

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 397 requires that individual and group sickness and accident insurance policies issued or renewed in the state include screening coverage for amino acid-based elemental formulas, regardless of the delivery method, for the diagnosis and treatment of specified disorders when the physician has issued an order stating the amino acid-based elemental formula is medically necessary for the treatment of a disease or disorder.

State Health Insurance Plan: The Department of Administrative Services indicates the state employee health insurance plan currently covers these screenings. DAS does not know how children currently receive screenings covered by the plan. The bill allows for deductibles and copayment provisions contained in the plan to the cost of screenings. So, the bill should have no fiscal impact for the state plan.

University of Nebraska Health Insurance Plan: The University of Nebraska indicates that screening tests for amino acid-based formulas are currently covered by the health plan, but are not routinely administered. The University indicates the bill will likely increase the number of tests performed. A cost estimate is difficult to project, but the fiscal note indicates about \$10,000 of increased costs for the plan each year. The University pays 82% of the premium cost of the plan, so any fiscal impact is projected to be minimal.

Persons Insured through the Exchange: The Department of Insurance (DOI) indicates that coverage provided by Nebraska’s largest small group insurance policy has been selected as the essential benefits which must be covered in policies issued through the exchange under the federal Patient Protection and Affordable Care Act (ACA). Any costs for benefits that are mandated by the state that are in excess of the essential benefits must be paid by the state.

The essential benefits plan selected for Nebraska cover the costs of screening for amino acid-based elemental formulas. So, the bill will not have a fiscal impact for the state to pay the costs of screenings provided to people purchasing insurance through the health insurance exchange beginning in 2014.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 397	AM:	AGENCY/POLT. SUB: Dept. of Insurance	
REVIEWED BY: Gary Bush		DATE: February 7, 2013	PHONE: 471-4161
COMMENTS: Agree with the Dept. of Insurance estimate of impact.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 397	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Gary Bush		DATE: February 1, 2013	PHONE: 471-4161
COMMENTS: No basis to disagree with the estimated impact. The FY2012-13 budget for the University System totaled \$2.3 billion dollars. State-aided funds are \$802 million dollar or approximately 35% of the total budget. Any increase in costs to the health plans could be absorbed within this existing budget. Additionally, the balance of the University Health Care Trust fund, which could be used to pay for additional costs, is reported to be approximately \$100 million dollars.			

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

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LB⁽¹⁾ 397 FISCAL NOTE

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

Prepared by: (3) Eric Dunning Date Prepared: (4) 2-4-12 Phone: (5) 402-471-4650

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

Explanation of Estimate:

Under Section 1311(d)(3)(B) of the federal Patient Protection and Affordable Care Act beginning January 1, 2014, if state laws mandate insurers cover benefits on a health insurance exchange that are not included in the final HHS "essential benefits" list, the state will pay any additional costs for those benefits for exchange enrollees. The method by which states "will pay any additional costs" has not yet been determined and will require the finalization of federal regulations and review of anticipated regulatory sub-guidance. In the proposed federal essential health benefits rule the cost of additional benefits is as determined by the insurer alone.

The Secretary adopted Nebraska's largest small group insurance policy as the basis for coverage in Nebraska. This policy covers screening for amino acid-based elemental formulas as would be required by LB 397. Therefore LB 397 would not a fiscal impact on the State of Nebraska on the basis of Section 1311 of the federal Patient Protection and Affordable Care Act.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14 EXPENDITURES</u>	<u>2014-15 EXPENDITURES</u>
	<u>13-14</u>	<u>14-15</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⁾ 397 FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 30, 2013 Phone: ⁽⁵⁾ 402-472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>10,000</u>	<u> </u>	<u>10,000</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>10,000</u>	<u> </u>	<u>10,000</u>	<u> </u>

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

Explanation of Estimate:

These tests are currently covered by our Plan, but are only administered when requested by a doctor for a specific situation. These tests are not currently coded separately and that makes it difficult to determine how many are being performed and how many more would need to be added to get a fiscal impact.

There would be increased costs to the Plan, but we are unable to determine it with any accuracy at this point.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</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>10,000</u>	<u>10,000</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>
<u>Capital improvements.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL.....</u>	<u> </u>	<u> </u>	<u>10,000</u>	<u>10,000</u>

2013 Legislative Bill Proposal Fiscal Note

Bill #: LB 397

State Agency: Administrative Services – Wellness & Benefits

Prepared by: Roger Wilson

Date Prepared: 02/25/2013

Phone: 402-471-1638

Estimate of Fiscal Impact – State Agencies

	FY 2013-14		FY 2014-15	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds				

Explanation of Estimate:

LB397 requires screening coverage for amino acid-based elemental formulas, regardless of delivery method, for the diagnosis and treatment of Immunoglobulin E and non-Immunoglobulin E mediated allergies to multiple food proteins, food-protein-induced enterocolitis syndrome, eosinophilic disorders, and impaired absorption of nutrients caused by disorders affecting the absorptive surface, functional length, and motility of the gastrointestinal tract, when the ordering physician has issued a written order stating that the amino acid-based elemental formula is medically necessary for the treatment of a disease or disorder.

The State’s health plans currently cover these screenings but are paid under each plans specific deductible and co-insurance of the plan. The number and level of screenings will vary based on the severity of the condition and changes that occur in the individual’s ability to digest formulas as they grow.

It is not known how many children currently receive these screenings covered by the State’s health plans. LB397 allows for the application of deductible and co-insurance to the cost of these screenings as currently provided by the State’s health plans.

There is no fiscal impact on the State’s Health plans.

Major Objects of Expenditure

Personal Services:

Position Title:	Number of Positions			FY 2013-14	FY 2014-15
	13-14	14-15		Expenditures	Expenditures
Benefits					
Operating					
Travel					
Capital Outlay					
Aid					
Capital Improvements					
TOTAL					