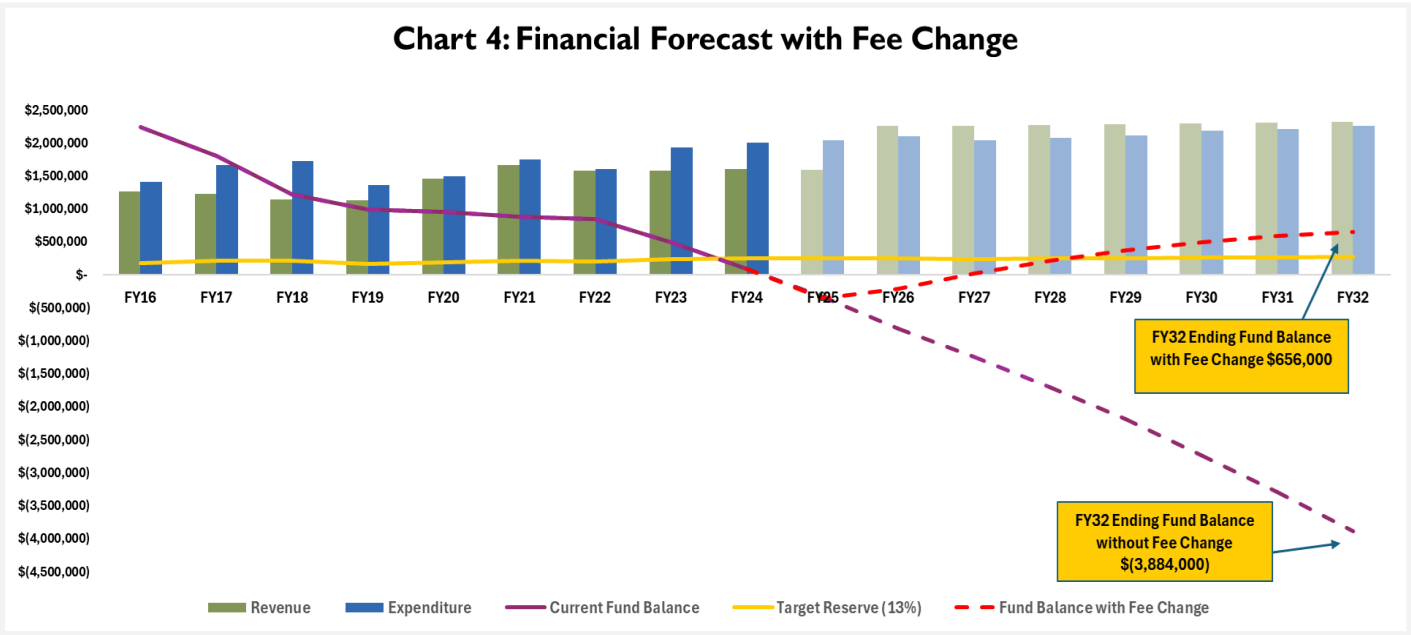
The department also plans to establish a new fee for chiropractor preceptors upon adding or changing supervisees. This fee will be set in order to offset the administrative cost of this process.

Table 5 shows the proposed fees.

Table 5: Current and Proposed Fees			
License Type	Fee Type	Current Fee	Effective November 1, 2025
Chiropractor	Application	\$625	No Change
	Jurisprudence Examination	\$100	No Change
	Renewal	\$550	\$800
	Late Renewal Penalty	\$225	\$300
	Expired License Reissuance	\$302	\$300
	Temporary Practice Permit	\$105	No Change
	Inactive Renewal	\$257	\$375
	Inactive Late Renewal Penalty	\$130	\$190
	Inactive Expired License Reissuance	\$157	\$190
HEAL-WA	Active/Inactive License Fee	\$16	No Change; Clarifying inactive requirement in WAC.
Chiropractor Preceptor	Preceptorship Application/Renewal	\$155	No Change
	Preceptor Change Fee		\$30 (NEW)
Chiropractor X-ray Technician	Application	\$182	No Change
	Renewal	\$90	\$140
	Late Renewal Penalty	\$50	\$70
	Expired Registration Reissuance	\$62	\$70

The proposed fees are what the department has determined are necessary to fund program operations and regain a positive fund balance.

Chart 4 shows projected revenue and expenditures for current and proposed fees from FY2016 through FY2032.



The department will continue to monitor the financial health of the program over a six-year outlook and propose fee adjustments as needed to comply with statutory requirements.

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