

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
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 79 requires that individual and group sickness and accident insurance policies issued or renewed in the state include coverage for a renewal of prescription eye drops when: the prescribing health practitioner orders such renewal; the renewal doesn't exceed the original number of renewals authorized; and the renewal is within 30 days of the when the original prescription was distributed or within 30 days after the date the last renewal was distributed. The bill has no fiscal impact for state agencies or the University of Nebraska because health insurance plans for state and university employees currently cover the renewal of prescription eye drops as provided by the bill.

The bill may have a fiscal impact for the state to cover insurance costs for a renewal prescription of eye drops for persons covered by insurance through the health insurance 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.

DOI indicates that current policy used to determine essential benefits provides coverage for certain eye drops, but it may not provide coverage for the renewal of eye drops as provided in LB 79. It is possible this will be considered to be a state mandate by the federal government. If so, then the state will need to pay the cost for some renewals of prescription eye drops for insureds. It is assumed the cost to provide insurance benefits to persons pursuant to LB 79 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 the department cash fund. The DOI estimates that any costs will be minimal.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 79	AM:	AGENCY/POLT. SUB:	
REVIEWED BY: Robin Kilgore		DATE: 1-20-15	PHONE: 471-4180
COMMENTS: Concur with agency's estimate of fiscal impact.			

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 79	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Robin Kilgore		DATE: 1-21-15	PHONE: 471-4180
COMMENTS: Concur with estimate of fiscal impact.			

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

**2015**

**LB<sup>(1)</sup> 79**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Department of Insurance

Prepared by: <sup>(3)</sup> Robert M. Bell

Date Prepared: <sup>(4)</sup> 1/15/2015

Phone: <sup>(5)</sup> 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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**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 United States Health and Human Services "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. In the proposed federal essential health benefits rule the cost of additional benefits is as determined by the insurer alone.

The U.S. Secretary of Health and Human Services adopted Nebraska's largest small group insurance policy as the basis for coverage in Nebraska, though the Secretary could change this determination for 2016 with a rule that is currently in the post-comment stage but yet to be finalized. While the current policy provides coverage for certain eye drops, it may not provide coverage for renewal of eye drops in the manner prescribed by LB 79 without the preauthorization of the insurer. This may be considered a mandate by the federal government and could, potentially, lead to the state paying the additional costs to the insurer.

**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.....	_____	_____	_____	_____

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

**2015**

**LB<sup>(1)</sup> 79**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> University of Nebraska

Prepared by: <sup>(3)</sup> Michael Justus Date Prepared: <sup>(4)</sup> January 20, 2015 Phone: <sup>(5)</sup> 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:

LB 79 would have no 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.....	_____	_____	_____	_____

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

**2015**

**LB<sup>(1)</sup> 79**

**FISCAL  
NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Administrative Services (AS) – Personnel-Wellness & Benefits

Prepared by: <sup>(3)</sup> Crystal Meyer Date Prepared: <sup>(4)</sup> 1-15-15 Phone: <sup>(5)</sup> 402-471-2832

**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	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Estimate:

LB79 would require any health insurance plan providing coverage for prescription eye drops to include coverage for a renewal of prescription eye drops when the prescriber indicates on the original prescription that a renewal is needed, the renewal requested by the insured does not exceed the number of renewals authorized by the prescriber, and the renewal is requested by the insured within 30 days after the date of the original prescription.

The State’s pharmacy plan currently does not have a 30-day limit per refill. The plan currently follows the refill limits and day supply outlined by the prescriber. If a refill is needed sooner, mechanisms currently exist and are utilized that allow pharmacies to contact the pharmacy plan administrator and adjust the prescription in order to obtain authorization for a refill.

Therefore, LB79 will have no fiscal impact on the State Health Insurance Plan.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

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