

PREPARED BY: Nikki Swope
DATE PREPARED: January 18, 2024
PHONE: 402-471-0042

LB 1094

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	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 1094 proposes to limit the out-of-pocket cost of a two-pack of medically necessary epinephrine injectors to no more than \$60, regardless of the type of epinephrine injector. The effective date is January 1, 2025.

Both the State of Nebraska employees and the University System health plans provide for the coverage as outlined in the bill.

No fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1094	AM:	AGENCY/POLT. SUB: University of Nebraska System	
REVIEWED BY: Ryan Walton	DATE: 1/22/2024	PHONE: (402) 471-4174	
COMMENTS: The University of Nebraska System's assessment of no fiscal impact from LB 1094 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1094	AM:	AGENCY/POLT. SUB: Department of Administrative Services (DAS)	
REVIEWED BY: Ryan Walton	DATE: 1/17/2024	PHONE: (402) 471-4174	
COMMENTS: DAS's assessment of fiscal impact from LB 1094 appears reasonable.			

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

2024

LB⁽¹⁾ 1094

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⁾ 1/11/24 Phone: ⁽⁵⁾ 402/480-9728

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>

Explanation of Estimate:

LB 1094 proposes to limit the out-of-pocket cost of a two-pack of medically necessary epinephrine injectors to no more than \$60 regardless of the type of epinephrine injector for covered individuals beginning January 1, 2025.

The state’s health plan currently already complies with this requirement.

LB 1094 also proposed to require coverage for generic and authorized generic versions of such inhaled prescription corticosteroid medication beginning January 1, 2025.

Regarding inhaled corticosteroid medications, the State’s plan currently covers either the generic versions or a lesser cost medication of the same type. There is no way to predict how many prescriptions would switch to a generic version, which could potentially increase plan costs as some brand name drugs on the State’s Prescription Drug List (PDL) actually cost the plan less than the generic versions.

Assuming all users were to switch to a more expensive inhaled corticosteroid medication, an estimated maximum increase to the plan costs would be \$146,790 annually. There are approximately 630 users with an average annual increase of \$233 per prescription (630 x \$233 = \$146,790).

The estimated impact for FY24-25 is \$73,395 (the bill is effective January 1, 2025), and \$146,790 in FY25-26.

The State of Nebraska plans are self-insured, any increases may cause an increase to premiums. The state covers 79% of premiums while the employee covers 21%. It is estimated the maximum fiscal impact to the State would be \$57,982 in FY24-25 and \$115,964 in FY25-26

$$\begin{aligned}
 &\$73,395 \times 79\% = \$57,982 \\
 &\$146,790 \times 79\% = \$115,964
 \end{aligned}$$

The table below summarizes the estimated impact by fund type of any premium increases. The allocation by fund type is based on an average for Benefit expenditures over a four-year period (2020-2023).

Fund Type	Expenditures – FY24-25	Expenditures – FY25-26
General Fund	\$29,491	\$58,982
Cash Fund	\$14,542	\$29,084
Federal Fund	\$11,192	\$22,384
Revolving Fund	\$2,757	\$5,514
Total	\$57,982	\$115,964

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</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.

2024

LB ⁽¹⁾ 1094 Provide restrictions on insurance coverage of epinephrine injectors and inhalers **FISCAL NOTE**

State Agency OR Political Subdivision Name:⁽²⁾ University of Nebraska System
 Prepared by:⁽³⁾ Chris Kabourek Date Prepared:⁽⁴⁾ 01/18/2024 Phone:⁽⁵⁾ (402) 472-7102

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024 - 25		FY 2025 - 26	
	<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:

No fiscal impact

The University's current health plan provides coverage of epinephrine injectors at copay amounts less than the maximum amounts listed in Section 1 of the bill.

The University's current health plan provides coverage of generic and authorized generic versions of inhaled prescription corticosteroid medication as required in Section 2 of the bill.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024 - 25 EXPENDITURES</u>	<u>2025 - 26 EXPENDITURES</u>
	<u>24 - 25</u>	<u>25 - 26</u>		
	<u>0</u>	<u>0</u>		
	<u>0</u>	<u>0</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				