

PREPARED BY: Doug Nichols
 DATE PREPARED: March 4, 2011
 PHONE: 471-0052

LB 545

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill would establish a copay for medical services provided at a correctional facility.

The Nebraska Department of Correctional Services (NDCS) states that they believe the bill applies only to jails, not to NDCS, and therefore they estimate no fiscal impact. Their response follows:

LB545 provides for a medical co-pay (amount not specified) from individuals arrested, detained, taken into custody, or incarcerated.

Because the bill amends the Nebraska Revised Statutes Chapter 47, which applies to jails, the Nebraska Department of Correctional Services (NDCS) does not believe it applies to NDCS. Therefore, there is no fiscal impact to NDCS.

IMPACT ON POLITICAL SUBDIVISIONS: The Douglas County Department of Corrections estimates additional revenue from the copay provisions of this bill of approximately \$100,000 per year. Douglas County's response follows:

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$5,057,000	\$100,000	\$5,234,000	\$100,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate: The proposed statute will provide counties with the opportunity to decrease the cost of delivering healthcare to inmates. Analysis of the 2010 Douglas County offender population indicates that over 13,000 inmates were seen at nurse sick call. Implementing a co-pay program is anticipated to reduce sick call and other medical visits by as much as 25%. While Douglas County anticipates reasonable co-pay will generate approximately \$100,000 in revenue; the intangible savings will be realized through reduced future staffing costs and workload management. The cost savings to Douglas County taxpayers would be from reduced escalation of inmate medical; it currently costs over \$5,000,000 per year to provide inmate healthcare services at the Douglas County Department of Corrections.

Please note that Douglas County shows expenditures of \$5,057,000 in FY 2011-2012 and \$5,234,000 in FY 2012-2013 in the boxes at the top of their response (See above). The Legislative Fiscal Office analyst (LFO) understands that this is the current expenditures to provide inmate healthcare services at the Douglas County Department of Corrections. This is NOT the expenditure impact from the provisions of this bill.

Lancaster County estimates a one-time cost of \$3,500 to develop an automated method to deduct funds from those accessing medical care. They estimate additional revenue of \$28,442 to \$75,850 as net copay revenue. Their response follows:

The cost estimate for FY 2011-2012 includes computer programming time to develop an automated method to deduct funds from the accounts of those accessing medical care.

LB 545 may produce revenues for Lancaster County Youth Service Center ranging from \$13,687 to \$36,500 per year, and for the Lancaster County Corrections Department ranging from \$14,755 to \$39,348 per year. [LFO: This adds up to \$28,442 to \$75,850]. This estimate range is based upon a \$5.00 or \$10.00 co-pay, with a deduction of \$2.00 from each co-pay for administrative costs. It is calculated estimating a collection rate of 50%. The Youth Services Center estimate includes a co-pay for passing medications. A more precise estimate cannot be made without knowing the impact the bill will have on access to medical care, and the specific medical services that will require a co-pay.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Joe Wilcox	DATE	2/3/11	PHONE	471-2526
COMMENTS					
DEPARTMENT OF CORRECTIONAL SERVICES: Concur with agency analysis relative to the Nebraska Department of Correctional Services.					
DOUGLAS COUNTY DEPARTMENT OF CORRECTIONS: No basis to dispute Douglas County Corrections' Department estimates as the bill does not establish a co-pay amount but reflects a co-pay of "XX dollars".					
LANCASTER COUNTY: No basis to dispute Lancaster County estimate of expenditures; however, the revenue figures assume a co-pay of \$5 or \$10 and currently LB 545 does not establish the co-pay amount, but merely reflects a co-pay of "XX dollars".					

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LB 545 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) DEPARTMENT OF CORRECTIONAL SERVICES

Prepared by: (3) Kate Morris Date Prepared: (4) 2/3/2011 Phone: (5) 479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	<u>NFI</u>	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	_____	_____	_____	_____

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

Explanation of Estimate:

LB545 provides for a medical co-pay (amount not specified) from individuals arrested, detained, taken into custody, or incarcerated.

Because the bill amends the Nebraska Revised Statutes Chapter 47, which applies to jails, the Nebraska Department of Correctional Services (NDCS) does not believe it applies to NDCS. Therefore, there is no fiscal impact to NDCS.

MAJOR OBJECTS OF EXPENDITURE

Personal Services: _____

POSITION TITLE	NUMBER OF POSITIONS		2011 -2012 EXPENDITURES	2012-2013 EXPENDITURES
	11-12	12-13		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits	_____	_____	_____	_____
Operating	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Capital outlay	_____	_____	_____	_____
Aid	_____	_____	_____	_____
Other	_____	_____	_____	_____
Capital improvements	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____

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LB 545 FISCAL NOTE

LEGISLATIVE FISCAL

State Agency OR Political Subdivision Name: Douglas County Department of Corrections

Prepared By: Jeffery L. Newton CJM Date Prepared: 1-31-11 Phone: 402-599-2278

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2011-2012</u>		<u>FY 2012-2013</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$5,057,000</u>	<u>\$100,000</u>	<u>\$5,234,000</u>	<u>\$100,000</u>
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	_____	_____	_____	_____

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

Explanation of Estimate: The proposed statute will provide counties with the opportunity to decrease the cost of delivering healthcare to inmates. Analysis of the 2010 Douglas County offender population indicates that over 13,000 inmates were seen at nurse sick call. Implementing a co-pay program is anticipated to reduce sick call and other medical visits by as much as 25%. While Douglas County anticipates reasonable co-pay will generate approximately \$100,000 in revenue; the intangible savings will be realized through reduced future staffing costs and workload management. The cost savings to Douglas County taxpayers would be from reduced escalation of inmate medical; it currently costs over \$5,000,000 per year to provide inmate healthcare services at the Douglas County Department of Corrections.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>11-12</u>	<u>12-13</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits	_____	_____	_____	_____
Operating	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Capital outlay	_____	_____	_____	_____
Aid	_____	_____	_____	_____
Capital improvements	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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LB⁽¹⁾ 545 FISCAL NOTE

LEGISLATIVE FISCAL

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County

Prepared by: ⁽³⁾ Kent Griffith Date Prepared: ⁽⁴⁾ January 31, 2011 Phone: ⁽⁵⁾ 402-441-7141

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$3500	\$28,442 to \$75,850		\$28,442 to \$75,850
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$3500	\$28,442 to \$75,850		\$28,442 to \$75,850

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

Explanation of Estimate:

The cost estimate for FY 2011-2012 includes computer programming time to develop an automated method to deduct funds from the accounts of those accessing medical care.

LB 545 may produce revenues for Lancaster County Youth Service Center ranging from \$13,687 to \$36,500 per year, and for the Lancaster County Corrections Department ranging from \$14,755 to \$39,348 per year. This estimate range is based upon a \$5.00 or \$10.00 co-pay, with a deduction of \$2.00 from each co-pay for administrative costs. It is calculated estimating a collection rate of 50%. The Youth Services Center estimate includes a co-pay for passing medications. A more precise estimate cannot be made without knowing the impact the bill will have on access to medical care, and the specific medical services that will require a co-pay.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
	11-12	12-13		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				