

PREPARED BY: Nikki Swope  
 DATE PREPARED: February 09, 2024  
 PHONE: 402-471-0042

**LB 1307**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB 1307 would create a process for the Department of Insurance (Department) to account and make payments for the state mandated costs for required health benefits which are not considered Essential Health Benefits pursuant to the Affordable Care Act (ACA).

Under the ACA, when a state passes a law that mandates a new health benefit that was not in existence prior to December 31, 2011, the state must make payments to the impacted individual or to a Qualified Health Plan (QHP) insurer to defray the cost of the additional required benefits.

Under LB 1307, a qualified health plan issuer shall calculate the cost attributable to a new state required benefit and report that cost to the Department. The Department’s actuarial staff will review these claims and the Director shall request the necessary appropriations to pay the cost to the insurer. The Department anticipates that the review of the insurers’ cost calculations can be handled by existing staff and does not have a fiscal impact for the Department.

However, LB 1307 does not provide for any new General Fund Appropriations to provide for the defrayal for the costs of state mandated health coverages that are beyond the coverage of Essential Health Benefits that are to be paid to the insurers. Under current Nebraska law, these defrayal costs would be paid under the state claims process. LB 1307, would require the Department to be tasked to provide the actual amount of such an appropriation.

The total amount of the defrayal of payments for which appropriation would be required under LB 1307 is indeterminable but likely significant. There could be a reduction in future years in state claims, which are appropriated to Department of Administrative Services, but the timing and amount of such reduction is indeterminable.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1307	AM:	AGENCY/POLT. SUB: Department of Administrative Services (DAS)	
REVIEWED BY: Ryan Walton		DATE: 1/25/2024	PHONE: (402) 471-4174
COMMENTS: The DAS assessment of fiscal impact from LB 1307 appears reasonable.			

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

LB: 1307                    AM:                    AGENCY/POLT. SUB: University of Nebraska Systems

REVIEWED BY: Ryan Walton                    DATE: 1/25/2024                    PHONE: (402) 471-4174

COMMENTS: The University of Nebraska Systems' assessment of no fiscal impact from LB 1307 appears reasonable.

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

LB: 1307                    AM:                    AGENCY/POLT. SUB: Department of Insurance

REVIEWED BY: Ryan Walton                    DATE: 2/7/2024                    PHONE: (402) 471-4174

COMMENTS: The Department of Insurance's assessment of no fiscal impact from LB 1307 appears reasonable.

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

**2024**

**LB<sup>(1)</sup> 1307**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Administrative Services (DAS)  
-Employee Wellness & Benefits

Prepared by: <sup>(3)</sup> Jennifer Norris Date Prepared: <sup>(4)</sup> 1/19/2024 Phone: <sup>(5)</sup> 402/480-9728

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

LB 1307 proposes to require the Director of Insurance to identify required health benefits in excess of the essential health benefits required by 42 U.S.C. 18022 and provide reimbursements for the qualified health plan issuers as prescribed.

The requirements of LB 1307 are placed with the Department of Insurance and has no direct impact on the health and pharmacy plans for the State of Nebraska employees.

LB 1307, as introduced, has no fiscal impact to the State of Nebraska employee health plans.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</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.

2024

LB<sup>(1)</sup> 1307

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Insurance

Prepared by: <sup>(3)</sup> Jordan Blades Date Prepared: <sup>(4)</sup> 1/29/2024 Phone: <sup>(5)</sup> 402-471-4638

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</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:**

LB 1307 creates a process for the Department of Insurance to pay defrayal costs resulting from new state required benefits which are not considered Essential Health Benefits pursuant to the Affordable Care Act (ACA).

Under the ACA, anytime a state passes a law that mandates a new health benefit that was not in existence prior to December 31<sup>st</sup>, 2011, the state must make payments to an impacted individual or to a qualified health plan issuer to defray the cost of the additional required benefits.

Under LB 1307 a qualified health plan issuer shall calculate the cost attributable to a new state required benefit and report that cost to the Department. The Department’s actuarial staff will review these claims and the director shall request the necessary appropriations to pay the cost to the insurer. The Department anticipates that the review of the insurers’ cost calculations can be handled by existing staff.

LB 1307 does not create any new general fund expenditures for the state. Under the bill the Department recommends that the Legislature pass an appropriation to meet the cost of specific mandates with the information provided to the Department.

The Department does not anticipate any fiscal impact resulting from LB 1307 at this time.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</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.

2024

**LB <sup>(1)</sup> 1307 Require the Director of Insurance to identify certain health benefits and provide for reimbursements for qualified health plan issuers as prescribed** **FISCAL NOTE**

State Agency OR Political Subdivision Name:<sup>(2)</sup> University of Nebraska System  
 Prepared by:<sup>(3)</sup> Chris Kabourek Date Prepared:<sup>(4)</sup> 01/24/2024 Phone:<sup>(5)</sup> (402) 472-7102

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	FY 2024 - 25		FY 2025 - 26	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
CASH FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FEDERAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
OTHER FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

**Explanation of Estimate:**

No Fiscal Impact

Our health insurance provider, Blue Cross and Blue Shield of Nebraska, has confirmed that they expect no fiscal impact to the University's health plan as a result of this bill.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024 - 25 EXPENDITURES</u>	<u>2025 - 26 EXPENDITURES</u>
	<u>24 - 25</u>	<u>25 - 26</u>		
	<u>0</u>	<u>0</u>		
	<u>0</u>	<u>0</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				