

PREPARED BY: Kathy Tenopir
 DATE PREPARED: March 06, 2018
 PHONE: 471-0058

LB 1119

Revision: 01

Revised due to an amended agency response

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	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.

LB1119 creates the Direct Primary Care Pilot Program for state employees eligible to participate in the Nebraska State Insurance Program. The Nebraska State Insurance Program is to include direct primary care health options. The Pilot Program is to begin in FY2019-20 and continue through FY2021-22. The Nebraska State Insurance Program excludes employees of the University7 of Nebraska, the state colleges, and the community colleges.

The Department of Administrative Services (DAS) indicates additional funding may be required for start-up costs although the amount cannot be estimated. DAS also indicates the potential for savings but, the amount cannot be determined.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1119	AM:	AGENCY/POLT. SUB: Department of Administrative Services	
REVIEWED BY: Neil Sullivan	DATE: 2/9/2018	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Department of Administrative Services estimate of indeterminate fiscal impact from LB 1119. Concur that there will be an enterprise impact.			

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

2018

LB⁽¹⁾ 1119 – Second Revision Fiscal Note

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – State Personnel – Employee Wellness and Benefits

Prepared by: ⁽³⁾ Jennifer Norris Date Prepared: ⁽⁴⁾ 02-08-2018 Phone: ⁽⁵⁾ 402/471-4333

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See Below</u>	<u>_____</u>	<u>See Below</u>	<u>_____</u>

Explanation of Estimate:

LB 1119 proposes to establish a Direct Primary Care Pilot Program within the Nebraska State Insurance Program beginning with the fiscal year 2019-20 and continuing through fiscal year 2021-22, which is to include at least two different direct primary care health plans including a high-deductible option and a low-deductible option. The pilot program plans would include the Direct Primary Care monthly membership fee and wrap-around insurance for non-primary care coverages.

The cost split will be 79% State and 21% Employee for both portions of the Direct Primary Care Pilot Program.

In speaking with the State's third party health insurance administrator, they have indicated that they have no experience with incorporating direct primary care, and are unable to estimate the start-up costs associated with managing a compliant plan for the State.

Additional funding may be required to cover the start-up costs of such a Program. It is impossible at this time to determine what those costs would be. The table below uses a four year average of the total benefits paid by fund type as a percentage of the total and reflects the possible impact by fund type of any start-up costs for such a program. There may also be cost savings to the State, though that is also indeterminable at this time.

General Funds	51.17%
Cash Funds	25.16%
Federal Funds	19.95%
Revolving Funds	3.72
Total	100%

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u> <u>EXPENDITURES</u>	<u>2019-20</u> <u>EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				