

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	30,405		60,809	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	30,405		60,809	

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

LB948 would require any health insurance policy to provide coverage for mammograms to include one base-line screening for women 35 and 40 years of age; one screening mammogram every year for women 40 years and older; and a screening digital breast tomosynthesis and a diagnostic magnetic resonance imaging for women 40 years and older based on the recommendation of the patient’s physician, if there is an increased risk of breast cancer to the patient.

The medical plans for the State of Nebraska and University of Nebraska currently covers 100% of these types of services without age or gender restrictions. Additionally, pursuant to an email from DHHS, there would be no fiscal impact for the Medicaid/Medicare programs.

However, the Affordable Care Act provides that if state law mandates insurers to cover benefits on a health insurance exchange that are not included in the final United States Health and Human Services “essential benefits” list then the state must pay the additional costs for those benefits for enrollees in any individual or small group plan. The payment by the state would be either to the insurer offering the coverage or the individual purchasing the plan.

Since mammograms for women between the ages of 35-40 are not included in the essential benefits list, the benefit mandated by the bill will be a cost to the state to defray costs associated with any insurer offering qualified health plans in the individual market in Nebraska.

Medica Insurance Company was the only licensed insurer writing qualified health plans in the market in 2019 so the company’s data on claims were used for estimation of the cost to the state. Additionally, it is estimated that there will be over 3,400 additional participants in the 2020 calendar year then there was in 2019. Estimates of the cost to the state were based on assumptions regarding the percentage of enrollees’ participation in mammograms by women between the ages of 35-40 from the previous year with factoring in the increased number of enrollees. It is estimated that if the proposed mandate would begin for the new plan year beginning January 1, 2020, the cost to the state would be \$30,405 in FY19-20 and \$60,809 in FY20-21.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 948	AM:	AGENCY/POLT. SUB: Department of Insurance
REVIEWED BY: Neil Sullivan	DATE: 2/7/2020	PHONE: (402) 471-4179
COMMENTS: The Department of Insurance assessment of fiscal impact from LB 948 appears reasonable.		
The projected impact would result from payment of potential claims against the state, which are processed in accordance with the State Miscellaneous Claims Act and appropriated to the Department of Administrative Services.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 948	AM:	AGENCY/POLT. SUB: Department of Administrative Services
REVIEWED BY: Neil Sullivan	DATE: 1/16/2020	PHONE: (402) 471-4179
COMMENTS: Concur with the Department of Administrative Services assessment of no fiscal impact from LB 948.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 948	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY: Neil Sullivan	DATE: 1/16/2020	PHONE: (402) 471-4179
COMMENTS: The University of Nebraska assessment of no fiscal impact from LB 948 appears reasonable.		

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

2020

LB⁽¹⁾ 948

FISCAL NOTE

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

Prepared by: ⁽³⁾ Thomas Green II Date Prepared: ⁽⁴⁾ 2/4/2020 Phone: ⁽⁵⁾ 402-471-4650

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$30,405</u>	<u> </u>	<u>\$60,809</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>\$30,405</u>	<u> </u>	<u>\$60,809</u>	<u> </u>

Explanation of Estimate:

LB 948 requires any individual or group sickness and accident insurance policy, any hospital medical, or surgical expense-incurred policy, and any self-funded employee benefit plan to the extent not preempted by federal law, to provide coverage for one screening mammography for women between the ages of 35-40 and various mammograms for women over 40 based upon various factors.

42 U.S.C. § 18031(d)(3)(B), a section of the Affordable Care Act (ACA), provides that beginning January 1, 2014, if a state law mandates insurers cover benefits on a health insurance exchange that are not included in the final United States Health and Human Services "essential benefits" list, the state will pay any additional costs for those benefits for enrollees for any individual or small group plan issued on or after January 1, 2014. The payment by the state would be either to the insurer offering the coverage or the individual purchasing such plan.

Because mammograms for women between the ages of 35-40 are not included in the essential benefits list, this new mandated benefit will be a cost to the State of Nebraska to defray the costs associated with any insurer offering qualified health plans in the individual market in Nebraska.

Medica Insurance Company was the only licensed insurer writing qualified health plans in the individual market in Nebraska in 2019. For January through November 2019, Medica had allowed claims for mammograms for women between the ages of 35-40 totaling \$53,638, which when extrapolated to 12 full months results in an amount equal to \$58,514 for the 2019 calendar year. It is relevant to point out that for the 2020 calendar year, there are expected to be over 3400 additional participants in the insurance exchange than there were for the 2019 calendar year. Assuming that the same percentage of participants are women between the ages of 35-40 and avail themselves of mammograms at the same rates as those that did so in the 2019 calendar year, a reasonable estimate for the cost for the 2020 calendar year would be \$60,809.

Presuming the new mandate would begin for qualified plans issued for the new plan year beginning January 1, 2020, the estimated costs associated with LB 948 triggering 42 U.S.C. § 18031(d)(3)(B) for the State of Nebraska would be \$30,405 in FY 2019-20 and \$60,809 in FY 2020-21.

Any additional regulatory responsibilities of LB 948 on the Department of Insurance, including the possible promulgation of rules and regulations, will be handled by existing staff and resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</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.

2020

LB⁽¹⁾ 948

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jennifer Norris Date Prepared: ⁽⁴⁾ 1/14/2020 Phone: ⁽⁵⁾ 402/471-4443

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB 948 would require any individual or group sickness and accident insurance policy or self-funded employee benefit plan to include coverage for mammograms to include one base-line screening between 35 and 40 years of age; one screening mammogram every year for women forty years of age or older; and based on the recommendation of the patient's physician (for women 40 years of age or older) a screening digital breast tomosynthesis ever year and a diagnostic magnetic resonance imaging.

All medical coverage plans for the State of Nebraska teammates currently cover these types of services without age or gender restrictions.

The State of Nebraska WellNebraska with Incentive In-Network services for all mammograms (including 3D), both preventative and diagnostic, are covered at 100%, no copay, no deductible and no age or frequency limits.

All other State of Nebraska medical plans In-Network services allow the first mammogram (including 3D) of the plan year is to be paid at the preventative level coverage of 100%, regardless of age or diagnosis. Any subsequent mammogram in the same plan year pays the same as all other medical plan coverage with plan applicable copays and deductibles.

There is no fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</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.

2020

LB⁽¹⁾ 948

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 16, 2020 Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</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 bill improves coverage for mammograms, but is already included in coverage under the University plan. Therefore there is no fiscal impact on the University.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____