

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	SEE BELOW	0	0	0	SEE BELOW
FY2027-2028	SEE BELOW	0	0	0	SEE BELOW
FY2028-2029	SEE BELOW	0	0	0	SEE BELOW
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

LB 731 adopts the Gender Transition Malpractice Accountability Act.

LB 731 establishes a new 12-year window to file civil claims for injuries or damages tied to the recommendation, approval, or provision of defined gender-altering procedures, and it allows recovery of actual damages and attorney's fees. It waives sovereign immunity for these claims and excludes them from the state's general professional-negligence time limits.

Starting January 1, 2027, it requires certain health insurance policies that cover (or previously covered) such procedures to cover adverse effects, ongoing monitoring, and follow-up care, including for people who were not enrolled at the time of the procedure.

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.

The Department surveyed several QHP issuers to estimate the ACA defrayal costs associated with this bill's new required benefits. Based on issuer responses, the estimated increase in premium costs totals about \$920,000 per year, with an estimated \$460,000 in FY 2026-27 and \$920,000 annually beginning in FY 2027-28. The bill's operative date is January 1, 2027.

State Agency OR Political Subdivision Name: ⁽²⁾ Attorney General

Prepared by: ⁽³⁾ Jen Huxoll

Date Prepared: ⁽⁴⁾ 1-13-26

Phone: ⁽⁵⁾ 402-471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

No fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2026-27	2027-28
	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

2026

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Prepared by: ⁽³⁾ Jennifer Norris Date Prepared: ⁽⁴⁾ 1/12/26 Phone: ⁽⁵⁾ 402 480 9728

FY 2026-27		FY 2027-28	
<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
See Below	See Below	See Below	See Below

The State of Nebraska's health and prescription plans are self-insured. Any increase in costs would need to be covered by an increase in premiums. The State of Nebraska pays 79% of the premiums for State of Nebraska teammates and the teammate pays 21%.

PERSONAL SERVICES:		NUMBER OF POSITIONS		2026-27	2027-28
POSITION TITLE		26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital outlay.....					
Aid.....					
Capital improvements.....					
TOTAL.....					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 731	AM:	AGENCY/POLT. SUB: Department of Administrative Services (DAS)	
REVIEWED BY: Ryan Walton		DATE: 1/25/2026	PHONE: (402) 471-4174
COMMENTS: DAS' assessment of fiscal impact from LB 731 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 731	AM:	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY: Ryan Walton		DATE: 1/26/2026	PHONE: (402) 471-4174
COMMENTS: Concur with the Supreme Court's assessment of fiscal impact from LB 731.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 731	AM:	AGENCY/POLT. SUB: Department of Insurance	
REVIEWED BY: Ryan Walton		DATE: 1/26/2026	PHONE: (402) 471-4174
COMMENTS: Concur with the Department of Insurance's assessment of fiscal impact from LB 731.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 731	AM:	AGENCY/POLT. SUB: Department of Health and Human Services (DHHS)	
REVIEWED BY: Ryan Walton		DATE: 1/22/2026	PHONE: (402) 471-4174
COMMENTS: Concur with DHHS' assessment of no fiscal impact from LB 731.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 731	AM:	AGENCY/POLT. SUB: Nebraska Attorney General	
REVIEWED BY: Ann Linneman		DATE: 1-13-2026	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Attorney General's assessment of no 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) John Meals

Date Prepared 1-22-2026

Phone: (5) 471-6719

	FY 2026-2027		FY 2027-2028	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

Return by date specified 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		2026-2027	2027-2028
	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0

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

2026

LB⁽¹⁾ 731

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jordan Blades Date Prepared: ⁽⁴⁾ 1/16/26 Phone: ⁽⁵⁾ 402-471-4638

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>460,000</u>	<u></u>	<u>920,000</u>	<u></u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>460,000</u>	<u></u>	<u>920,000</u>	<u></u>

Explanation of Estimate:

LB 731 would mandate that health carriers provide coverage for adverse consequences related to gender-altering procedures, follow-up and screening testing, any procedure, treatment, or therapy necessary to reverse, reconstruct, or recover from a gender-altering procedure, regardless of whether the covered individual was enrolled in the plan at the time of the procedure.

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 731 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 \$920,000 annually. The bill has an operative date of January 1, 2027. Therefore, the benefits would only be mandated for half of FY 2026-27, resulting in an estimate of \$460,000 for FY 26-27.

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.

Additionally, LB 731 could result in an increase in medical malpractice claims brought against providers. When medical providers' liability for neglect acts in providing health care is expanded, malpractice insurers will need to cover those increased risks if they meet the definition of medical malpractice. Physicians and hospitals' rates may be increased, with a corresponding increase in Excess Liability Fund charges as a percentage of that premium. The Fund's reinsurance premiums could also be affected. The resulting impact on the Excess Liability Fund is indeterminate. Any fiscal impact on the Excess Liability Fund would be passed on to the providers via surcharge adjustments.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

2026

LB⁽¹⁾ 731

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe

Date Prepared: 1/24/2026

Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

FY 2026-27

FY 2026-27

	<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:

Minimal fiscal impact to provide judicial education. No additional resources required.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
...				
Operating.....				
....				
Travel.....				
.				
Capital				
outlay.....				
Aid.....				
.				
Capital				
improvements.....				
TOTAL.....				