

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

## ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2025-26		FY 2026-27	
	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 168 would adopt the 340B Contract Pharmacy Protection Act (Act). The Act defines the terms of a "340B drug" as drugs that a 340B entity may purchase at a reduced price pursuant to 42 U.S.C. 256b, as such section existed on January 1, 2025. The Act prohibits any manufacturer, or distributor of such manufacturer's drugs to either directly or indirectly to deny, restrict, or prohibit the acquisition of any 340B drug by or delivery of any 340B drug to any location authorized by any 340B entity to receive such 340B drug, unless receipt of such 340B drug is prohibited by federal law. The Act further authorizes the Attorney General or any county attorney to institute an action in the name of the State of Nebraska for an injunction to restrain or prevent any violation of the 340B Contract Pharmacy Protection Act. The bill contains an emergency clause.

The Attorney General may have the potential expense of litigation. The bill is unclear as to whether the responsibility of enforcement would lie within the Attorney General's office. If enforcement lies with the AG's office, the office would be able to absorb the additional responsibilities with their current resources. If enforcement actions were numerous then the Attorney General's office may require additional staffing.

Additionally, county governments may have some administrative costs to ensure the regulations are enforced; however, the number of potential enforcement actions is currently unknown and most likely be able to be absorbed in current resources.

The fiscal impact is anticipated to be nominal and can be absorbed by current resources.

### ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB:	168	AM:	AGENCY/POLT. SUB: Nebraska Attorney General	
REVIEWED BY:	Ann Linneman		DATE:	1-16-2025
			PHONE:	(402) 471-4180
COMMENTS: The Attorney General's assessment of no fiscal impact seems reasonable given the assumptions used.				

### ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB:	168	AM:	AGENCY/POLT. SUB: Nebraska Department of Insurance	
REVIEWED BY:	Ann Linneman		DATE:	1-24-2025
			PHONE:	(402) 471-4180
COMMENTS: Concur with the Nebraska Department of Insurance's assessment of no fiscal impact.				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE
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LB: 168	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services
REVIEWED BY: Ann Linneman	DATE: 1-29-2025	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Department of Health and Human Services' assessment of no fiscal impact.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE
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LB: 168	AM:	AGENCY/POLT. SUB: Nebraska Department of Administrative Services
REVIEWED BY: Ann Linneman	DATE: 1-23-2025	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Department of Administrative Services' assessment of no fiscal impact.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE
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LB: 168	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials
REVIEWED BY: Ann Linneman	DATE: 1-21-2025	PHONE: (402) 471-4180
COMMENTS: The Nebraska Association of County Officials' assessment of no fiscal impact seems reasonable given the assumptions used.		

LB<sup>(1)</sup> 168

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Department of Administrative Services (DAS) – Employee Wellness & Benefits

Prepared by: <sup>(3)</sup> Jennifer Norris

Date Prepared: <sup>(4)</sup> 01/14/2025

Phone: <sup>(5)</sup> 402-471-4443

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
REVOLVING FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB 168 creates the 340B Contract Pharmacy Protection Act.

This legislation relates to healthcare providers and manufacturers and not to healthcare plans and has no impact to the State of Nebraska’s health or prescription plans.

There is no fiscal impact to the Department of Administrative Services (DAS).

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE				
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

2025

LB<sup>(1)</sup> 168

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Attorney General

Prepared by: <sup>(3)</sup> Jay Bartel

Date Prepared: <sup>(4)</sup> 1-16-25

Phone: <sup>(5)</sup> 402-471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

Other than the potential expense of litigation, the bill places enforcement authority on the Attorney General or any county attorney to enjoin violations of the law. It's not clear where responsibility of that enforcement would lie within the AG's office. At this time, there is no obvious fiscal impact. If enforcement actions were numerous, it could justify additional staffing.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Insurance

Prepared by: <sup>(3)</sup> Jordan Blades

Date Prepared: <sup>(4)</sup> 1/22/24

Phone: <sup>(5)</sup> 402-471-4638

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

The Department does not anticipate any fiscal impact at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
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 1-29-25                      Phone: (5) 471-6719

	FY 2025-2026		FY 2026-2027	
	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:

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

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2025-2026	2026-2027
	26-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0

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

2025

LB<sup>(1)</sup> 168

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Association of County Officials

Prepared by: <sup>(3)</sup> Elaine Menzel Date Prepared: <sup>(4)</sup> 1/15/2025 Phone: <sup>(5)</sup> 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB168 would adopt the 340B Contract Pharmacy Protection Act. Based on our research, similar legislation has passed in at least seven other states. The legislative intent seems to be for the purpose of prohibiting drug manufacturers from restricting 340B drug access to covered entities and contract pharmacies. No measurable known cost that might be realized by counties is apparent. County governments may have some administrative costs ensuring that regulations are being adhered to; however, specific numbers are not obtainable at this time. The fiscal impact is expected to be minimal and absorbed with other prosecutorial decisions of county attorneys where appropriate and applicable.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency OR Political Subdivision Name:<sup>(2)</sup> University of Nebraska System

Prepared by:<sup>(3)</sup> Anne Barnes

Date Prepared:<sup>(4)</sup> 01/17/2025

Phone:<sup>(5)</sup> (402) 559-6300

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025 - 26		FY 2026 - 27	
	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:

No Fiscal Impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2025 - 26	2026 - 27
	25 - 26	26 - 27	EXPENDITURES	EXPENDITURES
	0	0		
	0	0		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				