

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	71,734		143,467	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	71,734		143,467	

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

LB 804 would require that insurers provide coverage for prescription epinephrine autoinjectors for persons 18 years of age or younger.

The Department of Administrative Services and the University of Nebraska state that the current medical coverage plans cover this medication thus would have no fiscal impact. Additionally, pursuant to an email from DHHS, there would be no fiscal impact for the Medicaid/Medicare programs for this medication.

However, the Affordable Care Act provides that if state law mandates insurers to cover benefits on a health insurance exchange that are not included in the final United States Health and Human Services "essential benefits" list then the state must pay the additional costs for those benefits for enrollees in any individual or small group plan. The payment by the state would be either to the insurer offering the coverage or the individual purchasing the plan.

Since prescription epinephrine autoinjectors are not included in the essential benefits list, the benefit mandated by the bill will be a cost to the state to defray costs associated with any insurer offering qualified health plans in the individual market in Nebraska.

Medica Insurance Company was the only licensed insurer writing qualified health plans in the market in 2019 so the company's data on claims were used for estimation of the cost to the state. Additionally, it is estimated that there will be over 3,400 additional participants in the 2020 calendar year then there was in 2019. Estimates of the cost to the state were based on assumptions regarding the percentage of enrollees' utilization of prescription epinephrine autoinjectors made from the previous year with factoring in the increased number of enrollees. It is estimated that if the proposed mandate would begin for the new plan year beginning January 1, 2020, the cost to the state would be \$71,734 in FY19-20 and \$143,467 in FY20-21.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 804	AM:	AGENCY/POLT. SUB: Department of Insurance
REVIEWED BY: Neil Sullivan	DATE: 2/7/2020	PHONE: (402) 471-4179
COMMENTS: The Department of Insurance assessment of fiscal impact from LB 804 appears reasonable.		
The projected impact would result from payment of potential claims against the state, which are processed in accordance with the State Miscellaneous Claims Act and appropriated to the Department of Administrative Services.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 804	AM:	AGENCY/POLT. SUB: Department of Administrative Services
REVIEWED BY: Neil Sullivan	DATE: 1/13/2020	PHONE: (402) 471-4179
COMMENTS: The Department of Administrative Services assessment of no fiscal impact from LB 804 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 804	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY: Neil Sullivan	DATE: 1/16/2020	PHONE: (402) 471-4179
COMMENTS: The University of Nebraska assessment of no fiscal impact from LB 804 appears reasonable.		

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

2020

LB⁽¹⁾ 804

FISCAL NOTE

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

Prepared by: ⁽³⁾ Thomas Green II Date Prepared: ⁽⁴⁾ 2/4/2020 Phone: ⁽⁵⁾ 402-471-4650

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$71,734</u>	<u></u>	<u>\$143,467</u>	<u></u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>\$71,734</u>	<u></u>	<u>\$143,467</u>	<u></u>

Explanation of Estimate:

LB 804 requires any individual or group sickness and accident insurance policy, any hospital medical, or surgical expense-incurred policy, and any self-funded employee benefit plan to the extent not preempted by federal law, to provide coverage for a prescription epinephrine autoinjector for persons eighteen years of age or younger.

42 U.S.C. § 18031(d)(3)(B), a section of the Affordable Care Act (ACA), provides that beginning January 1, 2014, if a state law mandates insurers cover benefits on a health insurance exchange that are not included in the final United States Health and Human Services "essential benefits" list, the state will pay any additional costs for those benefits for enrollees for any individual or small group plan issued on or after January 1, 2014. The payment by the state would be either to the insurer offering the coverage or the individual purchasing such plan.

Because prescription epinephrine autoinjectors for persons eighteen years of age or younger are not included in the essential benefits list, this new mandated benefit will be a cost to the State of Nebraska to defray the costs associated with any insurer offering qualified health plans in the individual market in Nebraska.

Medica Insurance Company was the only licensed insurer writing qualified health plans in the individual market in Nebraska in 2019. For January through November 2019, Medica had allowed claims for epinephrine autoinjectors totaling \$126,548, which when extrapolated to 12 full months results in an amount equal to \$138,052 for the 2019 calendar year. It is relevant to point out that for the 2020 calendar year, there are expected to be over 3400 additional participants in the insurance exchange than there were for the 2019 calendar year. Assuming that the same percentage of participants avail themselves of the epinephrine autoinjector benefit as those that did so in the 2019 calendar year, a reasonable estimate for the cost for the 2020 calendar year would be \$143,467.

Presuming the new mandate would begin for qualified plans issued for the new plan year beginning January 1, 2020, the estimated costs associated with LB 804 triggering 42 U.S.C. § 18031(d)(3)(B) for the State of Nebraska would be \$71,734 in FY 2019-20 and \$143,467 in FY 2020-21.

Any additional regulatory responsibilities of LB 804 on the Department of Insurance, including the possible promulgation of rules and regulations, will be handled by existing staff and resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</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.

2020

LB⁽¹⁾ 804

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⁾ 1/9/2020 Phone: ⁽⁵⁾ 402/471-4443

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB 804 would require coverage for prescription epinephrine auto injectors for persons eighteen years of age or younger.

All medical coverage plans for the State of Nebraska teammates currently cover these types of medication for all ages.

There is no fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</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.

2020

LB⁽¹⁾ 804 _____

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus _____ Date Prepared: ⁽⁴⁾ January 15, 2020 _____ Phone: ⁽⁵⁾ 402-472-7109 _____

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</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 804 which requires epinephrine autoinjector coverage for minors, which is already covered under our plan. So LB 804 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>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____