

PREPARED BY: Liz Hruska
 DATE PREPARED: May 26, 2020
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LB 1183

Revision: 01

Revised based on amendments adopted through 3-9-20

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

This bill creates the seventeen member Health Information Technology Board. The board would be appointed by October 1, 2020 and begin meeting on or before December 1, 2020. The board shall establish criteria for data collection and disbursement by the statewide health information exchange (HIE), evaluate and ensure the HIE is meeting technological standards for reporting data, provide governance and oversight of the HIE and the prescription drug monitoring program.

The Department of Health and Human Services is required to contract with a statewide health information exchange for administration of the Health Information Technology Board. The administrative duties include all duties relating to the operation of the board such as handling meeting notices, recording and distributing minutes and reimbursing board members for necessary travel. The language states the contracted health information exchange will fund such activities. It is unclear if the funding is to come from the State in the contract or if the exchange would use other funding available to the organization. The estimated cost is \$24,000 annually.

As amended, this bill creates the Population Health Information Act. The purpose of the act is to designate an entity to provide the data infrastructure needed to assist in creating a healthier Nebraska and operating the electronic health records initiative. Duties are assigned to the designated health information exchange to aggregate clinical information, access and analyze health data, enable any health care provider or entity to access information and act as the primary collector and reporter of public health data. The Department of Health and Human Services would work collaboratively with the health information exchange to access federal funding. These provisions do not have a fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1183	AM: 2607	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 7-15-20	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Health and Human Services' estimate of fiscal impact.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Mike Michalski

Date Prepared 7-14-2020

Phone: (5) 471-6719

	<u>FY 2020-2021</u>		<u>FY 2021-2022</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$24,000	\$0	\$24,000	\$0
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$24,000	\$0	\$24,000	\$0

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

Explanation of Estimate:

LB1183, as amended by AM2607, proposes to statutorily create the Population Health Information Act. This Act designates a statewide health information exchange (HIE) to provide the data infrastructure needed to assist in creating a healthier Nebraska and operate the electronic health records initiative. LB1183, as amended, requires the HIE to conduct various duties related to the gathering, access and analysis of data for purposes of informing the Legislature, the Department of Health and Human Services, health care providers, and health care entities as to the cost of, access to, and quality of health care in Nebraska.

Duties specified in Section 3, Subsections 2, 3 and 4 for the HIE are currently performed within DHHS or contracted to NeHii. Should LB1183, as amended by AM2607, be enacted, DHHS would still be required to perform all duties related to the gathering, access and analysis of data for the purposes of being in compliance with Nebraska Statutes and its funding partners' electronic systems and reporting requirements. There are numerous Nebraska Statutes that require DHHS to perform data collection, analysis and reporting for certain registries, health conditions, diseases, etc. Therefore, this fiscal note assumes that LB1183, as amended, does not replace the current duties performed by DHHS.

LB1183, as amended, does not address collection and analysis of non-electronic data used for registries, immunization reporting, laboratory reporting and syndromic surveillance. Currently, the HIE is used by DHHS as the common hub used to collect public health data from reporting entities. The HIE obtains data directly from the enrolled provider's software systems, aggregates the health data for specific purposes and then transmits the data to DHHS. DHHS merges the electronic data with manual data, makes analyses and provides local, state and federal government reporting as well as reporting to the health care community and public needed to meet the Agency's mission. The current HIE is funded through contract agreements to make and maintain connections with facilities for specific purposes. This fiscal note assumes DHHS will continue to manually combine data as needed to meet its analysis and reporting requirements.

LB1183, as amended, is unclear as to the possibility of limited funding available for additional costs incurred by the HIE outside of current contractual duties. DHHS requested an estimate from NeHii and has not received a response. Therefore, this fiscal note assumes any acquired funding would be received by the HIE directly from the fund source and not through DHHS and assumes existing funding acquired by DHHS would not be used to fund additional costs to the HIE associated with LB1183.

LB 1183, as amended, also creates the Health Information Technology Board (HIT) that is charged with duties related to the policies and procedures regarding data collection and use submitted through the Prescription Drug Monitoring Program (PDMP). The HIT is also charged with providing governance and oversight to ensure that health information in the HIE for the PDMP is accessed, used or disclosed per certain laws and regulations.

LB 1183 also statutorily requires DHHS to contract with the HIE to provide administrative services and funding for all board related activities including expense reimbursements. DHHS requested an estimate from NeHii for this and has not received a response. This estimate is based upon current regular personnel rates being charged to DHHS by NeHii at \$50 per hour plus 39% overhead. We do not know if these persons are administrative in nature as technical and executive positions are charged at a flat rate range of \$75 to \$175 per hour. This estimate expects the maximum administrative rate, including overhead, to be \$50 per hour. The estimate is based on the HIT Board meeting four (4) times per year with each member submitting \$250 per meeting for actual expenses to be reimbursed, including travel, lodging, meals, etc. Due to the size of the HIT Board, meeting space may have to be rented and is included in this estimate.

HIT Board Administrative Cost Estimate:

- a) Administrative Assistant – 24 man hours per meeting to reserve meeting space, attend meetings, provide meeting notices, prepare and distribute meeting minutes, process reimbursement requests and any other administrative tasks necessary for the HIT Board to carry out its duties. 24 hours x 4 meetings x \$50 per hour = \$4,800 per year
- b) Meeting space rental. \$500 per meeting = \$2,000 per year
- c) Miscellaneous supplies for meeting administrative tasks, meeting refreshments, etc. \$50 per meeting = \$200 per year
- d) Board member actual and necessary expense reimbursements. \$250 x 4 meetings x 17 members = \$17,000 per year.

Total Estimated Contract Cost \$ 24,000 per year

For fiscal impact estimate purposes, it is assumed that no HIT Board policy or procedure would have an adverse impact to current DHHS grants, agreements and contracts for funding and services related to health information data collection, access, ownership, and dissemination. It is also assumed the current Drug Advisory Group that advises and addresses issues regarding drug abuse and the PDMP would remain intact. Since there is no guarantee to the availability of external funding, the estimated cost to DHHS is assumed to be financed through General Funds under Program 033 – Administration.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2020-2021	2021-2022
	20-21	21-22	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....			\$24,000	\$24,000
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$24,000	\$24,000