

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 6, 2017

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title Deputy Fiscal Analyst

The following responses from local governments were compiled by the Fiscal Analysis Division. The Fiscal Analysis Division can neither verify nor comment on the figures provided by the individual local governments.

Local Government Responses
S.B. 436 / BDR 57 - 996

City/County: City of Henderson Approved by: Mike Cathcart, Business Operations Manager Comment: No fiscal impact to the City of Henderson.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: City of Las Vegas Approved by: Michelle Thackston, Administrative Assistant Comment: No Impact				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: City of Reno Approved by: Amber Drlik, Management Analyst Comment: Fiscal Impact Cannot Be Determined. The bill as written calls for an insurer that issues a policy of health insurance, which provides prescription drug coverage, to ensure that at least twenty-five percent (25%) of such policies apply a co-payment structure before payment of a deductible. Doing this would likely increase the health care costs the City incurs. A deductible is implemented to provide some cost sharing between the insured and the plan sponsor, and it encourages insureds to consider the necessity of the prescription. Stacking co-payments before deductibles minimizes the effect of the deductible.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: City of Sparks Approved by: Jeff Cronk, Financial Services Director Comment: No Impact				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: **Carson City**

Approved by: Nancy Paulson, CFO

Comment: This will likely have a negative impact on our insurance renewal rate, but it is not possible to determine what that impact will be.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **Clark County**

Approved by: David Dobrzynski, Asst Director of Finance

Comment: This bill would require 25 percent of policies offered by an insurer to apply a copayment structure before payment of a deductible to the entire prescription drug benefit. Additionally, insurers would not be allowed to place all the prescription drugs within a given class in the highest cost tier provided by the plan. This bill would go into effect January 1, 2018.

The fiscal impact of this bill cannot be determined; however, it is expected to negatively affect the Clark County Self-Funded Plan. Currently, the Self-Funded Plan only has one coverage option. In order to be compliant with this bill, new coverage options would have to be implemented, which would be costly. Members would be negatively impacted, as Clark County would have to increase premiums for the Self-Funded Plan in order to recoup some of the additional costs. Additionally, a January 1, 2018 effective date would not be feasible as changes would have to be made and approved before open enrollment begins in October.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **Churchill County**

Approved by: Eleanor Lockwood, County Manager

Comment: BDR 57-996 affects prescription drugs and how insurance companies classify them and require patients to pay for them. Any restrictions and requirements for insurance companies to increase coverage results in increased premiums. Churchill County would anticipate seeing at least a 1% increase to our insurance premiums should this bill pass. Using that as an estimate, the amount would be somewhere around \$17,000.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$17,000	\$17,000	\$17,000

City/County: **Esmeralda County**

Approved by: Karen Scott, Auditor/Recorder

Comment: No Impact

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: **Washoe County**

Approved by: Jamie Rodriguez , Management Analyst

Comment: No impact as Washoe County's health plans currently comply with the requirements as set forth in this bill.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: **Carson City School District**

Approved by: Andrew J Feuling, Director of Fiscal Services

Comment: No Impact

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: **Clark County School District**

Approved by: Dillon Kay, Assistant Budget Director

Comment: If passed, the bill could potentially have a material financial impact to the District's group health insurance premiums. The employees' out-of-pocket costs will increase, as well as the payroll deductions to cover the premium increase.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: **Douglas County School District**

Approved by: KLewis, Director of Human Resources

Comment: The total potential financial impact is unclear due to the language provided, but the bill may require elimination of the prescription deductible for the District's PPO and EPO plans. If this were the case, the financial impact could potentially be \$50,000 per year. There may be additional negative financial impact associated with the other proposed provisions in the bill but it cannot be determined at this time.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$50,000	\$50,000	\$50,000

School District: **Lincoln County School District**

Approved by: Pam Teel, Superintendent

Comment: Unclear on impact but seems to affect all who have insurance

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: Lyon County School District Approved by: Shawn Heusser, Director of Finance Comment: Will not know until the District receives bids on health care premium costs.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: Nye County School District Approved by: Kelly Wood, Executive Secretary Comment: No fiscal impact for Nye County School District				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Pershing County School District Approved by: Russell D. Fecht, Superintendent Comment: No Impact				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Washoe County School District Approved by: Lindsay E. Anderson, Director of Government Affairs Comment: Washoe County School District does expect to be required to make changes to health plans as a result of this legislation but cannot impact the total cost.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: White Pine County School District Approved by: Paul Johnson, CFO Comment: Bills that affect prescription drug payments may affect health care costs which may impact employer paid health insurance premiums. The impact can not be determined at this time.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

The following cities/counties/school districts did not provide a response: Boulder City, City of Elko, City of Mesquite, City of North Las Vegas, Douglas County, Elko County, Eureka County, Lincoln County, Lander County, Humboldt County, Lyon County, Nye County, Mineral County, Pershing County, Storey County, White Pine County, Churchill County School District, Elko County School District, Eureka County School District, Esmeralda County School District, Humboldt County School District, Lander County School District, Mineral County School District, and Storey County School District.