

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	287,009	346,118	0	0	633,127
FY2027-2028	291,499	356,484	0	0	647,983
FY2028-2029	291,499	356,484	0	0	647,983
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

LB 987 would adopt the Vision Benefit Plan Act. The bill outlines the purpose and rules of the Act, as well as, sets the requirements for the vision insurers or benefit managers. The bill would also increase transparency, regulate the relationships between insurers, vision benefit managers, and eye-care providers, and protect providers and consumers from certain contracting practices. Additionally, the bill provides the Director of Insurance the authority to administer the rules and regulations and the Attorney General to enforce any violations of the Act appropriately.

The Department of Insurance indicates this bill would require the Department to create a process for receiving, processing, and investigating complaints against vision benefit managers above and beyond policyholder complaints. The Department would be also have to review all notices, amendments, responses to proposals, sales, fee schedules, handbooks, and manuals for compliance with the requirements under the Act. These new responsibilities would require the Department to hire two full-time Market Conduct Examiners II to collect and do the initial analysis of these records, as well as, reviewing all agreements to assure that vision benefit managers and insurers are not including certain prohibited requirements as a condition of participation in a provider network. The Department would also need to hire a full-time Attorney III to assure compliance with standardized codes, names, descriptions, and definitions by the vision benefit manager in the creation of fee schedules between the parties. Estimate of about \$350,000 includes the salary and benefits of the 3 FTEs, as well as, operating costs.

The Department of Administrative Services (DAS) estimates no direct fiscal impact to the state due to the fact that vision insurance plans are paid entirely by the employees. DAS projects the Act would increase premium costs by 40% due to several factors:

- Increased consumer cost of care resulting from mandated reimbursement rates and reduced ability to negotiate reimbursements where appropriate.
- Loss of member discounts on non-covered services, leading to higher out-of-pocket expenses.
- Limitations on tiered, variable, or paid-in-full benefits by requiring standardized benefit designs, which can reduce flexibility and potentially drive higher costs.
- Increased operational expenses due to additional administrative burdens related to contract, provider support, and compliance.

Current premiums and projected increases for the State of Nebraska plans are as follows:

	Monthly Vision Plan Premiums		Estimated 40% Increase	
	Basic Option	Premium Option	Increase Basic	Increase Premium
Employee Only	\$5.26	\$8.18	\$7.36	\$11.45
Employee + Spouse	\$8.44	\$13.08	\$11.82	\$18.31
Employee + Child(ren)	\$8.62	\$13.32	\$12.07	\$18.65
Family	\$13.86	\$21.50	\$19.40	\$30.10

The University of Nebraska does not pay an employer share for the employee vision care insurance premium. The premium is paid by the employees. Any increases in premiums as a result of this Act would solely be paid by the participants of the plan.

The Attorney General's office would have to hire an additional full-time attorney to enforce this bill at an estimated cost of about \$190,000. The attorney would have to be an expert in the vision care field. If a specialized attorney could not be hire the Attorney General's office may need to hire an outside firm at an hourly rate. The office also indicated that the bill does not allow the Attorney General to recover costs or fees, which would mean the work done under this bill may be conducted at a loss. Funds for enforcement and litigation efforts will be needed which could cost upwards of \$100,000 in expert fees alone.

No basis to disagree with these estimates.

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

2026

LB⁽¹⁾ 987

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Attorney General

Prepared by: ⁽³⁾ Bebe Strnad

Date Prepared: 1-14-26
⁽⁴⁾

Phone: ⁽⁵⁾ 402-471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	287,009		291,499	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	287,009		291,499	

Explanation of Estimate:

LB987 requires the Attorney General to enforce without providing an appropriation. The Attorney General requires at least one full-time attorney to fulfill its mandate under this bill. As vision care is a specialized field, this attorney should have subject area expertise. If the Attorney General is unable to hire a specialized attorney, the office may have to hire an outside firm at an hourly fee. This bill also does not expressly entitle the Attorney General to recover costs or fees, meaning any enforcement work done under this bill may be conducted at a loss. Accordingly, the Attorney General will need funding for its enforcement and litigation efforts, which could amount to a large volume of matters. For context, expert fees in technical or otherwise complex lawsuits often well surpass \$100k in expert fees alone.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27 EXPENDITURES	2027-28 EXPENDITURES
	26-27	27-28		
Assistant Attorney General	1.0	1.0	130,000	133,900
Benefits			57,009	57,599
...				
Operating			100,000	100,000
....				
Travel				
.				
Capital outlay				
Aid				
.				
Capital improvements				
TOTAL			287,009	291,499

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

2026

LB⁽¹⁾ 987

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jennifer Norris Date Prepared: ⁽⁴⁾ 1/15/26 Phone: ⁽⁵⁾ 402 480 9728

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</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 987 proposes the Vision Benefit Plan Act, which requires an insurer or vision benefit manager to publicly disclose information on its website, including all documents and document packages, such as proposals, responses to requests for proposals, enrollment documents, and purchaser contracts. An insurer or vision benefits manager would be required to maintain a phone number and physical mailing address to receive questions, disputes and communications about all matters at all times as prescribed.

Further, the Act provides a number of restrictions and requirements regarding the agreements and contracts between an insurer or vision benefit manager and eye care providers.

The requirements of the act are expected to increase the costs to the plan and the members of those plans due to several factors, including:

- Increased consumer cost of care resulting from mandated reimbursement rates and reduced ability to negotiate reimbursements where appropriate.
- Loss of member discounts on non-covered services, leading to higher out-of-pocket expenses.
- Limitations on tiered, variable, or paid-in-full benefits by requiring standardized benefit designs, which can reduce flexibility and potentially drive higher costs.
- Increased operational expenses due to additional administrative burdens related to contract, provider support, and compliance.

LB987 is projected to result in a 40% premium increase. Premiums are wholly paid by State of Nebraska employees.

The current premiums and projected increase for the State of Nebraska plans are as follows:

Monthly Vision Plan Premiums	Estimated 40% Increase			
	Basic Option	Premium Option	Increase Basic	Increase Premium
Employee Only	\$5.26	\$8.18	\$7.36	\$11.45
Employee+Spouse	\$8.44	\$13.08	\$11.82	\$18.31
Employee+Child(ren)	\$8.62	\$13.32	\$12.07	\$18.65
Family	\$13.86	\$21.50	\$19.40	\$30.10

While there is a definite fiscal impact, the exact impact is indeterminable at this time. However, 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>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

LB: 987 AM: 1826 AGENCY/POLT. SUB: Department of Insurance

REVIEWED BY: Ryan Walton DATE: 2/19/2026 PHONE: (402) 471-4174

COMMENTS: The Department of Insurance's assessment of fiscal impact from LB 987 appears reasonable.

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

LB: 987 AM: AGENCY/POLT. SUB: Attorney General

REVIEWED BY: Ryan Walton DATE: 1/16/2026 PHONE: (402) 471-4174

COMMENTS: Concur with the Attorney General's assessment of fiscal impact from LB 987.

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

LB: 987 AM: AGENCY/POLT. SUB: Department of Health and Human Services (DHHS)

REVIEWED BY: Ryan Walton DATE: 2/12/2026 PHONE: (402) 471-4174

COMMENTS: DHHS' assessment of no fiscal impact from LB 987 appears reasonable.

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

LB: 987 AM: AGENCY/POLT. SUB: Department of Administrative Services (DAS)

REVIEWED BY: Ryan Walton DATE: 1/25/2026 PHONE: (402) 471-4174

COMMENTS: The DAS's assessment of indeterminate fiscal impact from LB 987 appears reasonable.

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 2-12-2026

Phone: (5) 471-6719

	<u>FY 2026-2027</u>		<u>FY 2027-2028</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

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

Explanation of Estimate:

LB987 will establish provisions, rules, and regulations for insurers and vision benefit managers that conduct business in Nebraska and offer vision-related services or materials to enrollees. There will be no fiscal impact on the Department of Health and Human Services.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2026-2027	2027-2028
	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0

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

2026

LB⁽¹⁾ 987

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jordan Blades Date Prepared: ⁽⁴⁾ 2/5/26 Phone: ⁽⁵⁾ 402-471-4638

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	346,118		356,484	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>346,118</u>		<u>356,484</u>	

Explanation of Estimate:

LB 987 creates a new act for oversight over vision benefit plans that would trigger new enforcement requirements for the Department. The Department would be mandated to create mechanisms to receive, process and investigate complaints against vision benefit managers above and beyond policyholder complaints. This act would instead shift focus to oversight of the contractual relationships between eye care providers and vision benefit managers. The Department would be tasked with the review of all notices, amendments, responses to proposals, sales, fee schedules, handbooks, and manuals for compliance with the requirements under the act. These new tasks will require use of market conduct examiners to collect and do the initial analysis of these records with the guidance of another lawyer to the Department to verify their work and take administrative action if necessary. The need for market conduct examiners is also present with the requirement of reviewing all agreements to assure that vision benefit managers and insurers are not including certain prohibited requirements as a condition of participation in a provider network.

LB 987 would also require the Department to assure compliance with standardized codes, names, descriptions, and definitions by the vision benefit manager in the creation of fee schedules between the parties. Once again, this is a newly created task that would need the oversight of an attorney.

Additionally, LB 987 would require the Department to review the insurer's website for mandated provisions in the Act and oversee the following:

- compliance with credential response times,
- appeals were allowed and timely
- make certain that certain incentives are not provided to potential enrollees
- assure that payments for claims were made in a manner outlined in the Act
- review for retaliation if a complaint is filed
- review timelines for cancellation of provider contracts
- review audits performed by the insurer for compliance.

In order to complete the review and assure compliance with contract requirements created in the act the Department anticipates the need for one FTE Attorney III. Additionally, in order to handle the complaints associated with the provisions of the act, and review market compliance with the above outlined provisions the Department anticipates the need of two FTE Market Conduct Examiners.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Attorney III	1	1	102,340	105,410
Market Conduct Examiner II	2	2	102,257	105,324
Benefits.....			132,557	136,534
Operating.....			8,964	9,216
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL			346,118	356,484

State Agency OR Political Subdivision Name:⁽²⁾ University of Nebraska System
 Prepared by:⁽³⁾ Anne Barnes Date Prepared:⁽⁴⁾ 01/20/2026 Phone:⁽⁵⁾ (402) 472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026 - 27		FY 2027 - 28	
	<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

The bill creates the Vision Benefit Plan Act which places certain requirements on vision benefit managers and insurers.

The University of Nebraska does not provide any institutional premium support for employee vision care insurance. The full cost of the premiums is paid by employees. If the enactment of the Vision Benefit Plan Act were to result in an increase premium cost the increase would be fully paid by plan participants.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026 - 27</u>	<u>2027 - 28</u>
	<u>26 - 27</u>	<u>27 - 28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
	<u>0</u>	<u>0</u>	<u> </u>	<u> </u>
	<u>0</u>	<u>0</u>	<u> </u>	<u> </u>
Benefits.....			<u> </u>	<u> </u>
Operating.....			<u> </u>	<u> </u>
Travel.....			<u> </u>	<u> </u>
Capital outlay.....			<u> </u>	<u> </u>
Aid.....			<u> </u>	<u> </u>
Capital improvements.....			<u> </u>	<u> </u>
TOTAL.....			<u> </u>	<u> </u>