

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB30 would require that any individual or group health insurance policy or any self-funded employee benefit plan, to the extent not preemptive by federal law, limit the total amount covered individuals are required to pay for prescription insulin drugs at an amount not to exceed one hundred dollars per thirty day supply, regardless of the amount or type of insulin needed to fulfill the covered individual's prescription. This bill has an effective date of January 1, 2022.

The State of Nebraska offers six health plans, three of which divides prescription drugs into 3 tiers with an assigned corresponding deductible or copay dependent upon the type. The co-pays under these three plans are below the one hundred dollar limit as introduced by the bill; therefore there is no expected fiscal impact for these plans. The other three plans that are offered are High-Deductible Health Plans. For these plans, the cost of claims over one hundred dollars would shift to the State of Nebraska, however, the fiscal impact would be minimal based on historical data. It is estimated that the shift of the state employee's costs to the State of Nebraska Pharmacy plan would have an estimated increase in FY20-21 of \$5,000 and on-going annual costs of \$10,000. The estimated increase would have a nominal fiscal impact to the State of Nebraska's medical/pharmacy plans.

The University of Nebraska's pharmacy plan currently covers individuals' costs for insulin products at or under one hundred dollars that are on the University plan's formulary drug list. However, certain insulin drugs are not currently covered under the University plan's formulary and may cost over one hundred dollars. If the bill intends to provide coverage for these drugs that are not included in the University's formulary, the University anticipates a minimal fiscal impact of less than \$15,000.

The Department of Insurance anticipates no fiscal impact. No expected duties are expected of the Department, however, should there be any increased enforcement such duties will be absorbed by available resources.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 30	AM:	AGENCY/POLT. SUB: Department of Administrative Services	
REVIEWED BY: Neil Sullivan	DATE: 1/19/2021	PHONE: (402) 471-4179	
COMMENTS: The Department of Administrative Services estimate of minimal fiscal impact from LB 30 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 30	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Neil Sullivan	DATE: 1/25/2021	PHONE: (402) 471-4179	
COMMENTS: The University of Nebraska assessment of minimal fiscal impact from LB 30 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 30	AM:	AGENCY/POLT. SUB: Department of Insurance
REVIEWED BY: Neil Sullivan	DATE: 2/22/2021	PHONE: (402) 471-4179
COMMENTS: The Department of Insurance assessment of no fiscal impact from LB 30 appears reasonable.		

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

2021

LB⁽¹⁾ 30

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⁾ 01/11/2021 Phone: ⁽⁵⁾ 402-471-4443

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See Below</u>	<u>_____</u>	<u>See Below</u>	<u>_____</u>

Explanation of Estimate:

LB 30 would require, effective January 1, 2022, any self-funded employee benefit plans to the extent not preempted by federal law, which provides reimbursement for prescription insulin drugs, to limit the amount that a covered individual is required to pay for a covered prescription insulin drug no more than \$100.00 for a thirty-day supply of insulin, regardless of the amount or type of insulin needed to fill the covered individuals prescription.

The State of Nebraska offers six health plans: three with pharmacy copays that divide drugs into three tiers – WellNebraska with Incentive, WellNebraska without Incentive and Regular Health. Current member pharmacy copays for insulin for the Well/Regular plans are below the \$100 limit introduced; therefore, there is no expected fiscal impact for these plans.

There are three High Deductible Health Plans – Consumer Focus, Primary Care Select and Primary Care Standard with pharmacy costs within the deductible costs. For these plans, the cost of any claims over \$100 would shift to the State of Nebraska; therefore, there is a potential fiscal impact. Records show the average cost of an insulin prescription is \$98, thus the fiscal impact to the State for claims over \$100 is anticipated to be minimal.

Ninety percent (90%) of program membership are enrolled in the plans offering pharmacy copays with the remaining 10% in the high deductible plans.

For FY19-20, the pharmacy claims paid for the State of Nebraska health plans totaled \$48,819,000. Medical and Pharmacy Benefits for the State of Nebraska are self-insured. Any increase in claims will be reflected in the cost of premiums. The State of Nebraska pays 79% of the premiums with the teammate paying 21%.

To apply LB 30 as a monthly limit of \$100 total for all insulin prescriptions, it is estimated as an increase in in FY21-22 of \$5,000 (1/2 plan year) and \$10,000 in FY22-23. This estimated increase would have a limited fiscal impact on the State of Nebraska’s medical/pharmacy plans.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>21-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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2021

LB⁽¹⁾ 30

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 11, 2021 Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</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:

Based on the University of Nebraska’s Insurance Plan we would cover any insulin products that are on the formulary, which would include providing a price under \$100 a month, as required by the bill. *In instances where an insulin drug is not on our formulary, we offer a reasonable alternative.*

Where a potential, but minimal (<\$15,000) fiscal impact lies is with the fact that the bill does not specifically state that this applies only to drugs covered by a plan’s formulary. If it includes drugs outside of the University’s formulary, it is possible that it would exceed the \$100/month and therefore could have a nominal impact on the University.

No fiscal impact is requested.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</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.

2021

LB⁽¹⁾ 30

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Insurance

Prepared by: ⁽³⁾ Thomas Green Date Prepared: ⁽⁴⁾ 2/19/2021 Phone: ⁽⁵⁾ 402-471-4650

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</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:

LB 30 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, which provides reimbursement for prescription insulin drugs to limit the total amount that a covered individual is required to pay for covered prescription insulin drugs of any type at an amount not to exceed one hundred dollars per 30 day supply.

The Department anticipates no fiscal impact as a result of LB 30. No increased duties are expected of the Department, however, should there be any increased enforcement requirements as a result of LB 30, such duties will be absorbed by existing resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____