

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$409,360		See Below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$409,360		See Below	

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

LB 239 is the Nebraska All-Payer Patient-Centered Medical Home Act. The bill requires the Department of Insurance (DOI) to design and require patient-centered medical home care as developed pursuant to the act to be provided by health insurers to insureds or beneficiaries. The department, with the assistance of an advisory committee, shall design consistent criteria, quality measures and reporting and electronic recordkeeping requirements for patient-centered medical homes by January 1, 2014.

A six member Medical Home Advisory Committee, with an additional two ex-officio non-voting members is created to advise the department on matters related to rules and regulations for the act, standards, and payment mechanisms. DOI is required to provide administrative support to the advisory committee and provide various reports on the implementation of the act.

The bill requires insurers to provide coverage for patient-centered medical home care according to an implementation schedule beginning by April 1, 2015. The provisions of the bill do not apply to policies or employee benefit plans issued or renewed by public employers prior to January 1, 2018.

DOI Expenses: The Department of Insurance indicates it will contract for assistance in the carrying out the provisions of the act. The estimated cost is \$400,000 in FY2013-14. DOI estimates on-going costs of \$100,000. However, annual expenses to administer the provisions of the act will depend upon the regulations developed and required monitoring, reporting and recordkeeping responsibilities of the DOI pursuant to the act. It is assumed the department will utilize its cash funds for this purpose.

Advisory Committee: Members appointed by the Governor are reimbursed for actual and necessary expenses. It is assumed the committee will meet about nine times in FY2013-14 and three times in FY2014-15. The estimated cost to reimburse five members of the advisory committee for expenses is \$9,360 of cash funds in FY14 and \$3,100 of cash funds in FY15.

State Employee and University Health Plans: The financial implications of the patient-centered medical home care act for publically funded health insurance plans for state and university employees are unknown. Any change in costs is dependent upon the design of the plan. LB 239 may not have any fiscal impact for these health plans until FY2017-18 since the bill exempts plans issued by public employers from the requirements of the act until January 1, 2018.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 239	AM:	AGENCY/POLT. SUB: Dept. of Administrative Services
REVIEWED BY: Gary Bush	DATE: February 6, 2013	PHONE: 471-4161
COMMENTS: Agree with the Department of Administrative Services that more information is needed to determine a fiscal impact.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 239	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY: Gary Bush	DATE: January 25, 2013	PHONE: 471-4161
COMMENTS: No basis to disagree with estimate of impact.		

2013 Legislative Bill Proposal Fiscal Note

Bill #: 239

State Agency: Administrative Services – Wellness & Benefits

Prepared by: Roger Wilson

Date Prepared: 01/17/2013

Phone: 402-471-1638

Estimate of Fiscal Impact – State Agencies

	FY 2013-14		FY 2014-15	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds				

Explanation of Estimate:

LB239 provides for the implementation of a new patient primary care model called Patient-Centered Medical Home Care. The initial step would be to establish a committee appointed by the Governor to set policies and provide uniformity and standards along with ongoing oversight for insurers and/or health care providers to carry out this model.

The Patient-Centered Medical Home Care is a new model for the delivery of health care for State employees. There currently is not enough information to project the extent of the impact and costs to the State's health plans. At this time, the fiscal impact is unknown.

Major Objects of Expenditure

Personal Services:

Position Title:	Number of Positions			FY 2013-14	FY 2014-15
	13-14	14-15		Expenditures	Expenditures
Benefits					
Operating					
Travel					
Capital Outlay					
Aid					
Capital Improvements					
TOTAL					

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

2013

LB⁽¹⁾ 239 FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 23, 2013 Phone: ⁽⁵⁾ 402-472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

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

Explanation of Estimate:

After our discussions with our plan administrator, BCBS, we have arrived at the conclusion that the fiscal impact of this bill as written is indeterminable, due to the lack of information specifically discussing finances.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</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.

2013

LB⁽¹⁾ 239 FISCAL NOTE

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

Prepared by: (3) Eric Dunning Date Prepared: (4) 2-7-12 Phone: (5) 402-471-4650

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$411,520		\$103,840	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$411,520		\$103,840	

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

Explanation of Estimate:

Section 7 requires an advisory board to guide and assist the director of insurance in design and implementation of patient-centered medical home, requires the board to propose criteria, consistent quality measures and reporting and record keeping requirements. Section 10 requires the director to direct the advisory committee to consider additional reforms to sickness and accident insurance. Sections 12 and 13 require various reports on the advisory committee. The department has no information on the current progress on these requirements, but assumes it will be required to obtain consulting services to carry out these responsibilities, as it does not currently have this capability. Based upon its experience in obtaining consulting services for other health care related projects, the department estimates this will cost \$400,000 in FY 2013-14, and \$100,000 in subsequent years. These estimates, however, are dependent on the scope of work developed in consultation with an advisory committee which has not been created.

Members of the advisory committee are entitled to be reimbursed for their actual and necessary expenses as provided in Neb. Rev. Stat. § 81-1174 to 81-1177. The bill takes effect upon signature of the Governor. The bill requires seven appointed members, and three ex officio members. This fiscal note assumes twelve meetings in the first year, and four meetings a year thereafter. Assuming that three of the members will be entitled to travel expense reimbursement of \$120 per meeting in addition to reimbursement at the current mileage rate of 56.5 cents per mile, with an average of \$200 of mileage per person, reimbursable board travel has been assumed at \$11,520 in FY 2013-14, and \$3840 in subsequent years.

As no funding source is provided, it is assumed that General Fund appropriations would necessary to pay the expenses.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			\$400,000	\$100,000
Travel.....			\$11,520	\$3840
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$411,520	\$103,840