

PREPARED BY: Sandy Sostad
 DATE PREPARED: March 05, 2013
 PHONE: 471-0054

LB 479

Revision: 01

Revised on 3/5/13 to reflect correct interpretation of DAS fiscal note.

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				
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 479 relates to contractual rights to the proceeds of insurance. The bill prohibits the recovery of insurance proceeds from other sources that are purchased by an employee, including medical payments coverage, uninsured or underinsured motorist coverage, accident or disability income coverage, specific disease or illness coverage, hospital indemnity or other fixed indemnity coverage.

The Department of Administrative Services (DAS) indicates the state currently recovers costs paid by the state health insurance plan from employees when an employee or dependent receives payment for the health service from another insurance carrier. Costs recovered due to this type of cost recovery are projected to be minimal, less than 0.1%. So, DAS estimates the bill will have a negligible fiscal impact for the state employee health insurance plan. The University of Nebraska also recovers some funds, mainly in the case of automobile accidents each year, but does not have a good estimate of the average annual recovery.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 479	AM:	AGENCY/POLT. SUB: Dept. of Insurance	
REVIEWED BY: Gary Bush		DATE: January 24, 2013	PHONE: 471-4161
COMMENTS: No basis to disagree with agency's estimate.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 479	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Gary Bush		DATE: February 1, 2013	PHONE: 471-4161
COMMENTS: No basis to disagree with estimate of impact.			

2013 Legislative Bill Proposal

Amended Fiscal Note

Bill #: 479

State Agency: Administrative Services

Prepared by: Roger Wilson

Date Prepared: 03/04/13

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:

LB479 requires that the State shall not have the right to recover any of the proceeds of an employee or their covered dependents of any resources for which they have purchased, including medical payments coverage, uninsured or underinsured motorist coverage, accident or disability income coverage, specific disease or illness coverage, or hospital indemnity or other fixed indemnity coverage for services which the State health plans has previously paid.

A majority of the payments (costs) recovered are due to Workers Compensation related claims and therefore exempt from this bill. The State currently recovers the costs for services our health plan paid where the employee or his/her dependent received payment for the same service by another insurance carrier. These payments are implicated by this bill. We average approximately \$800,000 per year in this type of cost recovery. However, costs recovered due to this type of cost recovery, fixed indemnity coverage, is minimal, less than 0.1%. This would be negligible to the overall costs of our health plan and even less based on the State's 79% share of the total health plan costs.

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					

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

2013

LB⁽¹⁾ 479 FISCAL NOTE

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

Prepared by: ⁽³⁾ Eric Dunning Date Prepared: ⁽⁴⁾ 1-23-12 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	=====	=====	=====	=====

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

Explanation of Estimate:

No fiscal impact

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.

2013

LB⁽¹⁾ 479 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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

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

Explanation of Estimate:

Per our discussion with our plan administrator and our analysis of LB 479, we conclude that there would be no fiscal impact regarding claims. The financial impact is hard to quantify from claims or otherwise, because the bill limits future subrogation recoveries from individual policies.

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>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____