

1/11/12

PREPARED BY: Sandy Sostad  
DATE PREPARED: February 02, 2012  
PHONE: 471-0054

**LB 882**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 882 requires health insurance plans sold in the state to provide coverage for a prescribed orally administered anticancer medication used to kill or slow the growth of cancerous cells on a basis no less favorable than intravenously administered or injected cancer medications that are covered by the insurance plans. The cost to the covered individual shall not exceed the coinsurance or copayment that would be applied to the other cancer treatment. Language in the bill prohibits a reclassification of any anticancer medication or increase in coinsurance, copayment, deductible or out-of-pocket expense on any anticancer medication to achieve compliance with the bill.

The Department of Administrative Services and the University of Nebraska indicate that health insurance plans offered to state employees currently cover both orally administered anticancer medications and intravenously administered or injected cancer medications, so no fiscal impact is projected for these plans.

The University indicates that the provisions of the bill requiring that any changes increasing out-of-pocket expenses for anticancer medications are to be applied to the majority of comparable medical or pharmaceutical benefits under the plan may be difficult to coordinate between the two vendors (health care & drug) providing health care benefits for University employees.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	1/11/12	PHONE 471-2526
COMMENTS			
DEPT. OF INSURANCE – Concur.			
UNIVERSITY OF NEBRASKA – No basis to disagree with estimate.			
DEPT. OF ADMINISTRATIVE SERVICES – Concur.			

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LB<sup>(1)</sup> 882 FISCAL NOTE

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State Agency OR Political Subdivision Name: (2) Department of Insurance

Prepared by: (3) Eric Dunning Date Prepared: (4) 1-10-12 Phone: (5) 1-4650

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

No fiscal impact

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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LEGISLATIVE COUNCIL

Please complete ALL (5) blanks in the first three lines.

LB<sup>(1)</sup> 882 FISCAL NOTE

State Agency OR Political Subdivision Name: University of Nebraska

Prepared by: <sup>(3)</sup> Michael Justus Date Prepared: <sup>(4)</sup> January 17, 2012 Phone: <sup>(5)</sup> 402 472 2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

This bill seems to require that our healthcare plan and drug plan coordinate benefits so that both intravenous and orally administered cancer drugs are on the same footing for costs. The University generally covers both benefits, but the two plans are NOT coordinated. There is no way to estimate the increased costs of administering such an approach, but it would be an increase administrative burden requiring contractual changes with both healthcare and drug plan administrators.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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# 2012 Legislative Bill Proposal Fiscal Note

Bill #: 882

State Agency: Administrative Services

Prepared by: Paula Fankhauser

Date Prepared: 01/11/2012

Phone: 402-471-2832

Approved by:

## Estimate of Fiscal Impact – State Agencies

	FY 2012-13		FY 2013-14	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
<b>Total Funds</b>	0	0	0	0

### Explanation of Estimate:

LB 882 requires coverage for prescribed, orally administered anticancer medication that is used to kill or slow the growth of cancerous cells on a basis no less favorable than intravenously administered or injected cancer medications that are covered as medical benefits by a plan.

The State employee health plans currently cover both the orally administered drug and the intravenously administered drug. It is up to the physician to determine and prescribe appropriate treatment for any individual patient.

As both are currently covered by the State's health plan there is no fiscal impact to the Department of Administrative Services.

## Major Objects of Expenditure

### Personal Services:

Position Title:	Number of Positions			2012-13	2013-14
	12-13	13-14		Expenditures	Expenditures
Benefits					
Operating					
Travel					
Capital Outlay					
Aid					
Capital Improvements					
<b>TOTAL</b>					