

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
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 256 proposes changes related to telehealth insurance coverage. The bill would provide for a reimbursement rate for any type of telehealth service to be the same as a comparable in-person health care service.

Currently, both the State of Nebraska and the University of Nebraska healthcare plans provide the same rates for telehealth and in person visits with health professionals. The exception is the reimbursement rate for virtual visits which typically cost approximately \$50 more than the telehealth/in person rates.

Both the State of Nebraska and the University of Nebraska self-insured healthcare plans would anticipate a .1% increase of the health insurance premiums if this bill was enacted.

The State of Nebraska’s health plans utilize trust funds; thus, no additional appropriation is being requested. If the bill were enacted, the subsequent A bill will increase costs of claims to each agency which would need to be reconciled.

See the following for a cost by fund breakdown for the anticipated increase in premiums:

**Department of Administrative Services:**

Fund Type	Estimated Expenditures FY 2023-24	Estimated Expenditures FY 2024-25
General Fund	\$43,198	\$57,597
Cash Fund	\$22,240	\$29,654
Federal Fund	\$17,357	\$23,173
Revolving Fund	\$3,973	\$5,297
<b>Total</b>	<b>\$86,768</b>	<b>\$115,691</b>

**University of Nebraska Systems:**

Fund Type	Estimated Expenditures FY 2023-24	Estimated Expenditures FY 2024-25
General Fund	\$51,435	\$51,435
Cash Fund	\$30,510	\$30,510
Federal Fund	\$6,075	\$6,075
Revolving Fund	\$46,980	\$46,980
<b>Total</b>	<b>\$135,000</b>	<b>\$135,000</b>

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 256	AM:	AGENCY/POLT. SUB: Department of Administrative Services
REVIEWED BY: Ryan Walton	DATE: 2/2/2023	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with the Department of Administrative Services assessment of fiscal impact from LB 256.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 256	AM:	AGENCY/POLT. SUB: Department of Insurance
REVIEWED BY: Ryan Walton	DATE: 2/2/2023	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with the Department of Insurance assessment of no fiscal impact from LB 256.		

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

**2023**

**LB<sup>(1)</sup> 256**

**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> 1/12/2023 Phone: <sup>(5)</sup> 402/480-9728

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

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>

**Explanation of Estimate:**

LB 256 is a bill for an act to change provisions related to all telehealth coverage to change the reimbursement rate, at a minimum, to be the same as comparable in-person services. The current medical plans for the State of Nebraska teammates divides telehealth and virtual visits into two separate categories. LB 256 combines these into one category.

Currently, the State of Nebraska medical plans' telehealth reimbursement policy enforces the same rate as an in-person visit. This rule follows the in-network and out-of-network rates. The exception to this rule is the plans' virtual visits as these rates are contracted at a lower rate than regular telehealth/in-person visits. The cost differential between virtual visit rates and the telehealth/in-person visit rates averages about \$50 per visit.

LB 256 pushes virtual care to the same rate as the telehealth/in-person rates. The total impact is estimated by the state's current third-party administrator (TPA) to be approximately \$146,444. The estimate is based on an impact of less than 0.1% of total medical costs spent. The past benefit year medical costs paid were \$146 Million ( $\$146,444,416 \times 0.1\% = \$146,444$ ).

The State of Nebraska is self-insured for the medical plans. The state is responsible for 79% of teammate's medical premium and the employee pays 21%. The changes proposed in LB256 would impact the State's and employee's premiums costs. Estimated increased costs will be approximately \$115,691 to the state for a complete fiscal year ( $\$146,444 \times 79\% = \$115,691$ ). The bill wouldn't be effective until the second quarter of FY23-24 for an estimated increase of \$86,768 ( $\$115,691 \times 75\% = \$86,768$ ).

The State's health plans utilize trust funds; thus, no additional appropriation is being requested.

The table below summarizes the estimated impact by fund type of any premium increase. The allocation by fund type below is based on an average of Health & Life Insurance expenditures over a four-year period (2019-2022).

<b>Fund Type</b>	<b>Expenditures – FY23-24</b>	<b>Expenditures – FY24-25</b>
General Fund	\$43,198	\$57,597
Cash Fund	\$22,240	\$29,654
Federal Fund	\$17,357	\$23,143
Revolving Fund	\$3,973	\$5,297
<b>Total</b>	<b>\$86,768</b>	<b>\$115,691</b>

The State's contribution would increase the costs of each agency by an unknown amount that would need to be reconciled in a subsequent A bill.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<b>POSITION TITLE</b>	<b>NUMBER OF POSITIONS</b>		<b>2023-24</b>	<b>2024-25</b>
	<b><u>23-24</u></b>	<b><u>24-25</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

**2023**

**LB<sup>(1)</sup> 256**

**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> 1/17/2023 Phone: <sup>(5)</sup> 402-471-1432

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

	<u>FY 2023-24</u>		<u>FY 2024-25</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:

LB256 would require insurers to set reimbursement rate for a telehealth service at the same rate as a comparable in-person health care service.

The Department does not anticipate any fiscal impact at this time.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</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.

2023

**LB <sup>(1)</sup> 0256 Change provisions related to insurance coverage of telehealth**

**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> 01/17/2023 Phone:<sup>(5)</sup> (402) 472-7102

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

	FY 2023 - 24		FY 2024 - 25	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>51,435.00</u>	<u>0.00</u>	<u>51,435.00</u>	<u>0.00</u>
CASH FUNDS	<u>30,510.00</u>	<u>0.00</u>	<u>30,510.00</u>	<u>0.00</u>
FEDERAL FUNDS	<u>6,075.00</u>	<u>0.00</u>	<u>6,075.00</u>	<u>0.00</u>
OTHER FUNDS	<u>46,980.00</u>	<u>0.00</u>	<u>46,980.00</u>	<u>0.00</u>
TOTAL FUNDS	<u>135,000.00</u>	<u>0.00</u>	<u>135,000.00</u>	<u>0.00</u>

**Explanation of Estimate:**

The University of Nebraska System has reviewed LB 256 with UMR, our health insurance carrier, and we believe the bill will increase claims paid by the University's self-funded health plan by one-tenth of 1%.

LB 256 did not have an effective date, so it is assumed the effective date is July 1, 2023.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023 - 24 EXPENDITURES</u>	<u>2024 - 25 EXPENDITURES</u>
	<u>23 - 24</u>	<u>24 - 25</u>		
	<u>0</u>	<u>0</u>		
	<u>0</u>	<u>0</u>		
Benefits.....			<u>135,000.00</u>	<u>135,000.00</u>
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>135,000.00</u>	<u>135,000.00</u>