

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES * | | | | |
|---|---------------------|----------------|---------------------|----------------|
| | FY 2012-13 | | FY 2013-14 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | See Below | | See Below | |
| CASH FUNDS | See Below | \$500,000 | See Below | \$1,000,000 |
| FEDERAL FUNDS | See Below | | See Below | |
| OTHER FUNDS | See Below | | See Below | |
| TOTAL FUNDS | See Below | \$500,000 | See Below | \$1,000,000 |

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1129 requires health insurance plans sold in the state on or after January 1, 2013 to provide coverage for the screening, diagnosis, and treatment of autism spectrum disorder for persons under age 21. Except as noted below, coverage shall not be subject to any limits on the number of visits and not be subject to dollar limits, deductibles, copayments or coinsurance provisions that are less favorable than equivalent provisions applying to a physical illness.

Coverage for behavioral health treatment is subject to a maximum benefit of \$70,000 per year for persons nine years of age or under and \$20,000 for persons over nine years of age, up to age 21. The Director of Insurance is to adjust the maximum benefit for inflation on an annual basis beginning in January, 2014. Insurers may request a review of the treatment of a person with autism spectrum disorder not more than once every twelve months and shall pay the cost of such review.

State Health Insurance Plan: The fiscal note submitted by the Department of Administrative Services indicates there are currently 25 children diagnosed with autism on the state health insurance plan. Eleven of the children are age 9 or younger and 14 are age 10 to 21. According to the state's health care provider, the costs for applied behavior analysis services for children can range from \$200-\$1,000 for basic caregiver education; up to \$5,000 per year for therapist-in-training caregivers; or, up to \$50,000 per year for a full-time trained therapist assigned to a child.

It is unknown what benefits would accrue to the 25 children currently enrolled in the state plan. The costs could range from a minimum of \$200 to a maximum of \$70,000 for children under age 9 or to \$20,000 for children over age 9 to age 21. Assuming each child enrolled in the plan receives some service, the estimated range of expenditures for both groups of children is \$5,000 to \$1,050,000.

The state health insurance plan is self-insured, with 79% of the premium being paid by the state. So, the fiscal impact of the bill could range from \$3,950 to \$829,500 for the state. The funding sources for the state health insurance plan are: general funds (37%); cash funds (30%); federal funds (23%); and, revolving funds (10%). Only half of the estimated fiscal impact will be incurred in FY13 due to the effective date of coverage in the bill.

University of Nebraska Health Insurance Plan: The University of Nebraska estimates the bill may impact coverage provided to 16 children. It is unknown what benefits would accrue to the 16 children currently enrolled in the University plan. The estimated cost could be minimal \$3,200 (\$200 per child) or range up to \$800,000 (\$50,000 per child).

The University indicates that 82% of the premium for the health care plan is paid by the University. So, the fiscal impact of the bill will range from \$2,624 to \$656,000 for the University. The funding sources for the University health insurance plan are: general funds (22%); cash funds (17%); federal funds (24%); and, other funds (37%). Only half of the estimated fiscal impact will be incurred in FY13 due to the effective date of coverage in the bill.

University of Nebraska Medical Center: UNMC anticipates an increase in services provided to children with autism pursuant to the bill because individuals will have insurance coverage for the disorder. UNMC projects the addition of 13.0 FTE to provide services and support at an annual cost of \$887,840 in FY2013-14. Estimated expenditures in FY2012-13 will be \$434,800 due to the effective date of the required insurance coverage. It is estimated cash fund revenue of approximately \$1 million will be sufficient to fund the additional FTE.

DEPARTMENT OF ADMINISTRATIVE SERVICES

| REVIEWED BY | Gary Bush | DATE | 1/30/12 | PHONE | 471-2526 |
|--|-----------|------|---------|-------|----------|
| COMMENTS | | | | | |
| ADMINISTRATIVE SERVICES: Agency's estimate of impact appears to be reasonable. | | | | | |
| DEPARTMENT OF INSURANCE: Concur. | | | | | |
| UNIVERSITY OF NEBRASKA: No basis to disagree with estimate for UNMC. No basis to disagree with estimate to the self-insurance plan. The University has other funding sources available so the impact to the General Fund would likely be less. | | | | | |