

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

This bill requires the Department of Health and Human Services to apply for a grant from the federal Department of Health and Human Services under the Consolidated Appropriations Act to establish and maintain a database to publish claims and payments information from health insurers. If and when the grant is provided, the department is required to work in conjunction with the University of Nebraska Medical Center College of Public Health to plan, establish, and maintain a database of claims and payment information from health insurers.

If the grant is approved, all costs in the Department of Health and Human Services and the College of Public Health at UNMC would be paid from the grant. The estimate is the initial amount would be \$2.5 million with additional funding in future years.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 494	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 2-16-2021	PHONE: (402) 471-4180	
COMMENTS: The Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department appears reasonable.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 494	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Ann Linneman	DATE: 2-16-2021	PHONE: (402) 471-4180	
COMMENTS: Disagree with the University of Nebraska's assessment of fiscal impact. The costs for building a claims database are significantly more than the \$2.5 million stated in this note. It would appear this fiscal impact only accounts for UNL staff to develop and database, not the database itself. The primary responsibility for developing and maintaining the database is with the Department of Health and Human Services.			

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

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared 2-16-2021

Phone: (5) 471-6719

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$23,500,000		\$6,000,000	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$23,500,000	\$0	\$6,000,000	\$0

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

**Explanation of Estimate:**

The bill states, "Upon obtaining federal grant money under section 1 of this act, the Department of Health and Human Services in conjunction with the University of Nebraska Medical Center College of Public Health shall plan, establish, and maintain a data base of claims and payment information from health insurers." It is unclear if this bill would require the use of any state funds. Dependent on the grant, it could require state matching funds, or the ability to augment grant funds if the grant is not enough to cover the cost of the project. If grant funds are not sufficient, state funds could be required.

The following is the estimated cost to carry out the activities intended to be paid by the grant. Beyond costs associated for UNMC, there would be costs for infrastructure and technology solutions and staff time to make this operational.

The estimated cost for this involves three separate stages over an estimated 5 year grant period; they are requirements gathering (\$2.5 million), development (\$15 million) and infrastructure (\$30 million) which includes maintenance and the cost of staff. After the grant expires, the State would then be responsible for any on-going maintenance and/or staffing costs, which are estimated to remain a \$6 million annual commitment.

The estimated cost for three employees beginning Oct. 1, 2021 for FY 2021-2022 is \$183,619 and \$244,827 for FY 2022-2023.

<b>Position</b>	
Project Manager	1.0
Database Analyst	1.0
Business Analyst	1.0

Failure to follow Federal data restrictions could jeopardize both Nebraska's participation in the Federal Medicaid program and access to Federal funds (the total amount of the Federal Fiscal Year 2021 Medicaid Grant is \$1,937,726,000).

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2021-2022	2022-2023
		21-22	22-23	EXPENDITURES	EXPENDITURES
	Program Manager	.75	1	\$27,273	\$36,365
	Information Technology Data/Database Analyst	.75	1	\$43,037	\$57,383
	Information Technology Data/Database Analyst	.75	1	\$38,513	\$51,351

Benefits.....	\$33,736	\$44,984
Operating.....	\$23,357,441	\$5,809,917
Travel.....		
Capital Outlay.....		
Aid.....		
Capital Improvements.....		
<b>TOTAL.....</b>	<b>\$23,500,000</b>	<b>\$6,000,000</b>

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**2021**

**LB**<sup>(1)</sup> 494, Health Care Insurance Claims and Payment Information Database

**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> February 2, 2021 Phone: <sup>(5)</sup> 402-472-7109

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

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u><u>900,000</u></u>	<u><u>900,000</u></u>	<u><u>900,000</u></u>	<u><u>900,000</u></u>

**Explanation of Estimate:**

LB 494, would require the Nebraska Department of Health and Human Services to apply for and secure grants of \$2.5 million and, in conjunction with the University of Nebraska Medical Center College of Public Health, plan, establish and maintain a database of claims and payment information from health insurers. The database would be accessible from the department's web site.

UNMC would establish the all-payer claims database. A core set of staff would be hired to work along with consultants (for development of strategic directions and planning, development of hardware and software specifications, security needs, etc.).

Operating expenses will involve salaries and the information technology hardware and software that will be essential to collect the data from the insurers, establish patient and provider indexes, and store the data. Hardware and software will be needed to build data linkages and aggregation with insurers, develop interface between the databases, and establish a master patient index and a master provider index. Storage and security expenses, including secure servers, will be ongoing operating expenses.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Database Director	<u>1</u>	<u>1</u>	<u>120,000</u>	<u>120,000</u>
Data Manager	<u>1</u>	<u>1</u>	<u>85,000</u>	<u>85,000</u>
Data Analyst	<u>2</u>	<u>2</u>	<u>150,000</u>	<u>150,000</u>
Benefits (@ 29%)			<u>102,950</u>	<u>102,950</u>
Operating.....			<u>422,050</u>	<u>422,050</u>
Travel.....			<u>20,000</u>	<u>20,000</u>
Capital improvements.....				
<b>TOTAL.....</b>			<u><u>900,000</u></u>	<u><u>900,000</u></u>