

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	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 1078 requires any health insurance plans issued or renewed in the state to include coverage for treatment provided using telehealth, if the health care provider has determined the use of telehealth is appropriate, and if such treatment is covered when provided in person. The bill applies to any policy, contract or insurance plan issued on or after October 1, 2014.

The Department of Insurance (DOI) indicates the bill will have an unknown fiscal impact for the state. The federal Affordable Care Act (ACA) provides that a state shall pay the costs of newly mandated benefits for health insurance plans that are passed by a state. Telehealth services are not in the essential benefits plan chosen for the state under the ACA. The bill requires telehealth services to be included in insurance plans.

Assuming that telehealth services as provided by the bill are deemed to be a new mandated service, then DOI will need to reimburse insurers for the benefits paid to insureds for telehealth services. The cost of such services is unknown but could become a substantial shift in payments for medical services from insurers to the state, depending upon the use of telehealth services by health care providers.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 1078	AM:	AGENCY/POLT. SUB: Health and Human Services (HHS)
REVIEWED BY: Elton Larson	DATE: 2/11/2014	PHONE: 471-4173
COMMENTS: HHS did not identify a fiscal impact associated with LB 1078.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 1078	AM:	AGENCY/POLT. SUB: University of Nebraska (NU)
REVIEWED BY: Elton Larson	DATE: 2/11/2014	PHONE: 471-4173
COMMENTS: NU did not identify a fiscal impact associated with LB 1078.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 1078	AM:	AGENCY/POLT. SUB: Dept. of Insurance (DOI)
REVIEWED BY: Elton Larson	DATE: 2/10/2014	PHONE: 471-4173
COMMENTS: Insufficient information available in order to estimate impact of new mandated telehealth benefit.		

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Steve Shively

Date Prepared:(4) 2-4-14

Phone: (5) 471-0676

	FY 2014-2015		FY 2015-2016	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

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

Explanation of Estimate:

There is no Fiscal Impact to the Department of Health and Human Services.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2014-2015	2015-2016
		14-15	15-16	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$0	\$0

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

2014

LB⁽¹⁾ 1078

**FISCAL
NOTE**

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ February 6, 2014 Phone: ⁽⁵⁾ 402-472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Explanation of Estimate

LB 1078 on TeleHealth 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>2014-15 EXPENDITURES</u>	<u>2015-16 EXPENDITURES</u>
	<u>14-15</u>	<u>15-16</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....			_____	_____
Operating.....			_____	_____
Travel.....			_____	_____
Capital outlay.....			_____	_____
Aid.....			_____	_____
Capital improvements.....			_____	_____
TOTAL.....			_____	_____

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

2014

LB⁽¹⁾ 1078

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Department of Insurance

Prepared by: ⁽³⁾ Krystle Ledvina-Garcia

Date Prepared: ⁽⁴⁾ 2/5/2014

Phone: ⁽⁵⁾ (402) 471-4637

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	Undetermined	_____	Undetermined	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

This bill will have an indeterminate fiscal impact upon the State that cannot be quantified at this time. Among other provisions, LB 1078 mandates that insurers provide certain telehealth treatment coverage. Pursuant to §1311(d)(3)(B) of the Affordable Care Act (ACA), when a state passes a mandate upon insurers to cover benefits on qualified health plans, which are plans worthy to be sold on and off the marketplace, then those newly created mandated benefits shall be paid by the state which passed those mandated benefits. This bill creates a new mandated benefit which the state is responsible for reimbursing the insurers for. The reimbursement amount will be determined by actuaries of the participating insurers and will subsequently be billed to the state. At this time, we cannot estimate the cost of this benefit, as there are no comparable numbers available. However, it is important to be cognizant that while this cost is not measurable at this time, there is some cost associated with this newly mandated benefit.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				