

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	See below		See below	

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

LB 68 would provide coverage for certain contraceptives under insurance policies and the medical assistance program as prescribed. The bill would require that any individual or group health insurance policy or any self-funded employee benefit plan to include coverage for a self-administered hormonal contraceptive that is approved by the federal Food and Drug Administration and reimburse an in-network health care provider or dispensing entity for up to a three-month supply for the first prescription and up to a twelve-month supply for subsequent refills. The bill further amends certain provisions of the Medical Assistance Act to note that the bill, if enacted, would not be construed to limit a recipient's ability to choose or change the method of family planning regardless whether the recipient has exhausted a previously dispensed supply of contraceptives. The bill has an implementation date of October 1, 2025.

The University of Nebraska Systems' self-insured health insurance currently covers certain contraceptives, including a twelve-month supply if prescribed. There is no fiscal impact to the University.

The Department of Administrative Services' self-insured plan currently covers one-month and three-month supplies of self-administered hormonal contraceptives prescriptions at an annual cost of \$550,000. While the cost could increase due to members leaving State employment or changing medications before the prior prescription is depleted, the cost impact is expected to be less than 10% of the current contraceptives, thus the estimated fiscal impact of LB 68 is minimal.

LB 68 would require Medicaid to cover certain contraceptives in prescribed as described in the bill. The Department of Health and Human Services estimates that 227 members would switch medications and choose a twelve-month supply. The estimated fiscal impact is \$61,183 in total funds in FY 2025-26 (\$6,118 in General Funds and \$55,065 in Federal Funds) and \$81,577 in FY 2026-27 (\$8,158 in General Funds and \$73,419 in Federal Funds). These are nominal amounts within the total Medicaid expenditures.

Medicaid would need to amend managed care organizations contracts and updates regulations to allow dispensing contraceptives for twelve-month periods. The expenses to make changes to the contracts would be absorbed by the Department of Health and Human Services.

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

LB:	68	AM:	AGENCY/POLT. SUB: Nebraska Department of Insurance	
REVIEWED BY:	Ann Linneman		DATE:	1-16-2025
			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

LB:	68	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY:	Ann Linneman		DATE:	2-20-2025
			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: 68	AM:	AGENCY/POLT. SUB: University of Nebraska
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REVIEWED BY: Ann Linneman	DATE: 1-16-2025	PHONE: (402) 471-4180
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COMMENTS: The University of Nebraska's assessment of fiscal impact seems reasonable given the assumptions used.

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

LB: 68	AM:	AGENCY/POLT. SUB: Nebraska Department of Administrative Services
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REVIEWED BY: Ann Linneman	DATE: 1-22-2025	PHONE: (402) 471-4180
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COMMENTS: Concur with the Nebraska Department of Administrative Services' assessment of fiscal impact.
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2025

LB⁽¹⁾ 68

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⁾ 01/13/2025 Phone: ⁽⁵⁾ 402-471-4443

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	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See Below</u>	<u>_____</u>	<u>See Below</u>	<u>_____</u>

Explanation of Estimate:

LB 68 as introduced requires any self-funded employee benefit plan, to the extent not preempted by federal law, to include coverage for a self-administered hormonal contraceptive and to reimburse an in-network health care provider or dispensing entity on a per-unit basis for dispensing a supply of such contraceptives to a covered individual for the first prescription of at least up to a three-month supply and for subsequent refills up to a twelve-month supply.

One-month and three-month supplies of self-administered hormonal contraceptives are currently covered under the State's self-insured health plans and based on the last plan year, has an estimated annual plan cost of \$550,000 in claims.

Any increase in plan costs would be the result of a member receiving up to a twelve-month supply and leaving state employment prior to the State collecting all premiums for the corresponding time twelve-month time period or making a change in medication before a 12-month supply is fully utilized.

The fiscal impact of LB 68 is nominal.

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: ⁽²⁾ Department of Insurance

Prepared by: ⁽³⁾ Jordan Blades

Date Prepared: ⁽⁴⁾ 1/15/24

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				
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 2-19-25

Phone: (5) 471-6719

	FY 2025-2026		FY 2026-2027	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$6,118		\$8,158	
CASH FUNDS				
FEDERAL FUNDS	\$55,065		\$73,419	
OTHER FUNDS				
TOTAL FUNDS	\$61,183	\$0	\$81,577	\$0

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

Explanation of Estimate:

LB68 requires Medicaid to cover, if prescribed, a twelve-month supply of a self-administered hormonal contraceptive. An estimated 12,000 Medicaid members use a self-administered hormonal contraceptive. An estimated 13.5% of these members switch medications throughout the year. Further, an estimated 14% of the women that switch medications would choose to receive a twelve-month supply at one time based on studies done in states that have enacted similar legislation. This results in an estimated 227 members who will switch medications and choose a twelve-month supply.

This fiscal note assumes the medication switch would occur on average after 3 months of usage creating nine months of wasted doses for each of these 227 women, or an estimated total of 2,043 monthly prescriptions.

At a monthly estimated cost of \$39.93 and an implementation date of October 1, 2025, the total fiscal impact is \$61,183 total funds in fiscal year 2026 (\$55,065 Federal Funds and \$6,118 General Funds) and \$81,577 total funds in fiscal year 2027 (\$73,419 Federal Funds and \$8,158 General Funds). These expenses qualify for a 90% federal match.

Medicaid would need to amend managed care organization (MCO) contracts and update regulations to allow for hormonal birth control to be dispensed for a twelve-month supply at one time. The expenses related to the time and effort needed for these necessary changes would be absorbed by 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.....			\$61,183	\$81,577
Capital Improvements.....				
TOTAL.....			\$61,183	\$81,577

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

Prepared by:⁽³⁾ Anne Barnes

Date Prepared:⁽⁴⁾ 01/15/2025

Phone:⁽⁵⁾ (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.....				