

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$5,133,297		\$7,199,986	
CASH FUNDS				
FEDERAL FUNDS	\$2,474		\$3,711	
OTHER FUNDS	\$15,513		\$23,274	
TOTAL FUNDS	\$5,151,284		\$7,226,971	

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

LB 619 requires that any individual or group sickness and accident insurance policy; hospital, medical or surgical policy; or self-funded employee benefit plan issued or renewed in the state that provides coverage for behavioral health treatment shall also cover behavioral health services delivered in a school or other educational setting.

State of Nebraska Employee Health Insurance Plan: The Department of Administrative Services indicates the state employee health insurance plan covers providers who are licensed to perform services. The bill will have no fiscal impact for the plan as long as the list of providers is not expanded to include unlicensed persons.

University of Nebraska Employee Health Insurance Plan: The University indicates the bill does not appear to have a fiscal impact for the employee health insurance plan. It may have an impact on student costs if insurance is required to cover these costs first rather than student fees. A consequence could be an increase in expenses for students such as deductibles and co-pays.

Nebraska State College System Employee Health Insurance Plan: The colleges indicate the vendor for the state college insurance plan estimates a \$16.61 per member per month increase in cost to cover behavioral health services provided in schools in FY2019-20 and an additional \$8.31 increase per month in FY2020-21 and thereafter. The estimated fiscal impact is an additional \$151,284 in FY20 and \$226,971 in FY21. The health insurance plan is funded by general funds (88%), federal funds (2%) and other funds (10%).

Health Insurance Exchange Plans: It is assumed that LB 619 will have a fiscal impact for the state to cover insurance costs for behavioral health services provided in schools for persons buying insurance through the health insurance exchange beginning in FY2019-20. The Department of Insurance (DOI) indicates that under the Affordable Care Act if state law mandates insurers to cover benefits that are not included as an essential benefit in the final U. S. Health and Human Services essential benefits list, then any costs for benefits that are not on the list must be paid by the state.

The DOI notes that the bill does not define behavioral health services. Since the services are not defined DOI indicates behavioral health services may be covered which are not on the essential benefits list. DOI analyzed information from domestic insurers and outside sources to determine an estimated fiscal impact for the bill. The estimate is based on providing various types of behavioral health services that have been provided in other states per similar mandates. The estimated increase in expenditures to cover the cost of behavioral health services provided in schools for policies issued through the exchange, will increase premiums by about \$5 million in FY2019-20 and \$7 million in FY2020-21.

It is assumed the cost to provide insurance benefits to persons pursuant to LB 619 will be funded with general funds rather than cash funds from the Department of Insurance Cash Fund because the expenditure of funds for insurance benefits for individuals would not be a permissible use of this cash fund. The DOI assumes that insurers' will ask for payment by filing a miscellaneous claim with the state.

Other Political Subdivisions: The bill may have a fiscal impact for other political subdivisions depending upon insurance coverage provided for behavioral health services. No fiscal impact can be determined.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 619	AM:	AGENCY/POLT. SUB: Department of Administrative Services
REVIEWED BY: Neil Sullivan	DATE: 2/28/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Administrative Services estimate of no fiscal impact from LB 619.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 619	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY: Neil Sullivan	DATE: 2/26/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the University of Nebraska estimate of indeterminate fiscal impact from LB 619.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 619	AM:	AGENCY/POLT. SUB: Nebraska Department of Insurance
REVIEWED BY: Neil Sullivan	DATE: 3/1/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Nebraska Department of Insurance assessment of fiscal impact from LB 619.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 619	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY: Neil Sullivan	DATE: 1/28/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Education estimate of indeterminate fiscal impact from LB 619.		

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

2019

LB⁽¹⁾ 619

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) - Employee Wellness & Benefits

Prepared by: ⁽³⁾ Jennifer Norris Date Prepared: ⁽⁴⁾ 1/25/2019 Phone: ⁽⁵⁾ 402/471-4147

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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:

LB 619 as introduced would require coverage for mental health services delivered in a school or other educational setting as prescribed.

Current State of Nebraska health plans cover in-network and out of network providers licensed to perform mental and behavioral health services as prescribed under the direction of a properly qualified behavioral health provider. Costs for behavioral services have a copay or have a percent paid after the plan deductible is reached.

This bill is unclear on what services would be covered and who would be providing the services. Current plans cover providers licensed to perform services. If this mandate expands this list of providers to unlicensed providers then additional review will be required to access costs.

Based on information provided, LB619 has no financial impact on the State of Nebraska health plans.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2019

LB⁽¹⁾ 619

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ February 5, 2019 Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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 bill deals with insurance coverage for Behavioral Health Treatment in “a school or other educational setting”. It does not appear to have a fiscal impact on the University’s Healthcare Plan.

It may have an inadvertent effect on student costs. Currently, certain student behavioral health services are covered by student fees. If the bill requires these services to be covered by insurance first, it could have the consequence of increasing costs to the individual students using the program (deductibles and co-pays for example).

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS (NOT FTE)</u>		<u>2019-20 EXPENDITURES</u>	<u>2020-21 EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

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LB⁽¹⁾ 619 (REVISED)

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State College System (NSCS)

Prepared by: ⁽³⁾ Carolyn Murphy Date Prepared: ⁽⁴⁾ 03/01/2019 Phone: ⁽⁵⁾ 402-471-2505

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>133,297</u>	<u> </u>	<u>199,986</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u>2,474</u>	<u> </u>	<u>3,711</u>	<u> </u>
OTHER FUNDS	<u>15,513</u>	<u> </u>	<u>23,274</u>	<u> </u>
TOTAL FUNDS	<u>151,284</u>	<u> </u>	<u>226,971</u>	<u> </u>

Explanation of Estimate:

LB619 would add a requirement for health insurance coverage to include behavioral health services delivered in a school or other educational setting. The NSCS contracts for health insurance through the Educator’s Health Alliance (EHA) with coverage provided by Blue Cross Blue Shield of Nebraska. We have learned from our insurer that the potential impact in rates as a result of LB619 are estimated at \$16.61 per member per month for 2019-20, and an additional \$8.31 per month in years starting in 2020-21 and forward, for a total additional cost of \$24.92 per month in those future years. Applying these rate increases to current participation in the plan, the NSCS estimates a total impact of \$151,284 in 2019-20 and \$226,971 in 2020-21.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	<u> </u>	<u> </u>	<u>151,284</u>	<u>226,971</u>
Operating.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Travel.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital outlay.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Aid.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital improvements.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL.....	<u> </u>	<u> </u>	<u>151,284</u>	<u>226,971</u>

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

2019

LB⁽¹⁾ 619

FISCAL NOTE

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

Prepared by: ⁽³⁾ Matt Holman Date Prepared: ⁽⁴⁾ 2/28/19 Phone: ⁽⁵⁾ 402-471-4503

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$5,000,000</u>	<u> </u>	<u>\$7,000,000</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>\$5,000,000</u>	<u> </u>	<u>\$7,000,000</u>	<u> </u>

Explanation of Estimate:

The language of LB 619, as introduced, would require any individual or group sickness or accident insurance policy that provides coverage for “behavior health treatment” to provide coverage for “behavior health services” delivered in a school or other educational setting. Neither behavior health treatment nor behavior health services is defined by the bill. In its current form, LB 619 would mandate new coverage for behavioral health services, without defining what those services are.

42 U.S.C. § 18031(d)(3)(B), a section of the Affordable Care Act (ACA), provides that beginning January 1, 2014, if a state law mandates insurers cover benefits on a health insurance exchange that are not included in the final United States Health and Human Services "essential benefits" list, the state will pay any additional costs for those benefits for enrollees for any individual or small group plan issued on or after January 1, 2014. The payment by the state would be either to the insurer offering the coverage or the individual purchasing such plan.

Because “behavior health services” is not defined, it may include services that are not in the essential benefits list. If so, this new mandated benefit will be a cost to the State of Nebraska to defray the costs associated with any insurer offering qualified health plans in the individual and small group markets in Nebraska. The Department of Insurance estimates that in 2018 approximately 95,500 members were covered by qualified health plans in the individual and small group markets.

Due to the vagueness of LB 619, it is unclear the scope and breadth of “behavior health services.” The Department has analyzed information from the domestic insurance industry as well as outside sources to come to the potential estimate above. This estimate is based on the provision of various types of mental health services that have been provided for in other states under similar mandates.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
<u>Benefits.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Operating.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Travel.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Capital outlay.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Aid.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Capital improvements.....

TOTAL.....

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2019

LB⁽¹⁾ 619

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Sara Hulac Date Prepared: ⁽⁴⁾ 01/25/2019 Phone: ⁽⁵⁾ 402-471-0312

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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:

This Bill will likely increase the costs of insurance to school districts as it requires additional coverage. However the amount cannot be estimated because it will depend on the school's individual insurance company and the type and amount of coverage chosen by the individual school district.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____