

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	150,000		150,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	150,000		150,000	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill establishes the Health Care Services Transformation Act. The Program of Health Care Services Transformation is created within the Division of Public Health in the Department of Health and Human Services. A 23-member advisory committee is established. The purposes of the Health Care Services Transformation Act are (1) to create the Health Care Services Transformation Advisory Commission and establish its powers and duties, (2) to provide powers and duties for the Division of Public Health and the Office of Rural Health of the Department of Health and Human Services, (3) to provide powers and duties for the Department of Insurance, and (4) to authorize the Division of Medicaid and Long-Term Care of the Department of Health and Human Services and the Department of Administrative Services to participate in innovative health care programs such as patient-centered medical homes. The Department of Health and Human Services would staff the advisory committee and direct the work under the Act. The Department of Insurance is required to provide a forum for discussion among insurers and self-insured businesses and may develop and implement programs in which insurers collaborate on value-based payment mechanisms. The Department of Administrative Services may use insurance products that incorporate patient-centered care, medical homes and other similar initiatives. The Health Care Services Transformation Cash Fund is created for grants and donations. The bill states legislative intent to appropriate \$150,000 General Funds each year for the next two years.

The Department of Insurance indicates that they would need \$5,000 a year for the forums. The Department of Administrative Services indicates that participation on the advisory committee would be handled within existing resources. Any changes to insurance plans authorized in this bill would be made a later date and the fiscal impact would depend on the specific changes that would be made. The Department of Health and Human Services would need an additional position to staff the advisory committee and carryout the responsibilities in the bill. The Office of Rural Health has already started some of the activities outlined in the bill, so that work would continue within this process.

The cost for the Department of Insurance and the Department of Health and Human Services plus the reimbursement of travel expenses for the advisory committee members can be handles within the \$150,000 General Fund appropriation stated as legislative intent in the bill.

Technical Note: The bill states that the Health Care Services Transformation Cash fund will be used to reimburse for actual and necessary travel expenses of the advisory committee members. Since there is no specific revenue source and grants and donations to the fund may or may not materialize, the expenses would be paid from the General Fund appropriation if and until such time other funds become available.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 333	AM:	AGENCY/POLT. SUB: Dept. of Insurance	
REVIEWED BY: Elton Larson		DATE: 1/30/15	PHONE: 471-4173
COMMENTS: Agency analysis and estimate of fiscal impact appear reasonable.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB:333	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY: Elton Larson	DATE: 1/29/15	PHONE: 471-4173
COMMENTS: Agency analysis and estimate of fiscal impact appear reasonable.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB:333	AM:	AGENCY/POLT. SUB: Administrative Services
REVIEWED BY: Elton Larson	DATE: 1/26/15	PHONE: 471-4173
COMMENTS: Agency analysis of fiscal impact appears reasonable.		

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

2015

LB⁽¹⁾ 333

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Department of Insurance

Prepared by: ⁽³⁾ Robert M. Bell

Date Prepared: ⁽⁴⁾ 1/26/2015

Phone: ⁽⁵⁾ 402-471-4650

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	\$5,000	_____	\$5,000	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Legislative Bill 333, in part, requires the Department of Insurance to provide a forum for discussion among health insurers and the self-insured related to the health care services, payments, and reform. The legislation also provides that the Department develop and implement programs in which insurers collaborate on value-based payment mechanisms for certain initiatives related to the delivery of health care services.

The establishment and moderation of a forum as required by LB 333 will lead to an increase in the operating expenses of the Department. It is estimated that \$5,000 will adequately support the new duty.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	\$5,000	\$5,000
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2015

LB⁽¹⁾ 333

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January , 2015 Phone: ⁽⁵⁾ 472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The purposes of the advisory commission are to advise the Department of Health and Human Services, the Legislature, the Governor, the University of Nebraska, and the residents of Nebraska regarding aspects of transformation of the health care services system and to advise the Division of Public Health of the department and the Office of Rural Health of the department regarding the administration of the Health Care Services Transformation Act. The bill also places a member of UNMC on the advisory commission. There is no direct fiscal impact on the University.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

