

PREPARED BY: Nikki Swope
 DATE PREPARED: January 14, 2022
 PHONE: 402-471-0042

LB 737

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$14,812		\$40,304	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$14,812		\$40,304	

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

LB 737 would create a Primary Care Investment Council consisting of 15 voting members appointed by the Governor and two ex officio nonvoting members, or their designees, of the Director of Insurance and Director of Medicaid and Long-Term Care of NDHHS.

The University of Nebraska System currently collects this the data as required by the Federal government to make the recommendations required by the proposed council therefore there would be no fiscal impact. The costs associated for the Director of Medicaid and Long-Term Care of NDHHS would be absorbed by existing resources.

The Department of insurance anticipates an annual travel expenditures for members of the appointed council to attend the mandated meetings as outlined in the bill. Additionally, under the bill, DOI must provide administrative support and to rent space to hold the meetings and publish notification of the meetings to meet the Open Meetings Act mandates. DOI is also required to produce an annual report on the council's findings and progress each year that the council is in existence, beginning in 2023. DOI anticipates contracting expenses will be needed to fulfill this requirement of the council. The total cost to DOI for these expenses is \$14,812 in FY 2022-23 and \$40,304 in FY 2023-24.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 737	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Neil Sullivan	DATE: 1/13/2022	PHONE: (402) 471-4179	
COMMENTS: The University of Nebraska assessment of no fiscal impact from LB 737 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 737	AM:	AGENCY/POLT. SUB: Department of Insurance	
REVIEWED BY: Neil Sullivan	DATE: 1/14/2022	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Department of Insurance assessment of fiscal impact from LB 737. Contractor would not be included in personal services.			

CONTINUED

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 737	AM:	AGENCY/POLT. SUB: Department of Administrative Services
REVIEWED BY: Neil Sullivan	DATE: 1/14/2022	PHONE: (402) 471-4179
COMMENTS: The Department of Administrative Services assessment of no fiscal impact from LB 737 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 737	AM:	AGENCY/POLT. SUB: Department of Health & Human Services
REVIEWED BY: Neil Sullivan	DATE: 1/13/2022	PHONE: (402) 471-4179
COMMENTS: The Department of Health & Human Services assessment of no fiscal impact from LB 737 appears reasonable.		

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

2022

LB ⁽¹⁾ 0737 Adopt the Primary Care Investment Act

FISCAL NOTE

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

Prepared by:⁽³⁾ Chris Kabourek

Date Prepared:⁽⁴⁾ 01/12/2022

Phone:⁽⁵⁾ (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:

LB 737 would form a group called the Primary Care Investment Council that will use data that is already required to be submitted to the Federal government to make recommendations. There are no additional requirements for the University of Nebraska System as a result of LB 737 therefore there is no fiscal impact.

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.....				

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2022

LB⁽¹⁾ 737

FISCAL NOTE

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

Prepared by: ⁽³⁾ Seth J. Felton Date Prepared: ⁽⁴⁾ 1-10-2022 Phone: ⁽⁵⁾ (402) 471-4650

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	<u>\$14,812</u>	<u> </u>	<u>\$40,304</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>\$14,812</u>	<u> </u>	<u>\$40,304</u>	<u> </u>

Explanation of Estimate:

LB 737 creates a 15-member council on primary care investment. Members of the council are entitled to be reimbursed for their actual and necessary expenses as provided in Neb. Rev. Stat. §§ 81-1174 to 81-1177. The council must meet at least once per year, beginning with an organizational meeting in October 2022. Presuming that the council meets three times per fiscal year (particularly in its first two years of existence as it works to fulfill its mandate) and that half of its members will incur travel and/or lodging expenses in attending the meetings, those members will likely each incur average expenses of \$200 per meeting, for a total of \$1,600 per meeting (assuming 8 of the 15 incur reimbursable expenses for lodging in Lincoln plus mileage at the current rate of 58.5 cents per mile). The resulting total expenditure per fiscal year would be \$4,800.

As no funding source is provided in the bill, it is assumed that General Fund appropriations would be necessary to pay the reimbursable expenses of the council members.

Under the bill, DOI must provide administrative support to the council. Because the council appears to meet the definition of a public body under the Open Meetings Act (Neb. Rev. Stat. §§ 84-1407 et seq.), DOI assumes that administrative support to the council will include arranging for meeting space for council meetings and providing public notice of each meeting and other tasks required to ensure compliance with the Open Meetings Act. DOI estimates that such administrative support will require 10 hours of staff time per month. 9 months of staff time is included in the FY 22-23 estimate, with 12 months of staff time included in the FY 23-24 estimate.

Rental of meeting space to accommodate attendance by the public may be necessary as well given space limitations at the DOI's office, the cost of which is estimated at \$250 per meeting, for a total of \$750 assuming three meetings a year. Lastly, publishing notice of council meetings in a newspaper of general circulation would likely cost approximately \$600 per meeting, for a total of \$1,800 assuming three meetings a year.

DOI must also produce an annual report on the council's findings and progress each year that the council is in existence, beginning in 2023. DOI anticipates contracted analysis and reporting will be necessary to fulfill the requirements of the council. DOI estimates 80 hours of contractor time per annual report may be needed. Assuming a contractor rate of \$300 per hour, the annual cost for the report is estimated to be \$24,000.

As no funding source is provided in the bill for the above duties and expenses, it is assumed that General Fund appropriations would be necessary to pay the expenses incurred.

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>
Contractor		1		\$24,000
DOI administrative support			\$6,480	\$7,776
Benefits.....			\$982	\$1,178
Operating.....			\$2,550	\$2,550
Travel.....			\$4,800	\$4,800
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$14,812	\$40,304

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2022

LB⁽¹⁾ 737

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⁾ 01-07-2022 Phone: ⁽⁵⁾ 402-471-4443

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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB 737 would adopt the Primary Care Investment Act, which creates the Primary Care Investment Council.

On December 27, 2020 the federal Consolidated Appropriation Act (CAA) became law. It requires group health plans to provide various data on total hospital spending, etc., to the federal government. The purpose of Primary Care Investment Council is to analyze the data collected by the federal government and other data sources for Nebraska, etc., to assist the Legislature in understanding various aspects of health care.

Currently, the State of Nebraska health plans contract with a third-party administrator who complies with the CAA by providing the required data.

LB 737, as introduced, 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>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.....	_____	_____	_____	_____

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 1-11-2022

Phone: (5) 471-6719

	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				
	\$0	\$0	\$0	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

This bill would create a Primary Care Investment Council consisting of 15 voting members appointed by the Governor. There are two ex officio nonvoting members or their designees for the Director of Insurance and Director of Medicaid and Long-Term Care (MLTC) of the Department of Health and Human Services. Any costs associated with time devoted to the activities of the Council by the Director of MLTC would be absorbed.

There is no fiscal impact for the Department of Health and Human Services.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2022-2023	2023-2024
		22-23	23-24	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$0	\$0