

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			\$12,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$12,000	

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

LB 639 would require dental plan carriers to meet a minimum dental loss ratio of 85% and to return excess premiums to its insured if the carrier does not maintain this minimum loss ratio. The bill further requires plan carriers to report their loss to the Department of Insurance (DOI) as prescribed.

The Department of Insurance would need to develop a standardized loss ratio report and refund calculation to define the exact method for calculating loss ratio and the data required. DOI would need to contract with an actuarial firm to create these reporting requirements. DOI anticipates a one-time need for fifty hours of contracted work at a rate of \$240 per hour. The total one-time cost for the contract would be \$12,000.

DAS and the University Systems report that their respective plan carriers currently meet the minimum loss ratio, thus there is no fiscal impact to these agencies.

There is no basis to disagree with the estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 639	AM:	AGENCY/POLT. SUB: Department of Insurance	
REVIEWED BY: Ryan Walton	DATE: 2/3/2025	PHONE: (402) 471-4174	
COMMENTS: The Department of Insurance's assessment of fiscal impact from LB 639, appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 639	AM:	AGENCY/POLT. SUB: Department of Administrative Services (DAS)	
REVIEWED BY: Ryan Walton	DATE: 2/5/2025	PHONE: (402) 471-4174	
COMMENTS: DAS' assessment of no fiscal impact from LB 639, appears reasonable.			

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

2025

LB⁽¹⁾ 639

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – Employee Wellness & Benefits

Prepared by: ⁽³⁾ Jennifer Sommars-Link Date Prepared: ⁽⁴⁾ 01/27/2025 Phone: ⁽⁵⁾ 402-471-1405

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</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 639 proposes to require dental plan carriers beginning January 1, 2026 to meet a minimum dental loss ratio. Beginning January 1, 2027 a dental plan carrier shall annually submit to the Department of Insurance the dental loss ratio for the previous year. If the minimum dental loss ratio isn't met, the dental plan carrier shall return the excess premiums to its insured.

The State's dental plan carrier currently meets the minimum dental loss ratio.

As dental coverage is a specialty coverage, 100% of premiums are paid by the employee. Should the State's dental plans in the future not meet the dental loss ratio the excess premiums would be returned to the employee.

There is no fiscal impact to the Department of Administrative Services.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</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.

2025

LB⁽¹⁾ 639

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jordan Blades Date Prepared: ⁽⁴⁾ 1/27/24 Phone: ⁽⁵⁾ 402-471-4638

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	12,000	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	12,000	=====

Explanation of Estimate:

LB 639 would require dental carriers to maintain a minimum loss ratio of 85%. If a carrier does not meet this minimum requirement it must return excess premiums to its insureds.

LB 639 also requires that carriers report their loss ratios to the Department of Insurance in a manner prescribed by the Department. A standardized annual loss ratio report and refund calculation which lays out the exact method for calculating loss ratio and the exact data needed to support the calculation would need to be developed. The Department will need to contract with an actuarial firm to create these reporting requirements. We anticipate a one-time need for 50 hours of contracted work at a rate of \$240 per hour.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</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.

2025

LB ⁽¹⁾ 0639 Require dental plan carriers to meet a minimum dental loss ratio and provide a report

FISCAL NOTE

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

Prepared by:⁽³⁾ Anne Barnes

Date Prepared:⁽⁴⁾ 01/27/2025

Phone:⁽⁵⁾ (402) 559-6300

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025 - 26		FY 2026 - 27	
	<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.

Actuaries for the University of Nebraska's employee dental insurance carrier have determined that our employee dental insurance plan satisfies the minimum dental loss ratio required by the legislative bill.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025 - 26 EXPENDITURES</u>	<u>2026 - 27 EXPENDITURES</u>
	<u>25 - 26</u>	<u>26 - 27</u>		
	<u>0</u>	<u>0</u>		
	<u>0</u>	<u>0</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				