

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	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 442 requires that health insurance policies issued in the state which provide coverage for prescription medications shall apply a prorated daily cost-sharing rate to prescriptions that are dispensed by a pharmacy for a partial supply, if the prescribing practitioner or pharmacist determines it to be in the best interest of the patient and the patient agrees for the purpose of synchronizing the patient's medication. The insurance plan shall not use payment structures incorporating prorated dispensing fees.

State Employee Health Benefit Plan: The Department of Administrative Services indicates that its third party prescription provider for the state employee health insurance plan has the software needed to implement the synchronization of patient medications. The department indicates there may be an increase in costs related to the bill if usage of the plan changes or if there is additional handling and review to implement the synchronization of medication. Any administrative cost increases are projected to minimal for the health insurance plan.

University of Nebraska Employee Health Benefit Plan: The University of Nebraska indicates the bill will require software/hardware development by the University prescription drug provider. The University prescription drug provider is different than that of the state employee health insurance plan even though both health insurance plans are provided by the same insurer. The plan provider estimates there may be an increased cost for the insurance plan. The University indicates it can handle any increased costs with existing budgetary resources.

Other Political Subdivisions: It is possible the bill may increase the cost of health insurance plans provided for employees of political subdivisions depending upon the capabilities of the software used by the prescription drug provider.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 442	AM:	AGENCY/POLT. SUB: Department of Administrative Services	
REVIEWED BY: Neil Sullivan	DATE: 1/31/2019	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Department of Administrative Services estimate of indeterminate fiscal impact from LB 442.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 442	AM:	AGENCY/POLT. SUB: Department of Insurance	
REVIEWED BY: Neil Sullivan	DATE: 1/31/2019	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Department of Insurance estimate of no fiscal impact from LB 442.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 442 AM: AGENCY/POLT. SUB: University of Nebraska

REVIEWED BY: Neil Sullivan DATE: 1/31/2019 PHONE: (402) 471-4179

COMMENTS: No basis to disagree with the University of Nebraska assessment of fiscal impact from LB 442.

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

2019

LB⁽¹⁾ 442

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jennifer Norris Date Prepared: ⁽⁴⁾ 1/23/2019 Phone: ⁽⁵⁾ 402/471-4147

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2019-20		FY 2020-21	
	<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:

LB 442 allows for synchronization of a patient's medication when filling prescriptions to ensure all patient future medication refills may be deliverable in the same instance, upon request and if it is in best interest of the patient.

Currently, an eligible State of Nebraska Health Insurance Pharmacy Plan participant who requires a partial prescription due to loss of an existing prescription, theft, etc. is permitted to fill that partial prescription with the authorization of the prescriber; however the full copay is collected. Any partial copays will need to be determined at the time of dispensing which may increase administrative costs.

Current business system updates allow for this State of Nebraska mandate requirement. Any cost which may be created is viewed as a business expense for the State of Nebraska Health Insurance Pharmacy Plan. It is unknown at this time what future synchronization plan usage would be, but it may increase administrative costs.

The State of Nebraska Employees' Health Insurance Plans are self-insured. Any increase in costs is linked directly to an increase in premiums paid by the State and the employees. Currently the State pays 79% of the premium costs of each plan. Employees are liable for 21% of the premium costs of each plan.

The table below summarizes the estimated percentage by fund type of any increases to premiums. The allocation by fund type is based on a four (4) year [2015-2018] average of benefits paid.

Fund Type	Percentage
General Fund	51%
Cash Fund	25%
Federal Fund	20%
Revolving Fund	4%
Total	100%

The fiscal Impact to the State of Nebraska is unknown at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....			_____	_____
Operating.....			_____	_____
Travel.....			_____	_____
Capital outlay.....			_____	_____
Aid.....			_____	_____
Capital improvements.....			_____	_____
TOTAL.....			_____	_____

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2019

LB⁽¹⁾ 442

FISCAL NOTE

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

Prepared by: ⁽³⁾ Matt Holman Date Prepared: ⁽⁴⁾ 1/30/19 Phone: ⁽⁵⁾ 402-471-4503

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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:

The Department does not anticipate any impact on expenditures or revenue as a result of LB 442. Any additional policy form, rate review, or enforcement would be handled by existing resources and personnel.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</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.

2019

LB⁽¹⁾ 442

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ February 1, 2019 Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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:

The bill, dealing with synchronizing prescriptions, 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>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____