

PREPARED BY: Mikayla Findlay  
 DATE PREPARED: December 26, 2023  
 PHONE: 402-471-0062

**LB 430**

Revision: 02

Updated for the 2024 Legislative Session

**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				

**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.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>				
LB:	430	AM:	AGENCY/POLT. SUB: Nebraska Department of Administrative Services	
REVIEWED BY:	Ann Linneman	DATE:	12-13-2023	PHONE: (402) 471-4180
COMMENTS: The Department of Administrative Services' analysis and estimate of fiscal impact to the department appears reasonable.				

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

2024

LB<sup>(1)</sup> 430

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> 12-06-2023 Phone: <sup>(5)</sup> 402-480-9728

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
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 \$3.77M. If LB 430 had been enacted for the past plan year, there would have been an estimated increase in claims of \$200,000. 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 [2020-2023] average of health insurance premium expenditures.

Fund Type	Percentage by Fund Type
General Fund	51%
Cash Fund	25%
Federal Fund	19 %
Revolving Fund	5%
<b>Total</b>	<b>100%</b>

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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

**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 12-20-2023

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$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		2024-2025 EXPENDITURES	2025-2026 EXPENDITURES
	24-25	25-26		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>			\$0	\$0