

PREPARED BY: Mikayla Findlay
 DATE PREPARED: February 03, 2023
 PHONE: 402-471-0062

LB 430

Revision: 01

Revised due to additional information submitted by an agency

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	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.

This bill excludes physical therapy, occupational therapy, and speech-language pathology services from the multiple procedure payment reduction policy under Medicaid or by a private insurer. No fiscal impact to the Department of Health and Human Services.

The Department of Administrative Services (DAS) indicates that State of Nebraska Medical Plans follow the industry standard of paying the first claim at 100% and subsequent claims for the same visit at 50%. This bill would require the subsequent claims to be paid at 100% thus increasing service costs. There is an indeterminable fiscal impact to DAS.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	430	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services
REVIEWED BY:	Ann Linneman	DATE:	1-30-2023
		PHONE:	(402) 471-4180
COMMENTS: Concur with the Nebraska Department of Health and Human Services' estimate of no fiscal impact.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared: 1-30-2023

Phone: (5) 471-6719

	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

There is no fiscal impact to the Department of Health and Human Services (DHHS).

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2023-2024 EXPENDITURES	2024-2025 EXPENDITURES
	23-24	24-25		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0

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

2023

LB⁽¹⁾ 430

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⁾ 1/19/2023 Phone: ⁽⁵⁾ 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	=====	=====	=====	=====

Explanation of Estimate:

LB 430 proposes to prohibit a private insurer from applying a multiple procedure payment reduction policy to physical therapy, occupational therapy, or speech-language pathology services.

The State of Nebraska Medical plans currently follow the industry standard of paying the first claim at 100 percent and subsequent claims at 50 percent if multiple visits occur during the same visit for the patient. LB 430 requires all visits to be paid at 100 percent.

For the past benefit year, the total cost to the State of Nebraska medical plans for physical therapy, occupational therapy or speech therapy was approximately \$2.8M. If LB 430 had been enacted for the past plan year there would have been an estimated increase in claims of \$175,000. Any increase in service costs would impact the cost of claims paid by the State’s Health Plans, requiring increases in premiums.

LB 430 has fiscal impact on the State of Nebraska medical plans, but that the Department of Administrative Services is unable to determine that impact.

The medical plans for the State of Nebraska are self-insured. The medical plan premiums are paid by the State of Nebraska (79%) and employees (21%).

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

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.

The table below summarizes the estimated impact by fund type of any premium increase. The allocation by fund type is based on a four (4) year [2019 -2022] average of health insurance premium expenditures.

Fund Type	Percentage by Fund Type
General Fund	50%
Cash Fund	25%
Federal Fund	20%
Revolving Fund	5%
Total	100%

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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