

PREPARED BY: Nikki Swope  
 DATE PREPARED: January 26, 2022  
 PHONE: 402-471-0042

**LB 966**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	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.**

LB 966 proposes adoption of the Discretionary Clause Prohibition Act.

No fiscal impact.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 966	AM:	AGENCY/POLT. SUB: Department of Insurance
REVIEWED BY: Neil Sullivan	DATE: 1/20/2022	PHONE: (402) 471-4179
COMMENTS: The Department of Insurance assessment of no fiscal impact from LB 966 appears reasonable.		

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 966	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY: Neil Sullivan	DATE: 1/26/2022	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the University of Nebraska assessment of no fiscal impact from LB 966.		

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

**2022**

**LB<sup>(1)</sup> 966**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Insurance

Prepared by: <sup>(3)</sup> Megan VanAusdall Date Prepared: <sup>(4)</sup> 1/13/2022 Phone: <sup>(5)</sup> 402-471-4742

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2022-23</u>		<u>FY 2023-24</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 966 would require that any policy offered or issued in this state contain a provision that forbids either a health carrier or a disability income protection coverage provider from having the discretion to interpret the terms of a contract or determine eligibility for benefits (a so-called "Discretionary Clause Prohibition"). This proposed legislation would only affect a health carrier or an insurer which offers disability income protection coverage.

The Department does not anticipate a fiscal impact from this.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</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 <sup>(1)</sup> 0966 Adopt the Discretionary Clause Prohibition Act relating to insurance FISCAL NOTE

State Agency OR Political Subdivision Name:<sup>(2)</sup> University of Nebraska System

Prepared by:<sup>(3)</sup> Chris Kabourek Date Prepared:<sup>(4)</sup> 01/25/2022 Phone:<sup>(5)</sup> (402) 472-7102

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	0.00	0.00	0.00	0.00
CASH FUNDS	0.00	0.00	0.00	0.00
FEDERAL FUNDS	0.00	0.00	0.00	0.00
OTHER FUNDS	0.00	0.00	0.00	0.00
TOTAL FUNDS	0.00	0.00	0.00	0.00

Explanation of Estimate:

The University of Nebraska health insurance plan is self insured. Under the terms of our current agreement with UMR, the third party administrator of our health insurance plan, the University controls the benefits eligibility of plan participants.

There is a section in our current contract with UMR that reads "the University delegates to UMR the discretionary authority to (1) construe and interpret the terms of the Plan, (ii) to determine the validity of charges submitted to UMR under the Plan, and (iii) make final, binding determinations concerning the availability of Plan benefits under the Plan's internal appeal process, all in compliance with applicable law and regulation."

The section of the existing contract with UMR is necessary to make claim and appeal determinations. UMR's opinion is that the bill, as written, is not applicable to our current contract. This bill has been sent to the University's legal counsel for further review.

There is a similar section in the bill that adds the same language to disability income protection benefit plans. The University offers a long term disability benefit plan. UNUM, the third party administrator of our long term disability plan, believes they can comply with the regulations in the proposed bill.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2022-23	2023-24
	22-23	23-24	EXPENDITURES	EXPENDITURES
	0	0		
	0	0		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				