

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2016-17</b>		<b>FY 2017-18</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.**

This bill would provide for an evidence-based drug formulary under the Nebraska Workers' Compensation Act.

DAS Risk Management estimates no fiscal impact from this bill.

The Workers' Compensation Court (WCC) estimates no fiscal impact from this bill. The WCC notes that if additional responsibilities are expected of them under this bill, then there could be a fiscal impact. See the agency response for additional details.

The City of Omaha states it is not possible to quantify the impact. See their response for additional details.

The City of Imperial estimates no fiscal impact from this bill.

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

**2016**

**LB<sup>(1)</sup> 1005**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Administrative Services (DAS) - Risk Management Division

Prepared by: <sup>(3)</sup> Shereece Dendy Date Prepared: <sup>(4)</sup> Jan. 19, 2016 Phone: <sup>(5)</sup> 402-471-4436

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2016-17</u>		<u>FY 2017-18</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>

**Explanation of Estimate:**

LB1005 seeks to allow the Workers' Compensation Court to adopt a list of formulary drugs and provide a procedure should a dispute arise whether a drug should be covered under workers' compensation.

Most carriers and third party administrators already use a formulary drug list and pre-authorize other medications. This proposed change would eliminate any differences between the various carriers and third party administrators by allowing the Workers' Compensation Court to dictate which formulary drugs are reasonable for workers' compensation injuries without the need of a prior authorization. The proposed change also relates to those drugs not listed in the formulary and/or recommended by the Workers' Compensation and provides procedure to seek approval of those drugs either through obtaining a prior authorization and/or an independent medical examination.

There is no fiscal impact to DAS Risk Management.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____

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

**2016**

**LB<sup>(1)</sup>** 1005

**FISCAL NOTE**

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

WORKER'S COMPENSATION COURT

Prepared by: <sup>(3)</sup> Glenn Morton

Date Prepared: <sup>(4)</sup> 1/29/16

Phone: <sup>(5)</sup> 402-471-3602

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</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:

No fiscal impact is expected for the compensation court as a result of LB 1005 as currently drafted.

This is based on an understanding and expectation that no activity would be required of the court as a result of LB 1005 beyond adopting a drug formulary through the court's existing rule making process and resolving disputes regarding the formulary under the existing litigation process. Should any additional responsibilities be placed on or expected of the court as a result of LB 1005 then an amended fiscal note will be filed with the estimated fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</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.

**2016**

**LB<sup>(1)</sup> 1005**

**FISCAL NOTE**

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

City of Omaha

Prepared by: <sup>(3)</sup> Tyler Leimer

Date Prepared: <sup>(4)</sup> 1/26/2016

Phone: <sup>(5)</sup> 402-444-4514

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2016-17</u>		<u>FY 2017-18</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>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

Explanation of Estimate: There could be an increase in the City's workers' compensation costs if more prescriptions are deemed compensable under the Workers' Compensation act and/or the prescriptions are at a higher cost, as the medical provider could write the prescription for name brand v. a generic drug. Currently, the City's work comp partner, Corvel reviews and approves prescriptions before they are dispensed. If there is no prior authorization required, the opportunity for use of generics could be limited.

However, without knowing many factors such as how many of the hundreds of drugs listed in Schedules II, III, IV and V are prescribed for injured City workers, and with what frequency and duration each drug is used, and whether there are generic equivalents for each drug, etc., it is not possible to quantify the impact.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

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

**2016**

**LB<sup>(1)</sup> 1005**

**FISCAL NOTE**

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

City of Imperial

Prepared by: <sup>(3)</sup> Jo Leyland

Date Prepared: <sup>(4)</sup> January 19, 2016

Phone: <sup>(5)</sup> 308-882-4368

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2016-17</u>		<u>FY 2017-18</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:

No significant fiscal impact

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____