

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$5,900,000		\$6,300,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$5,900,000		\$6,300,000	

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

LB 145 would amend provisions relating to coverage for screening mammography and breast examinations. LB 145 expands coverage to women under the age of 40 and who have a family history of breast cancer and allows coverage for an annual exam for women ages 40 or older, a change from the previously statutorily set minimum age of 50. The bill further allows for interval examinations considered medically necessary by the patient’s healthcare provider.

Currently, both the State of Nebraska and the University of Nebraska System healthcare plans cover the types of mammogram screenings as outlined in the bill with no age restrictions.

Since LB 145 would create a new healthcare mandate, the Affordable Care Act requires the defrayal of all costs of newly created health insurance mandates by state. The defrayal of costs are done either through reimbursement by the state to the insurer or enrollee. These costs quantify the cost attributable to the new mandated mandate and these costs are submitted to the state for reimbursement.

The Department of Insurance contacted insurers for an estimation of the costs as proposed in LB 145. The estimates of the costs received were between \$5 and \$11 per month, which would result in a cost to the state between \$5.9 to \$13.1 million in FY 24. Assuming a trend of annual increases to health insurance of 6.5%, this amount would increase to a range of \$6.3 to \$14 million in FY 25.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 145	AM:	AGENCY/POLT. SUB: Department of Administrative Services (DAS)	
REVIEWED BY: Ryan Walton	DATE: 1/13/2023	PHONE: (402) 471-4174	
COMMENTS: The Department of Administrative Services assessment of no fiscal impact to the State of Nebraska health plans from LB 145 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 145	AM:	AGENCY/POLT. SUB: Department of Insurance	
REVIEWED BY: Ryan Walton	DATE: 2/3/2023	PHONE: (402) 471-4174	
COMMENTS: The Department of Insurance assessment of fiscal impact to the agency from LB 145 appears reasonable.			

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

2023

LB⁽¹⁾ 145

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⁾ 1/9/2023 Phone: ⁽⁵⁾ 402-480-9728

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 145 as introduced, changes provisions relating to coverage for screening mammography and breast examinations. LB 145 expands coverage to women under 40 years of age and who have a family history of breast cancer, a mammogram at the age and in the intervals considered medically necessary and expands the age of 40 or older for annual mammograms.

Currently, coverage within the State of Nebraska health plans provides for these types of mammography and breast examination screenings. The state health plans contain no age limits. There will be no changes needed in our plans to include this requirement.

LB 145 has no fiscal impact to the State of Nebraska health plans.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</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.

2023

LB⁽¹⁾ 145

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jordan Blades Date Prepared: ⁽⁴⁾ 2/1/2023 Phone: ⁽⁵⁾ 402-471-1432

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	\$5,900,000	_____	\$6,300,000	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$5,900,000</u>	_____	<u>\$6,300,000</u>	_____

Explanation of Estimate:

LB145 would create a new health insurance mandate requiring insurers cover mammograms for women under forty years of age at the age and in intervals considered medically necessary by the patient’s health care provider. Insurers who provide coverage for screening mammography would also be required to provide coverage for diagnostic imaging or mammography, diagnostic ultrasound, and supplemental breast screening.

The Affordable Care Act (ACA) requires the defrayal of all costs of newly created health insurance mandates by a state. This is done either through reimbursement by the state to the issuer of a Qualified Health Plan (QHP) (hereinafter “insurer”) or enrollee. Pursuant to the ACA, the insurer quantifies the cost attributable to the new mandated benefit and that cost is submitted to the state for reimbursement.

The Department contacted several insurers and asked for an initial estimate of the costs associated with coverage of the new mandated benefits as proposed in LB145. The estimates from insurers for increased premium costs for their plans ranged from \$900,000 per year to \$5.3 million per year. These estimates are based upon projected utilization and relevant enrollee population. Please note that the defrayal costs are charged by each individual QHP insurer. Depending upon the relevant population of insureds that have coverage under that insurer. The costs could potentially exceed the range provided depending upon actual utilization by all eligible enrollees in the plan(s). In any instance, the amount spent, pursuant to the ACA, must be reimbursed by the state.

The estimates in costs we received were between \$5 and \$11 per member per month. If we assume similar enrollment numbers to 2022, this would result in a total cost to the state between \$5.9 million and \$13.1 million for fiscal year 2023-2024. Assuming a medical cost trend of 6.5% this amount would increase to a range of \$6.3 million to \$14 million for fiscal year 2024-2025.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____

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

2023

LB ⁽¹⁾ 0145 Change provisions relating to coverage for screening mammography and breast examinations **FISCAL NOTE**

State Agency OR Political Subdivision Name:⁽²⁾ University of Nebraska System
 Prepared by:⁽³⁾ Chris Kabourek Date Prepared:⁽⁴⁾ 01/12/2023 Phone:⁽⁵⁾ (402) 472-7102

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2023 - 24		FY 2024 - 25	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
CASH FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FEDERAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
OTHER FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Explanation of Estimate:

This legislation would have no impact on the University of Nebraska System's health plan. The University's health plan already covers mammograms with no age restrictions.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023 - 24 EXPENDITURES</u>	<u>2024 - 25 EXPENDITURES</u>
	<u>23 - 24</u>	<u>24 - 25</u>		
	<u>0</u>	<u>0</u>		
	<u>0</u>	<u>0</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				