

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	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 would provide for a drug formulary under the Nebraska Workers' Compensation Act.

The Workers' Compensation Court estimates no fiscal impact from this bill. The Court does note that if additional responsibilities are expected of the court because of this bill, they may have a fiscal impact.

DAS Risk Management estimates no fiscal impact from this bill.

The City of Omaha states it is not possible to estimate a fiscal impact at this time. The city states that they could have increased costs if they could not substitute generic drugs when available.

The City of Imperial estimates no fiscal impact from this bill.

The City of Lincoln states that this bill could save them money but they do not have an estimate at this time.

Lancaster County Risk Management estimates no fiscal impact from this bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 408	AM:	AGENCY/POLT. SUB: City of Omaha	
REVIEWED BY: Joe Wilcox	DATE: 1/24/2017	PHONE: (402) 471-4178	
COMMENTS: No basis to dispute the City of Omaha estimate of Indeterminate Fiscal Impact to the City from LB 408.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 408	AM:	AGENCY/POLT. SUB: Nebraska Workers Compensation Court (37)	
REVIEWED BY: Joe Wilcox	DATE: 1/23/2017	PHONE: (402) 471-4178	
COMMENTS: No basis to dispute the Nebraska Workers Compensation Court estimate of No Fiscal Impact to the Agency from LB 408.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 408	AM:	AGENCY/POLT. SUB: City of Lincoln
REVIEWED BY: Joe Wilcox	DATE: 1/23/2017	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the City of Lincoln estimate of Indeterminate Fiscal Impact to the City from LB 408.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 408 (65)	AM:	AGENCY/POLT. SUB: Department of Administrative Services – Risk Mgt
REVIEWED BY: Joe Wilcox	DATE: 1/20/2017	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Department of Administrative Services – Risk Management Division estimate of No Fiscal Impact to the Agency from LB 408.		

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

2017

LB⁽¹⁾ 408

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) - Risk Management Division

Prepared by: ⁽³⁾ Shereece Dendy Date Prepared: ⁽⁴⁾ Jan. 17, 2017 Phone: ⁽⁵⁾ 402-471-4436

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB408 seeks to allow the Workers' Compensation Court to adopt a list of formulary drugs and provide a procedure should a dispute arise whether a drug should be covered under workers' compensation.

Most carriers and third party administrators already use a formulary drug list and pre-authorize other medications. This proposed change would eliminate any differences between the various carriers and third party administrators by allowing the Workers' Compensation Court to dictate which formulary drugs are reasonable for workers' compensation injuries without the need of a prior authorization. The proposed change also relates to those drugs not listed in the formulary and/or recommended by the Workers' Compensation and provides procedure to seek approval of those drugs either through obtaining a prior authorization and/or an independent medical examination.

There is no fiscal impact to DAS - Risk Management.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2017

LB⁽¹⁾ 408

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Imperial

Prepared by: ⁽³⁾ Jo Heyland Date Prepared: ⁽⁴⁾ 1-17-17 Phone: ⁽⁵⁾ 308-882-4368

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Fiscal Impact is unknown

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2017-18	2018-19
	17-18	18-19	EXPENDITURES	EXPENDITURES
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2017

LB⁽¹⁾ 408

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ CITY OF OMAHA

Prepared by: ⁽³⁾ TYLER LEIMER Date Prepared: ⁽⁴⁾ 1/23/2017 Phone: ⁽⁵⁾ (402) 444-4514

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate: Not possible to estimate a fiscal impact for proposed changes. LB 408 would increase the cost impact of claims if the City had to pay formulary drug costs and not substitute generic when available.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2017

LB⁽¹⁾ 408

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Workers' Compensation Court

Prepared by: ⁽³⁾ Tamra L. Walz Date Prepared: ⁽⁴⁾ January 23, 2017 Phone: ⁽⁵⁾ 402.471.3602

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate: No fiscal impact is expected for the compensation court as a result of LB 408 as currently drafted. This is based on an understanding and expectation that no activity would be required of the court as a result of LB 408 beyond adopting a drug formulary through the court's existing rule-making process, and resolving disputes regarding the formulary under the existing litigation process. Should any additional responsibilities be placed on or expected of the court as a result of LB 408, then an amended fiscal note will be filed with the estimated fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</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.

LB⁽¹⁾ 408

FISCAL NOTE

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

Prepared by: ⁽³⁾ Sue Eckley Date Prepared: ⁽⁴⁾ 1-17-17 Phone: ⁽⁵⁾ 402-441-6510

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	_____	_____	_____	_____

Explanation of Estimate:

NO FISCAL IMPACT

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2017-18	2018-19
	17-18	18-19	EXPENDITURES	EXPENDITURES
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2017

LB⁽¹⁾ 408

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Lincoln

Prepared by: ⁽³⁾ Jan L. Bolin Date Prepared: ⁽⁴⁾ 1/19/17 Phone: ⁽⁵⁾ 402-441-8306

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The City of Lincoln believes that creating an evidence based drug formulary for Workers Compensation claims could save the City money. But without more detail, it is hard to estimate that savings.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____