

Revised to include additional information

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	\$158,154 + See below		\$212,988 + See below	
CASH FUNDS				
FEDERAL FUNDS	\$218,837		\$289,667	
OTHER FUNDS				
TOTAL FUNDS	\$1,321,991		\$2,392,655	

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

This bill requires insurers, Section 2, including Medicaid, Section 3, to cover biomarker testing when such test is supported by medical and scientific evidence as defined in the bill. The Department of Administrative Services indicates current state employee insurance programs currently cover biomarker testing and the provisions would have no fiscal impact.

The Department of Health and Human Services (DHHS) notes that within Medicaid biomarker testing is currently offered in a limited capacity by the state's Managed Care Organizations (MCOs). MCOs provide most of the state's Medicaid services contractually via DHHS capitation payments also referred to as per member per month (PMPM). Expanding coverage for biomarker testing in line with the bill will increase Medicaid expenditures. The agency's estimate of fiscal impact assumes an average increase of per member per month expenses of \$0.09 (the high end of the noted range of \$0.05 to \$0.09) for the total population of 400,568 Medicaid clients and 64,853 CHIP clients. DHHS assumes an implementation date of October 1, 2025.

Given the assumptions, the cost to Medicaid for a full fiscal year is \$502,655. DHHS assumes a blended fund mix 58.05% federal funds in SFY26 and 57.63% federal funds in SFY27. Federal fund participation is higher for both the CHIP population (70.26% in FFY25 and 68.05% in FFY26) and the Medicaid Expansion population (90% federal funds) compared to the regular Medicaid population (57.52% in FFY25 and 54.36% in FFY26). Actual expenditure increases will depend on utilization and cost and fund mix depends on which populations utilize the testing.

Additionally, the Department of Insurance indicates fiscal impact due to a provision in the Affordable Care Act that requires states to offset mandated coverage. Because the bill mandates health insurance coverage of biomarker testing in certain situations, the Department of Insurance would be required to subsidize the increases to health insurance premiums. DOI surveyed several Qualified Health Plans (QHP) and compiled an annual estimated impact of \$1,890,000. DOI indicates actual costs may exceed this estimate. It is unclear what method the QHP providers used to arrive at the estimates. These costs would be paid via the state claims process as they are approved.

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

LB:	253	AM:	AGENCY/POLT. SUB: Nebraska Department of Insurance		
REVIEWED BY:	Ann Linneman		DATE:	2-21-2025	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Department of Insurance's assessment of fiscal impact.					

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

LB:	253	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services		
REVIEWED BY:	Ann Linneman		DATE:	2-19-2025	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Department of Health and Human Services' assessment of fiscal impact.					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE
LB: 253 AM: AGENCY/POLT. SUB: Nebraska Department of Administrative Services
REVIEWED BY: Ann Linneman DATE: 1-22-2025 PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Department of Administrative Services' assessment of no fiscal impact.

LB⁽¹⁾ 253

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⁾ 01/14/2025

Phone: ⁽⁵⁾ 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 253 provides for biomarker testing coverage.

The State’s current employee health plans already standardly provide this coverage.

LB 253 has no fiscal impact to the Department of Administrative Services.

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.....				

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

Prepared by: ⁽³⁾ Jordan Blades

Date Prepared: ⁽⁴⁾ 2/5/25

Phone: ⁽⁵⁾ 402-471-4638

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	945,000		1,890,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	945,000		1,890,000	

Explanation of Estimate:

LB 253 would mandate that health carriers provide coverage for biomarker testing.

The Affordable Care Act (ACA) requires the defrayal of all costs of new state required benefits for ACA individual and small group plans. This is done either through reimbursement by the state to the issuer of a Qualified Health Plan (QHP), or the enrollee. Pursuant to the ACA, the insurer quantifies the cost attributable to the new required benefit and that cost is submitted to the state for reimbursement. Under current Nebraska law, these defrayal costs would be paid under the state claims process.

The benefits mandated by LB 253 constitute a new state required benefit pursuant to the ACA and the costs resulting from these benefits would need to be defrayed.

The Department surveyed several QHP issuers to create a cost estimate for the benefits that would be required to be defrayed under this bill. The estimates from QHP issuers for increased premium costs to their plans totaled approximately \$1,890,000 annually. The bill has an operative date of January 1, 2026 Therefore, the benefits would only be mandated for half of FY 2025-26, resulting in an estimate of \$945,000 for FY 25-26.

Please note that the defrayal costs are charged by each individual QHP insurer. Depending upon the relevant population of insureds that have coverage under that insurer. The costs could potentially exceed the estimate provided depending upon actual utilization by all eligible enrollees in the plans. In any instance, the amount spent, pursuant to the ACA, must be reimbursed by the state.

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 2-19-25		Phone: (5) 471-6719
	FY 2025-2026		FY 2026-2027	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$158,154		\$212,988	
CASH FUNDS				
FEDERAL FUNDS	\$218,837		\$289,667	
OTHER FUNDS				
TOTAL FUNDS	\$376,991		\$502,655	

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

LB253 requires Medicaid to cover all biomarker testing, including gene therapy, diagnosis, and treatment of any disease. Covered biomarker testing involves analyzing tissue, blood, or other biospecimens for the presence of a biomarker.

Currently, managed care organizations (MCOs) only cover two specific tests: Code 81345 (TERT GENE ANALYSIS TARGETED SEQUENCE ANALYSIS) and Code 81479 (UNLISTED MOLECULAR PATHOLOGY PROCEDURE). However, according to the American Medical Association's 2025 Clinical Diagnostic Laboratory Fee Schedule, there are over 500 current procedural terminology (CPT) codes available, and the Federal Drug Administration (FDA) has approved over 600 CPT codes for biomarker tests. Expanding coverage to meet these requirements will increase the number of procedures covered under Nebraska's Medicaid program.

Any changes in Medicaid expenditures resulting from this bill will depend on the utilization and cost of biomarker testing. Due to insufficient data on utilization for this specific bill, Milliman's cost study is used to estimate the fiscal impact. According to the study, expanding biomarker testing coverage may lead to a Medicaid premium increase of between \$0.05 and \$0.09 per member per month (PMPM).

Based on the enrollment data for the calendar year 2024, there were 400,568 unique members eligible for Medicaid and 64,853 for CHIP. The cost is estimated at \$0.09 per member per month (PMPM). Assuming an implementation date of October 1, 2025, the projected total fiscal impact for FY25-26 is \$376,991 in total funds (\$218,837 in federal funds and \$158,154 in general funds). For FY26-27, the total fiscal impact is expected to be \$502,655 (\$289,667 in federal funds and \$212,988 in general funds).

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.....			\$376,991	\$502,655
Capital Improvements.....				
TOTAL.....			\$376,991	\$502,655