

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 867**

FINAL READING

Introduced by Health and Human Services Committee: Hardin, 48,  
Chairperson; Ballard, 21; Hansen, 16; Meyer, G., 17.

Read first time January 08, 2026

Committee: Health and Human Services

1 A BILL FOR AN ACT relating to public health and welfare; to amend  
2 sections 43-2624, 68-927, 68-928, 68-1006, 68-1007, 71-2226,  
3 71-7450, 81-6,122, 81-2205, 81-2212, 81-2226, 81-2234, 81-2235,  
4 81-3113, 81-3116, 83-1201, 83-1204, and 83-1206, Reissue Revised  
5 Statutes of Nebraska, sections 30-38,113, 43-4413, 43-4504, 68-949,  
6 71-561, 71-563, 71-564, 71-565, 71-566, and 71-567, Revised Statutes  
7 Cumulative Supplement, 2024, and sections 38-131, 43-3342.04,  
8 68-1530, 71-814, 71-1908, and 81-1316, Revised Statutes Supplement,  
9 2025; to change requirements for rules and regulations relating to  
10 special needs trusts, fingerprints under the Uniform Credentialing  
11 Act, funding provisions for child care grants, the Title IV-D  
12 Division Customer Service Unit, and eligibility for young adults in  
13 the bridge to independence program; to redefine a term and provide  
14 requirements for licensed and self-funded insurers under the Medical  
15 Assistance Act; to change requirements relating to establishing  
16 medicaid nursing facility rates; to provide for a money follows the  
17 person program for medicaid benefits; to change and eliminate  
18 requirements relating to the application for, determination of need  
19 for, and payment of assistance to the aged, blind, or disabled; to  
20 change provisions of and rename the Alzheimer's Disease and Other  
21 Dementia Support Act and the Alzheimer's Disease and Other Dementia

1           Advisory Council and create a fund; to rename the State Advisory  
2           Committee on Mental Health; to provide requirements for a youth  
3           afterschool eligibility letter for child care employment; to change  
4           a requirement of the state Commodity Supplemental Food program; to  
5           provide for the use of wholesale drug distributor license fees for  
6           the prescription drug monitoring program; to change provisions  
7           relating to care management units; to provide for the maintenance of  
8           epinephrine by certain schools; to rename the Division of  
9           Developmental Disabilities of the Department of Health and Human  
10          Services and the Director of Developmental Disabilities; to change  
11          and eliminate provisions relating to divisions of the Department of  
12          Health and Human Services; to eliminate the Division of Medicaid and  
13          Long-Term Care Advisory Committee on Aging; to eliminate provisions  
14          relating to the Maternal and Child Health and Public Health Work  
15          Fund; to eliminate an obsolete Nurse Licensure Compact; to eliminate  
16          obsolete provisions; to harmonize provisions; to provide operative  
17          dates; to repeal the original sections; and to outright repeal  
18          sections 68-1008, 68-1101, 68-1103, 68-1104, 68-1106, 71-1795,  
19          71-1795.02, 71-2201, 71-2202, 71-2203, 71-2204, 71-2205, 71-2207,  
20          71-2208, 81-3133.02, 81-3134, 83-1216.02, 83-1227, and 83-1228,  
21          Reissue Revised Statutes of Nebraska, and section 68-1105, Revised  
22          Statutes Cumulative Supplement, 2024; and to declare an emergency.

23    Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 30-38,113, Revised Statutes Cumulative  
2 Supplement, 2024, is amended to read:

3           30-38,113 (1) Each state agency that provides governmental benefits  
4 to individuals of any age with disabilities through means-tested  
5 programs, including the medical assistance program, shall adopt and  
6 promulgate rules and regulations that:

7           (a) Are not more restrictive than existing federal law, regulations,  
8 or policies with regard to the treatment of a special needs trust,  
9 including a trust defined in 42 U.S.C. 1396p(c)(2) and 42 U.S.C. 1396p(d)  
10 (4);

11           (b) Are not more restrictive than any state law regarding trusts,  
12 including any state law relating to the reasonable exercise of discretion  
13 by a trustee, guardian, or conservator in the best interests of the  
14 beneficiary;

15           (c) Do not require disclosure of a beneficiary's personal or  
16 confidential information without the consent of the beneficiary;

17           (d) Allow an individual account in a pooled special needs trust to  
18 be funded without financial limit;

19           (e) Allow an individual to establish or fund an individual account  
20 in a pooled special needs trust without an age limit or a transfer  
21 penalty, except that a transfer by an individual sixty-five years of age  
22 or older into a special needs trust shall comply with 42 U.S.C. 1396p(C)  
23 in order to avoid a transfer penalty;

24           (f) Allow an individual to fund a special needs trust for the  
25 individual's child with disabilities without a transfer penalty and  
26 regardless of the child's age; and

27           (g) Allow all legally assignable income or resources to be assigned  
28 to any special needs trust without limit.

29           (2) Nothing in this section may be interpreted to require a court  
30 order to authorize the funding of, or a disbursement from, a special  
31 needs trust.

1           **Sec. 2.** Section 38-131, Revised Statutes Supplement, 2025, is  
2 amended to read:

3           38-131 (1) An applicant for a ~~an initial~~ license to practice as a  
4 registered nurse, a licensed practical nurse, a physical therapist, a  
5 physical therapy assistant, a psychologist, an advanced emergency medical  
6 technician, an emergency medical technician, an audiologist, a speech-  
7 language pathologist, a licensed independent mental health practitioner,  
8 an occupational therapist, an occupational therapy assistant, a  
9 dietitian, a certified social worker, a certified master social worker, a  
10 licensed clinical social worker, a paramedic, a physician, an osteopathic  
11 physician, a physician or osteopathic physician who is an applicant for a  
12 temporary educational permit, a physician or osteopathic physician who is  
13 an applicant for a temporary visiting faculty permit, a physician  
14 assistant, a dentist, a dental hygienist, an optometrist, a podiatrist, a  
15 veterinarian, an advanced practice registered nurse-nurse practitioner,  
16 an advanced practice registered nurse-certified nurse midwife, or an  
17 advanced practice registered nurse-certified registered nurse anesthetist  
18 shall be subject to a criminal background check. Except as provided in  
19 subsection (4) of this section, such an applicant for a ~~an initial~~  
20 license shall submit a full set of fingerprints to the Nebraska State  
21 Patrol for a criminal history record information check. The applicant  
22 shall authorize release of the results of the national criminal history  
23 record information check by the Federal Bureau of Investigation to the  
24 department. The applicant shall pay the actual cost of the fingerprinting  
25 and criminal background check.

26           (2) The Nebraska State Patrol is authorized to submit the  
27 fingerprints of such applicants to the Federal Bureau of Investigation  
28 and to issue a report to the department that includes the criminal  
29 history record information concerning the applicant. The Nebraska State  
30 Patrol shall forward submitted fingerprints to the Federal Bureau of  
31 Investigation for a national criminal history record information check.

1 The Nebraska State Patrol shall issue a report to the department that  
2 includes the criminal history record information concerning the  
3 applicant.

4 (3) This section shall not apply to a dentist who is an applicant  
5 for a dental locum tenens under section 38-1122, to a physician or  
6 osteopathic physician who is an applicant for a physician locum tenens  
7 under section 38-2036, or to a veterinarian who is an applicant for a  
8 veterinarian locum tenens under section 38-3335.

9 (4) A physician or osteopathic physician who is an applicant for a  
10 temporary educational permit shall have ninety days from the issuance of  
11 the permit to comply with subsection (1) of this section and shall have  
12 such permit suspended after such ninety-day period if the criminal  
13 background check is not complete or revoked if the criminal background  
14 check reveals that the applicant was not qualified for the permit.

15 (5) The department and the Nebraska State Patrol may adopt and  
16 promulgate rules and regulations concerning costs associated with the  
17 fingerprinting and the national criminal history record information  
18 check.

19 (6) For purposes of interpretation by the Federal Bureau of  
20 Investigation, the term department in this section means the Division of  
21 Public Health of the Department of Health and Human Services.

22 **Sec. 3.** Section 43-2624, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 43-2624 The Department of Health and Human Services shall award  
25 grants to persons, community-based organizations, or schools needing  
26 assistance to start or improve a child care program or needing assistance  
27 to provide staff training for a child care program. ~~No grant shall exceed~~  
28 ~~ten thousand dollars.~~ A recipient of a grant shall not be eligible for a  
29 grant more than once in a three-year period. Child care grants shall be  
30 awarded on the basis of need for the proposed services in the community.  
31 Grants shall be given only to grantees who do not discriminate against

1 children with disabilities or children whose care is funded by any state  
2 or federal funds. When considering grant applications of equal merit, the  
3 department shall award the grant to the applicant which has not  
4 previously received a grant from the Child Care Grant Fund. The  
5 department may award grants in excess of the appropriation for this  
6 program by spending available federal funds allowed for such grants.

7 **Sec. 4.** Section 43-3342.04, Revised Statutes Supplement, 2025, is  
8 amended to read:

9 43-3342.04 (1) The Title IV-D Division shall establish a Customer  
10 Service Unit. In hiring the initial staff for the unit, a hiring  
11 preference shall be given to employees of the clerks of the district  
12 court. The duties of the Customer Service Unit include, but are not  
13 limited to:

14 (a) Providing account information as well as addressing inquiries  
15 made by customers of the State Disbursement Unit; and

16 (b) Administering two statewide toll-free telephone systems, one for  
17 use by employers and one for use by all other customers, to provide  
18 responses to inquiries regarding income withholding, the collection and  
19 disbursement of support order payments made to the State Disbursement  
20 Unit, and other child support enforcement issues, including establishing  
21 a call center with sufficient telephone lines, a voice response unit, and  
22 adequate personnel available during normal business hours to ensure that  
23 responses to inquiries are made by the division's personnel or the  
24 division's designee.

25 (2) The physical location of the Customer Service Unit shall be in  
26 Nebraska ~~and shall result in the hiring of a number of new employees or~~  
27 ~~contractor's staff equal to at least one-fourth of one percent of the~~  
28 ~~labor force in the county or counties in which the Customer Service Unit~~  
29 ~~is located.~~ Customer service staff responsible for providing account  
30 information related to the State Disbursement Unit may be located at the  
31 same location as the State Disbursement Unit.

1           **Sec. 5.** Section 43-4413, Revised Statutes Cumulative Supplement,  
2 2024, is amended to read:

3           43-4413 (1) There is hereby established a child welfare practice  
4 model work group. The work group may include, but is not limited to:

5           (a) The Director of Behavioral Health of the Division of Behavioral  
6 Health or the director's designee;

7           (b) The Director of Children and Family Services of the Division of  
8 Children and Family Services or the director's designee;

9           (c) The Director of Disability and Aging ~~Developmental Disabilities~~  
10 of the Division of Disability and Aging ~~Developmental Disabilities~~ or the  
11 director's designee;

12           (d) The Director of Medicaid and Long-Term Care of the Division of  
13 Medicaid and Long-Term Care or the director's designee;

14           (e) The Director of Public Health of the Division of Public Health  
15 or the director's designee;

16           (f) The Commissioner of Education or the commissioner's designee;

17           (g) The State Court Administrator;

18           (h) A representative of the state judicial branch to be appointed by  
19 the Chief Justice; and

20           (i) Representatives from each federally recognized Indian tribe  
21 within the State of Nebraska, appointed by each tribe's Tribal Council or  
22 Executive Committee.

23           (2) The work group shall develop a practice and finance model for  
24 child welfare system transformation in Nebraska, with consultation from  
25 key stakeholders, judges from separate juvenile courts and judges of  
26 county courts sitting as juvenile courts, private child welfare  
27 providers, individuals with lived experience in the child welfare system,  
28 the Nebraska Children's Commission, the Inspector General of Nebraska  
29 Child Welfare, the Foster Care Review Office, child advocacy centers, law  
30 enforcement, and county attorneys. The practice and finance model shall  
31 include, but not be limited to:

1 (a) Development of a statewide mission and vision for the child  
2 welfare system in Nebraska;

3 (b) Development of values and practice priorities for the child  
4 welfare system in Nebraska;

5 (c) Development of statewide program goals and a practice and  
6 finance model for child welfare system case management and service  
7 delivery;

8 (d) Development of engagement strategies to support community  
9 involvement in child welfare system transformation;

10 (e) Development of strategies that strengthen relationships across  
11 the court system, probation, executive branch agencies, the State  
12 Department of Education, and community partners;

13 (f) Development of strategies that support integration across  
14 agencies;

15 (g) Development of accountabilities across the entire child welfare  
16 system;

17 (h) Evaluation of the state's Title IV-E claiming practices and  
18 identification of appropriate steps to optimize federal reimbursement for  
19 child welfare system expenditures;

20 (i) Opportunities and financial mechanisms for providers to pilot  
21 innovative solutions to meet program goals; and

22 (j) Development of a strategy for data collection and outcome  
23 monitoring.

24 (3) The work group shall provide monthly updates to the strategic  
25 leadership group.

26 **Sec. 6.** Section 43-4504, Revised Statutes Cumulative Supplement,  
27 2024, is amended to read:

28 43-4504 The bridge to independence program is available, on a  
29 voluntary basis, to a young adult:

30 (1) Who has attained the age of eligibility;

31 (2) Who was adjudicated to be a juvenile described in:

1 (a) Subdivision (3)(a) of section 43-247 or the equivalent under  
2 tribal law and (i) who, upon attaining the age of eligibility, was in an  
3 out-of-home placement or had been discharged to independent living or  
4 (ii) with respect to whom a kinship guardianship assistance agreement or  
5 an adoption assistance agreement was in effect pursuant to 42 U.S.C. 673,  
6 if the young adult had attained sixteen years of age before the agreement  
7 became effective, or with respect to whom a state-funded guardianship  
8 assistance agreement or a state-funded adoption assistance agreement was  
9 in effect if the young adult had attained sixteen years of age before the  
10 agreement became effective;

11 (b) Subdivision (8) of section 43-247 or the equivalent under tribal  
12 law if the young adult's guardianship or state-funded adoption assistance  
13 agreement was disrupted or terminated after he or she had attained the  
14 age of sixteen years and (i) who, upon attaining the age of eligibility,  
15 was in an out-of-home placement or had been discharged to independent  
16 living or (ii) with respect to whom a kinship guardianship assistance  
17 agreement or an adoption assistance agreement was in effect pursuant to  
18 42 U.S.C. 673, if the young adult had attained sixteen years of age  
19 before the agreement became effective, or with respect to whom a state-  
20 funded guardianship assistance agreement or a state-funded adoption  
21 assistance agreement was in effect if the young adult had attained  
22 sixteen years of age before the agreement became effective; or

23 (c) Subdivision (1), (2), or (3)(b) of section 43-247 and (i) after  
24 January 1, 2025, upon one day prior to attaining nineteen years of age or  
25 the age of majority under relevant tribal law, was in a court-ordered  
26 out-of-home placement and (ii) such placement had been authorized or  
27 reauthorized in the six months prior to the juvenile attaining nineteen  
28 years of age or the age of majority under relevant tribal law in a court  
29 order finding that it would be contrary to the welfare of the juvenile to  
30 remain in or return to the juvenile's family home;

31 (3) Who is:

1 (a) Completing secondary education or an educational program leading  
2 to an equivalent credential;

3 (b) Enrolled in an institution which provides postsecondary or  
4 vocational education;

5 (c) Employed for at least eighty hours per month;

6 (d) Participating in a program or activity designed to promote  
7 employment or remove barriers to employment; or

8 (e) Incapable of doing any of the activities described in  
9 subdivisions (3)(a) through (d) of this section due to a medical  
10 condition, which incapacity is supported by regularly updated information  
11 in the case plan of the young adult;

12 (4) Who is a Nebraska resident, except that this requirement shall  
13 not disqualify a young adult who was a Nebraska resident but was placed  
14 outside Nebraska pursuant to the Interstate Compact for the Placement of  
15 Children; and

16 (5) Who does not meet the level of care for a nursing facility as  
17 defined in section 71-424, for a skilled nursing facility as defined in  
18 section 71-429, or for an intermediate care facility for persons with  
19 developmental disabilities as defined in section 71-421.

20 **Sec. 7.** Section 68-927, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 68-927 For purposes of sections 68-926 to 68-933:

23 (1) Coordinate benefits means:

24 (a) Provide to the department information regarding the licensed  
25 insurer's or self-funded insurer's existing coverage for an individual  
26 who is eligible for a state benefit program; and

27 (b) Meet payment obligations;

28 (2) Coverage information means health information possessed by a  
29 licensed insurer or self-funded insurer that is limited to the following  
30 information about an individual:

31 (a) Eligibility for coverage under a health plan;

1 (b) Coverage of health care under the health plan; or

2 (c) Benefits and payments associated with the health plan;

3 (3) Health plan means any policy of insurance issued by a licensed  
4 insurer or any employee benefit plan offered by a self-funded insurer  
5 that provides for payment to, or on behalf of, an individual as a result  
6 of an illness, disability, or injury or change in a health condition and  
7 includes a service benefit plan, managed care organization, pharmacy  
8 benefit manager, or another party that is legally responsible by law,  
9 contract, or agreement for payment of a claim for a health care item or  
10 service;

11 (4) Individual means a person covered by a state benefit program,  
12 including the medical assistance program, or a person applying for such  
13 coverage;

14 (5) Licensed insurer means any insurer, except a self-funded  
15 insurer, including a fraternal benefit society, producer, or other person  
16 licensed or required to be licensed, authorized or required to be  
17 authorized, or registered or required to be registered pursuant to the  
18 insurance laws of the state; and

19 (6) Self-funded insurer means any employer or union who or which  
20 provides a self-funded employee benefit plan.

21 **Sec. 8.** Section 68-928, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 68-928 (1) Except as provided in subsection (2) of this section, at  
24 the request of the department, a licensed insurer or a self-funded  
25 insurer shall provide coverage information to the department without an  
26 individual's authorization for purposes of:

27 (a) Determining an individual's eligibility for state benefit  
28 programs, including the medical assistance program; or

29 (b) Coordinating benefits with state benefit programs.

30 Such information shall be provided within thirty days after the date  
31 of request unless good cause is shown. Requests for coverage information

1 shall specify individual recipients for whom information is being  
2 requested.

3 (2)(a) Coverage information requested pursuant to subsection (1) of  
4 this section regarding a limited benefit policy shall be limited to  
5 whether a specified individual has coverage and, if so, a description of  
6 that coverage, and such information shall be used solely for the purposes  
7 of subdivision (1)(a) of this section.

8 (b) For purposes of this section, limited benefit policy means a  
9 policy of insurance issued by a licensed insurer that consists only of  
10 one or more, or any combination of the following:

11 (i) Coverage only for accident or disability income insurance, or  
12 any combination thereof;

13 (ii) Coverage for specified disease or illness; or

14 (iii) Hospital indemnity or other fixed indemnity insurance.

15 (3) An entity that issues a health plan shall:

16 (a) Respond to a request by the department regarding a claim for  
17 payment for a health care item or service submitted not later than three  
18 years after the date of the provision of such health care item or  
19 service; and

20 (b) Not deny a claim submitted by the department solely on the basis  
21 of the date of submission, the type or format of the claim form, or a  
22 failure to present proper documentation at the point-of-sale, if (i) the  
23 claim is submitted by the department within the three-year period  
24 beginning on the date that the health care item or service was provided  
25 and (ii) an action by the department to enforce its rights with respect  
26 to such claim is commenced within six years after the date of the claim's  
27 submission. Such information shall be provided to the department within  
28 thirty days after the date of its request unless good cause is shown. A  
29 request for coverage information shall specify the individual for whom  
30 information is being requested.

31 **Sec. 9.** Section 68-949, Revised Statutes Cumulative Supplement,

1 2024, is amended to read:

2 68-949 (1) It is the intent of the Legislature that the department  
3 implement reforms to the medical assistance program such as those  
4 contained in the Medicaid Reform Plan, including (a) an incremental  
5 expansion of home and community-based services for aged persons and  
6 persons with disabilities consistent with such plan, (b) an increase in  
7 care coordination or disease management initiatives to better manage  
8 medical assistance expenditures on behalf of high-cost recipients with  
9 multiple or chronic medical conditions, and (c) other reforms as deemed  
10 necessary and appropriate by the department, in consultation with the  
11 committee.

12 (2) The department shall develop recommendations based on a  
13 comprehensive analysis of various options available to the state under  
14 applicable federal law for the provision of medical assistance to persons  
15 with disabilities who are employed, including persons with a medically  
16 improved disability, to enhance and replace current eligibility  
17 provisions contained in subdivision (8) of section 68-915.

18 (3) The department shall develop recommendations for further  
19 modification or replacement of the defined benefit structure of the  
20 medical assistance program. Such recommendations shall be consistent with  
21 the public policy in section 68-905 and shall consider the needs and  
22 resources of low-income Nebraska residents who are eligible or may become  
23 eligible for medical assistance, the experience and outcomes of other  
24 states that have developed and implemented such changes, and other  
25 relevant factors as determined by the department.

26 (4)(a) It is the intent of the Legislature that the total amount  
27 appropriated to the department for medicaid nursing facility rates be  
28 identified as a dollar amount in the state budget and be used in the  
29 medicaid nursing facility rate calculation, including the calculation of  
30 the annual inflation factor. The total amount appropriated for medicaid  
31 nursing facility rates shall include amounts for rate enhancement and any

1 other purpose related to medicaid nursing facility services and shall be  
2 used as the base for funding for the following fiscal year.

3 (b) The department may take into consideration utilization relating  
4 to client needs and preferred setting when establishing nursing facility  
5 rates for prospective rating periods. If the department uses an amount  
6 that differs from the identified appropriation in the calculation of  
7 nursing facility rates for the prospective rate period, the department  
8 shall calculate the average weighted medicaid nursing facility rate by  
9 dividing the projected total medicaid nursing facility expenditures by  
10 the projected total medicaid nursing facility days for the prospective  
11 rating period and such dollar amount and the number of projected medicaid  
12 nursing facility resident days used in the calculation shall be  
13 identified to the Legislature in the report required under subdivision  
14 (4)(c) of this section. The average weighted medicaid nursing facility  
15 daily rate shall not be less than the average weighted medicaid nursing  
16 facility daily rate as of January 1, 2026, unless directed by the  
17 Legislature or in the event of, and during, a state of emergency  
18 proclaimed by the Governor pursuant to section 81-829.40.

19 (c) ~~(b)~~ The department shall file a report electronically with the  
20 Legislative Fiscal Analyst and the Clerk of the Legislature no later than  
21 June 15 August 1 of each year identifying how the inflation factor was  
22 calculated for that year's medicaid nursing facility rates and including  
23 the information described in subdivisions (4)(a) and (b) of this section.

24 (d) ~~(c)~~ The department shall file a report electronically with the  
25 Legislative Fiscal Analyst and the Clerk of the Legislature between  
26 December 15 and December 31 of each year identifying the amount of any  
27 remaining unobligated appropriation from the prior appropriations  
28 earmarked for medicaid nursing facility payments. The report shall  
29 include an identification of encumbrances and retroactive payments.

30 (5) No later than December 31, 2026, the department shall submit an  
31 application to the federal Centers for Medicare and Medicaid Services to

1 establish a money follows the person program to assist qualified  
2 individuals to transition from an institutional setting to a community  
3 setting while continuing to receive long-term care.

4 **Sec. 10.** Section 68-1006, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 68-1006 The amount of assistance to the aged, blind, or disabled  
7 shall be based on the need of the individual and the circumstances  
8 existing in each case. When permitted by the federal old age and  
9 survivors insurance act, any accumulations of increased benefits under  
10 such act may be disregarded when determining need. ~~Payments shall be made~~  
11 ~~by state warrant directly to each recipient.~~

12 **Sec. 11.** Section 68-1007, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 68-1007 In determining need for assistance to the aged, blind, or  
15 disabled, the Department of Health and Human Services shall take into  
16 consideration all other income and resources of the individual claiming  
17 such assistance, as well as any expenses reasonably attributable to the  
18 earning of any such income, except as otherwise provided in this section.  
19 In making such determination with respect to any individual who is blind,  
20 there shall be disregarded the first eighty-five dollars per month of  
21 earned income plus one-half of earned income in excess of eighty-five  
22 dollars per month and, for a period not in excess of twelve months, such  
23 additional amounts of other income and resources, in the case of an  
24 individual who has an approved plan for achieving self-support, as may be  
25 necessary for the fulfillment of such plan. ~~In making such determination~~  
26 ~~with respect to an individual who has attained age sixty-five, or who is~~  
27 ~~permanently and totally disabled, and is claiming aid to the aged, blind,~~  
28 ~~or disabled, the department shall disregard earned income at least to the~~  
29 ~~extent such income was disregarded on January 1, 1972, as provided in 42~~  
30 ~~U.S.C. 1396a(f).~~

31 **Sec. 12.** Section 68-1530, Revised Statutes Supplement, 2025, is

1 amended to read:

2 68-1530 (1) The Department of Health and Human Services shall apply  
3 for a three-year medicaid waiver under section 1915(c) of the federal  
4 Social Security Act to administer a family support program which is a  
5 home and community-based services program as provided in this section.

6 (2)(a) The Advisory Committee on Developmental Disabilities created  
7 in section 83-1212.01 shall assist in the development and guide the  
8 implementation of the family support program. The family support program  
9 shall be administered by the Division of Disability and Aging  
10 ~~Developmental Disabilities~~ of the Department of Health and Human  
11 Services.

12 (b) It is the intent of the Legislature that any funds distributed  
13 to Nebraska pursuant to section 9817 of the federal American Rescue Plan  
14 Act of 2021, Public Law 117-2, be used to eliminate unmet needs relating  
15 to home and community-based services for persons with developmental  
16 disabilities as much as is possible.

17 (c) If funds are distributed to Nebraska pursuant to section 9817 of  
18 the federal American Rescue Plan Act of 2021, it is the intent of the  
19 Legislature that such funds distributed to Nebraska should at least  
20 partially fund the family support program if doing so is in accordance  
21 with federal law, rules, regulations, or guidance.

22 (3) The family support program shall:

23 (a) Offer an annual capped budget for long-term services and  
24 supports of ten thousand dollars for each eligible applicant;

25 (b) Offer a pathway for medicaid eligibility for disabled children  
26 by disregarding parental income and establishing eligibility based on a  
27 child's income and assets;

28 (c) Allow a family to self-direct services, including contracting  
29 for services and supports approved by the division; and

30 (d) Not exceed eight hundred fifty participants.

31 (4) The department, in consultation with the advisory committee,

1 shall adopt and promulgate rules and regulations for the implementation  
2 of the family support program to be set at an intermediate care facility  
3 institutional level of care to support children with intellectual and  
4 developmental disabilities and their families. Such rules and regulations  
5 shall include, but not be limited to:

6 (a) Criteria for and types of long-term services and supports to be  
7 provided by the family support program;

8 (b) The method, as provided in section 68-1532, for allocating  
9 resources to family units participating in the family support program;

10 (c) Eligibility determination, including, but not limited to, a  
11 child's maximum income and assets;

12 (d) The enrollment process;

13 (e) Limits on benefits; and

14 (f) Processes to establish quality assurance, including, but not  
15 limited to, measures of family satisfaction.

16 (5) The division shall administer the family support program within  
17 the limits of the appropriations by the Legislature for such program.

18 (6) Until December 31, 2027, the division shall submit an annual  
19 report electronically to the Legislature on the family support program.  
20 The report shall include:

21 (a) The distribution of available funds, the total number of  
22 children and families served, and the status of the waiting list for the  
23 comprehensive waiver and other applicable waivers;

24 (b) A summary of any grievances filed by family units pertaining to  
25 the family support program, including any appeals and a description of  
26 how such grievances were resolved;

27 (c) The number and demographics of children with disabilities and  
28 their families who applied under the family support program but who were  
29 not found eligible and the reason such children and their families were  
30 not found eligible;

31 (d) Quality assurance activities and the results of annual measures

1 of family satisfaction; and

2 (e) Recommendations to innovate the family support program, improve  
3 current programming, and maximize limited funding, including, but not  
4 limited to, the potential utilization of other medicaid pathways or  
5 medicaid waivers that could help increase access to medicaid and long-  
6 term services and supports for children with disabilities or special  
7 health care needs.

8 **Sec. 13.** Section 71-561, Revised Statutes Cumulative Supplement,  
9 2024, is amended to read:

10 71-561 Sections 71-561 to 71-567 and section 19 of this act shall be  
11 known and may be cited as the Aging, Alzheimer's, and Disease and Other  
12 Dementia Support Act.

13 **Sec. 14.** Section 71-563, Revised Statutes Cumulative Supplement,  
14 2024, is amended to read:

15 71-563 For purposes of the Aging, Alzheimer's, and Disease and Other  
16 Dementia Support Act:

17 (1) Council means the Aging, Alzheimer's, and Dementia Alzheimer's  
18 Disease and Other Dementia Advisory Council; and

19 (2) Department means the Department of Health and Human Services.

20 **Sec. 15.** Section 71-564, Revised Statutes Cumulative Supplement,  
21 2024, is amended to read:

22 71-564 (1) The Aging, Alzheimer's, and Dementia Alzheimer's Disease  
23 and Other Dementia Advisory Council is created and shall include:

24 (a) Fourteen ~~Twelve~~ voting members appointed by the Governor. The  
25 voting members shall consist of: (i) An individual living with  
26 Alzheimer's disease or another dementia or a family member or care  
27 partner with experience caring for ~~of~~ such an individual; (ii) an  
28 individual who is a state representative of a nationwide organization  
29 that advocates for individuals living with Alzheimer's disease or other  
30 dementia; (iii) an individual who is a state representative of a  
31 nationwide organization that advocates for aging adults; (iv) a medical

1 professional with experience diagnosing or treating Alzheimer's disease  
2 or other dementia; (v) a medical or licensed professional with experience  
3 working with aging populations; (vi) an individual who conducts research  
4 relating to Alzheimer's disease and other dementia issues; (vii) an  
5 individual who represents long-term care; (viii) an individual who  
6 represents nursing facilities; (ix) an individual who represents  
7 nonmedical home and community-based services, including home care,  
8 respite, or adult day care services; (x) an individual who represents  
9 assisted-living facilities; (xi) one representative from each  
10 congressional district representing a planning-and-service area as  
11 designated in the Nebraska Community Aging Services Act; and (xii) an  
12 individual with experience with vulnerable aging populations the family  
13 caregiver of an individual living with Alzheimer's disease or another  
14 dementia; (iii) an individual who represents nursing homes; (iv) an  
15 individual who represents assisted-living facilities; (v) an individual  
16 who represents providers of adult day care services; (vi) an individual  
17 who represents home care providers; (vii) a medical professional who has  
18 experience diagnosing and treating Alzheimer's disease; (viii) an  
19 individual who conducts research regarding Alzheimer's disease or other  
20 dementia; (ix) an individual who represents a leading, nationwide  
21 organization that advocates on behalf of individuals living with  
22 Alzheimer's disease or other dementia; (x) an individual who represents  
23 an area agency on aging; (xi) an individual representing an organization  
24 that advocates for older adults; and (xii) an individual with experience  
25 or expertise in the area of the specific needs of individuals with  
26 intellectual and developmental disabilities and Alzheimer's disease or  
27 other dementia; and

28 (b) Five nonvoting members. The nonvoting members shall consist of:  
29 (i) The Director of Public Health or the director's designee; (ii) the  
30 Director of Disability and Aging Medicaid and Long-Term Care or the  
31 director's designee; (iii) the administrator a representative of the

1 State Unit on Aging ~~or the administrator's designee of the Division of~~  
2 ~~Medicaid and Long-Term Care designated by the Director of Medicaid and~~  
3 ~~Long-Term Care~~; (iv) a representative of the Nebraska Workforce  
4 Development Board designated by the board; and (v) the state long-term  
5 care ombudsman or the ombudsman's designee.

6 (2) The terms of the initial members shall begin on the date of the  
7 first meeting as called by the Director of Public Health and (a) one-  
8 third shall serve for two-year terms, (b) one-third shall serve for  
9 three-year terms, and (c) one-third shall serve for four-year terms,  
10 including the chairperson and vice-chairperson. Thereafter all members  
11 shall serve four-year terms. Members may not serve more than two  
12 consecutive four-year terms. Vacancies shall be appointed by the Governor  
13 in the same manner as described in subdivision (1)(a) of this section.

14 (3) Members of the council shall select the chairperson and vice-  
15 chairperson who shall not be employees of the state and may serve in such  
16 role for up to four consecutive years. The Director of Public Health or  
17 the director's designee shall call and preside over the first meeting  
18 until a chairperson is selected. Thereafter, the council shall meet at  
19 least quarterly at the call of the chairperson. A majority of the voting  
20 members shall constitute a quorum for the conduct of meetings.

21 (4) The council shall hold meetings at least once every calendar  
22 quarter.

23 (5) Members shall serve on the council without compensation but  
24 shall be compensated for expenses incurred for such service as provided  
25 in sections 81-1174 to 81-1177.

26 (6) The department shall provide staff and support to the council as  
27 necessary to assist the council in the performance of its duties.

28 **Sec. 16.** Section 71-565, Revised Statutes Cumulative Supplement,  
29 2024, is amended to read:

30 71-565 (1) The purpose of the council shall be to examine (a) the  
31 needs of aging individuals and individuals living with Alzheimer's

1 disease or other dementia, (b) the services available in the state for  
2 those individuals and their family caregivers, and (c) the ability of  
3 health care providers and facilities to meet the current and future needs  
4 of such individuals.

5 (2) The council shall collaborate with the department and other  
6 state departments as needed to gather input on issues and strategies that  
7 pertain to aging, Alzheimer's disease, and other dementia and identify  
8 proactive approaches on public health, workforce, caregiver support, and  
9 care delivery. The council shall monitor analysis, policy development,  
10 and program implementation related to aging, Alzheimer's disease, and  
11 other dementia.

12 **Sec. 17.** Section 71-566, Revised Statutes Cumulative Supplement,  
13 2024, is amended to read:

14 71-566 The council shall consider and make findings and  
15 recommendations on the following topics:

16 (1) Trends in the state's aging and Alzheimer's disease and other  
17 dementia populations and service needs, including:

18 (a) The state's role in providing or facilitating long-term care,  
19 family caregiver support, home and community-based services to the aging,  
20 and assistance to those with early-stage or early-onset Alzheimer's  
21 disease or other dementia;

22 (b) The state's policies regarding services provided to aging  
23 individuals and individuals with Alzheimer's disease or other dementia;

24 (c) The fiscal impact of Alzheimer's disease and other dementia on  
25 publicly funded health care programs; and

26 (d) The establishment of a surveillance system to better determine  
27 the number of individuals diagnosed with Alzheimer's disease or other  
28 dementia and to monitor changes to such numbers;

29 (2) Existing resources, services, and capacity relating to the  
30 diagnosis and care of individuals living with Alzheimer's disease or  
31 other dementia, including:

1 (a) The type, cost, and availability of dementia care services;

2 (b) The availability of health care workers who can serve people  
3 with dementia, including, but not limited to, neurologists,  
4 geriatricians, and direct care workers;

5 (c) Dementia-specific training requirements for public and private  
6 employees who interact with people living with Alzheimer's disease or  
7 other dementia which shall include, but not be limited to, long-term care  
8 workers, case managers, adult protective services, law enforcement, and  
9 first responders;

10 (d) Home and community-based services, including respite care for  
11 individuals sixty years of age and older or for individuals exhibiting  
12 symptoms of Alzheimer's disease or other dementia and their families;

13 (e) Quality care measures for home and community-based services and  
14 residential care facilities; and

15 (f) State-supported Alzheimer's disease and other dementia research  
16 conducted at universities located in this state; ~~and~~

17 (3) Policies and strategies that address the following:

18 (a) Increasing public awareness of Alzheimer's disease and other  
19 dementia;

20 (b) Educating providers to increase early detection and diagnosis of  
21 Alzheimer's disease and other dementia;

22 (c) Improving the health care received by individuals diagnosed with  
23 Alzheimer's disease or other dementia;

24 (d) Evaluating the capacity of the health care system in meeting the  
25 growing number and needs of those with Alzheimer's disease and other  
26 dementia;

27 (e) Increasing the number of health care professionals necessary to  
28 treat the growing aging and Alzheimer's disease and other dementia  
29 populations;

30 (f) Improving services provided in the home and community to delay  
31 and decrease the need for institutionalized care for individuals sixty

1 years of age or older or individuals diagnosed with Alzheimer's disease  
2 or other dementia;

3 (g) Improving long-term care, including assisted living, for those  
4 with Alzheimer's disease or other dementia;

5 (h) Assisting unpaid Alzheimer's disease or dementia caregivers;

6 (i) Increasing and improving research on Alzheimer's disease and  
7 other dementia;

8 (j) Promoting activities to maintain and improve brain health;

9 (k) Improving the collection of data and information related to  
10 Alzheimer's disease and other dementia and the resulting public health  
11 burdens;

12 (l) Improving public safety and addressing the safety-related needs  
13 of those with Alzheimer's disease or other dementia;

14 (m) Addressing legal protections for, and legal issues faced by,  
15 individuals with Alzheimer's disease or other dementia; and

16 (n) Improving the ways in which the government evaluates and adopts  
17 policies to assist individuals diagnosed with Alzheimer's disease or  
18 other dementia and their families; -

19 (4) The collection of facts and statistics and special studies of  
20 the conditions and problems pertaining to the employment, health,  
21 financial status, recreation, social adjustment, or other conditions and  
22 problems relating to the general welfare of aging individuals of the  
23 state;

24 (5) State and local agencies serving aging individuals for purposes  
25 of coordinating such agencies' activities, and reports from the various  
26 state agencies and institutions relating to matters within the  
27 jurisdiction of the council;

28 (6) The latest developments of research, studies, and programs being  
29 conducted throughout the nation relating to the problems and needs of  
30 aging individuals;

31 (7) The mutual exchange of ideas and information relating to aging

1 individuals among federal, state, and local governmental agencies,  
2 private organizations, and individuals; and

3 (8) Cooperation with federal, state, and local agencies or private  
4 organizations in administering and supervising demonstration programs of  
5 services for aging individuals designed to foster continued participation  
6 of such individuals in family and community life and to prevent, insofar  
7 as possible, the onset of dependency and the need for long-term  
8 institutional care.

9 **Sec. 18.** Section 71-567, Revised Statutes Cumulative Supplement,  
10 2024, is amended to read:

11 71-567 (1)(a) No later than December 31, 2024, the council shall  
12 compile the findings and recommendations ~~under the Alzheimer's Disease~~  
13 ~~and Other Dementia Support Act~~ and submit them as a State Alzheimer's  
14 Plan to the Legislature and the Governor.

15 (b) No later than December 31, 2028, and every ~~Every~~ four years  
16 thereafter, the council shall issue an updated State Alzheimer's Plan  
17 addressing the items in sections 71-565 and 71-566 and any other issues  
18 the council deems necessary and relevant toward addressing Alzheimer's  
19 disease and dementia in Nebraska.

20 (2) By October 1 of each year after the creation of the State  
21 Alzheimer's Plan, the council shall electronically submit to the  
22 Legislature and the Governor an annual report on the status of  
23 implementation of the State Alzheimer's Plan recommendations and any  
24 barriers to implementation.

25 **Sec. 19.** The Aging, Alzheimer's, and Dementia Advisory Council Fund  
26 is created. The fund shall consist of federal funds and grants or gifts  
27 for the purposes authorized by the Aging, Alzheimer's, and Dementia  
28 Support Act. Expenditures from the fund shall be subject to any  
29 conditions agreed upon for receiving such funds, grants, or gifts. Such  
30 funds, grants, or gifts shall be remitted to the State Treasurer for  
31 credit to the fund. Any money in the fund available for investment shall

1 be invested by the state investment officer pursuant to the Nebraska  
2 Capital Expansion Act and the Nebraska State Funds Investment Act.

3 **Sec. 20.** Section 71-814, Revised Statutes Supplement, 2025, is  
4 amended to read:

5 71-814 (1) The State Advisory Committee on Mental Health and  
6 Substance Use Services is created. Members of the committee shall have a  
7 demonstrated interest and commitment and specialized knowledge,  
8 experience, or expertise relating to the provision of mental health  
9 services in the State of Nebraska. The committee shall consist of twenty-  
10 three members appointed by the Governor as follows: (a) One regional  
11 governing board member, (b) one regional administrator, (c) twelve  
12 consumers of behavioral health services or their family members, (d) two  
13 providers of behavioral health services, (e) two representatives from the  
14 State Department of Education, including one representative from the  
15 Division of Vocational Rehabilitation of the State Department of  
16 Education, (f) three representatives from the Department of Health and  
17 Human Services representing mental health, social services, and medicaid,  
18 (g) one representative from the Nebraska Commission on Law Enforcement  
19 and Criminal Justice, and (h) one representative from the Housing Office  
20 of the Community and Rural Development Division of the Department of  
21 Economic Development.

22 (2) The committee shall be responsible to the division and shall (a)  
23 serve as the state's mental health planning council as required by Public  
24 Law 102-321, (b) conduct regular meetings, (c) provide advice and  
25 assistance to the division relating to the provision of mental health  
26 services and, beginning July 1, 2026, substance use disorder services in  
27 the State of Nebraska, including, but not limited to, the development,  
28 implementation, provision, and funding of organized peer support  
29 services, (d) promote the interests of consumers and their families,  
30 including, but not limited to, their inclusion and involvement in all  
31 aspects of services design, planning, implementation, provision,

1 education, evaluation, and research, (e) provide reports as requested by  
2 the division, and (f) engage in such other activities as directed or  
3 authorized by the division.

4 (3) Beginning July 1, 2026, the State Advisory Committee on Mental  
5 Health and Substance Use Services shall also perform the duties of the  
6 State Advisory Committee on Substance Abuse Services.

7 **Sec. 21.** Section 71-1908, Revised Statutes Supplement, 2025, is  
8 amended to read:

9 71-1908 (1) Sections 71-1908 to 71-1923.03 and section 22 of this  
10 act shall be known and may be cited as the Child Care Licensing Act.

11 (2) The Legislature finds that there is a present and growing need  
12 for quality child care programs and facilities. There is a need to  
13 establish and maintain licensure of persons providing such programs to  
14 ensure that such persons are competent and are using safe and adequate  
15 facilities. The Legislature further finds and declares that the  
16 development and supervision of programs are a matter of statewide concern  
17 and should be dealt with uniformly on the state and local levels. There  
18 is a need for cooperation among the various state and local agencies  
19 which impose standards on licensees, and there should be one agency which  
20 coordinates the enforcement of such standards and informs the Legislature  
21 about cooperation among the various agencies.

22 **Sec. 22.** (1) The department shall establish a youth afterschool  
23 eligibility letter for individuals who are sixteen or seventeen years of  
24 age and who are seeking employment in school-age child care programs or  
25 temporary nonresidential child care programs. For purposes of this  
26 section, temporary nonresidential child care program means a program in  
27 which child care is provided (a) for no more than twelve consecutive  
28 hours, (b) not on a continuous or regularly scheduled basis, and (c) in a  
29 location not ordinarily used as a licensed child care center.

30 (2)(a) To obtain a youth afterschool eligibility letter, an  
31 applicant shall:

1       (i) Complete all registry checks required for licensed child care  
2 staff, including the child abuse and neglect and sex offender registries,  
3 and any additional registry checks required by the department;

4       (ii) Submit all background check documentation required by the  
5 department; and

6       (iii) Complete a minimum seven-hour new staff orientation for  
7 school-age programs approved by the department.

8       (b) If an applicant is seeking employment in a school-age child care  
9 program or a temporary nonresidential child care program, the applicant  
10 shall reimburse the state for the cost of the application.

11       (3) An applicant who has submitted all required background check  
12 materials may engage in provisional employment while such checks are  
13 pending if: (a) The applicant is not left alone in a room with children;  
14 (b) the applicant is not included in staff-to-child ratio requirements;  
15 and (c) the applicant's provisional employment is limited to school-age  
16 child care programs and temporary nonresidential child care programs.

17       (4)(a) Upon completion of the requirements in subsection (2) of this  
18 section, the department shall issue a youth afterschool eligibility  
19 letter. The eligibility letter may be used to obtain initial employment  
20 in a school-age child care program or a temporary nonresidential child  
21 care program for one hundred eighty days after the date of issuance of  
22 such letter.

23       (b) If the eligibility letter holder begins employment in a school-  
24 age child care program or a temporary nonresidential child care program  
25 within one hundred eighty days after the date of issuance, the  
26 eligibility letter shall remain valid for purposes of such employment for  
27 one year after the date of issuance if the eligibility letter holder  
28 maintains continuous employment with such program.

29       (c) A youth afterschool eligibility letter that is not used within  
30 one hundred eighty days after the date of issuance shall expire and shall  
31 not be used to obtain future employment.

1       (d) A youth afterschool eligibility letter may be renewed through an  
2 expedited process established by the department.

3       (5) A licensed child care program or youth-serving program approved  
4 by the department may accept a valid youth afterschool eligibility letter  
5 as verification that the eligibility letter holder has met the initial  
6 background check and training requirements under this section.

7       (6) The department may adopt and promulgate rules and regulations to  
8 carry out this section, including, but not limited to, application  
9 procedures, background check verification, renewal procedures, fees,  
10 approval of training providers, and privacy and data-sharing protections.

11       (7) This section does not apply if it would result in a loss of  
12 federal funding for a child care or an early childhood education program  
13 or any successor program, including funds received under the federal  
14 Child Care and Development Block Grant Act of 1990, or would otherwise  
15 violate federal requirements for such funds.

16       **Sec. 23.** Section 71-2226, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18       71-2226 The Department of Health and Human Services is authorized to  
19 have a state CSF program to protect the health and welfare of the  
20 citizens of Nebraska by providing nutritious foods donated for such  
21 program by the United States Department of Agriculture, nutrition  
22 education, and such other benefits as are available to ~~women, infants,~~  
23 ~~children,~~ and elderly persons in Nebraska who are low income and  
24 vulnerable to malnutrition as long as federal funds are available from  
25 the CSF program and are granted to the department.

26       To the extent consistent with state law, the Department of Health  
27 and Human Services may establish, operate, and maintain the program in a  
28 way that will qualify it to receive federal funds and that is uniform  
29 with United States Department of Agriculture's standards, enter into  
30 agreements with the federal government to establish a CSF program, adopt  
31 and promulgate rules and regulations to implement a CSF program which are

1 consistent with federal regulations and such other rules and regulations  
2 as may be necessary to implement the CSF program, and enter into such  
3 other agreements as may be necessary to implement the program within this  
4 state.

5 **Sec. 24.** Section 71-7450, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 71-7450 (1) Licensure activities under the Wholesale Drug  
8 Distributor Licensing Act shall be funded by license fees. An applicant  
9 for an initial or renewal license under the act shall pay a license fee  
10 as provided in this section.

11 (2) License fees shall include (a) a base fee of fifty dollars and  
12 (b) an additional fee of not more than five hundred dollars based on  
13 variable costs to the department of inspections and of receiving and  
14 investigating complaints, other similar direct and indirect costs, and  
15 other relevant factors as determined by the department.

16 (3) If the licensure application is denied, the license fee shall be  
17 returned to the applicant, except that the department may retain up to  
18 twenty-five dollars as an administrative fee and may retain the entire  
19 license fee if an inspection has been completed prior to such denial.

20 (4) The department shall also collect a fee for reinstatement of a  
21 license that has lapsed or has been suspended or revoked. The department  
22 shall collect a fee of ten dollars for a duplicate original license.

23 (5) The department shall remit all license fees collected under this  
24 section to the State Treasurer for credit to the Health and Human  
25 Services Cash Fund. License fees collected under this section shall only  
26 be used for activities related to the licensure of wholesale drug  
27 distributors or for the payment of expenses related to the prescription  
28 drug monitoring system created under section 71-2454 , ~~except for the~~  
29 ~~transfer of funds provided for under subsection (6) of this section.~~

30 ~~(6) The State Treasurer shall transfer three million seven hundred~~  
31 ~~thousand dollars from the Health and Human Services Cash Fund to the~~

~~1 General Fund on or before June 30, 2018, on such dates and in such  
2 amounts as directed by the budget administrator of the budget division of  
3 the Department of Administrative Services. It is the intent of the  
4 Legislature that the transfer to the General Fund in this subsection be  
5 from funds credited to the Wholesale Drug Distributor Licensing subfund  
6 of the Health and Human Services Cash Fund.~~

7       **Sec. 25.** Section 81-6,122, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9       81-6,122 (1) The Department of Health and Human Services shall, in  
10 collaboration with the Department of Correctional Services, the  
11 Department of Economic Development, the Department of Labor, the  
12 Department of Transportation, the Department of Veterans' Affairs, the  
13 State Department of Education, the University of Nebraska, and the Equal  
14 Opportunity Commission, develop a comprehensive strategic plan for  
15 providing services to qualified persons with disabilities in the most  
16 integrated community-based settings pursuant to the Olmstead decision.

17       (2) The chief executive officer of the Department of Health and  
18 Human Services shall convene a team to:

19       (a) Develop the strategic plan described in subsection (1) of this  
20 section;

21       (b) Appoint and convene a stakeholder advisory committee to assist  
22 in the review and development of the strategic plan, such committee  
23 members to include a representative from the State Advisory Committee on  
24 Mental Health and Substance Use Services, the Advisory Committee on  
25 Developmental Disabilities, the Nebraska Statewide Independent Living  
26 Council, the Nebraska Planning Council on Developmental Disabilities, the  
27 Division of Rehabilitation Services in the State Department of Education,  
28 the Public Service Commission, the Commission for the Deaf and Hard of  
29 Hearing, the Commission for the Blind and Visually Impaired, a housing  
30 authority in a city of the first or second class and a housing authority  
31 in a city of the primary or metropolitan class, the Assistive Technology

1 Partnership, the protection and advocacy system for Nebraska, an  
2 assisted-living organization, the behavioral health regions, mental  
3 health practitioners, developmental disability service providers, an  
4 organization that advocates for persons with developmental disabilities,  
5 an organization that advocates for persons with mental illness, an  
6 organization that advocates for persons with brain injuries, and an area  
7 agency on aging, and including two persons with disabilities representing  
8 self-advocacy organizations, and, at the department's discretion, other  
9 persons with expertise in programs serving persons with disabilities;

10 (c) Arrange for consultation with an independent consultant to  
11 assist with the continued analysis and revision of the strategic plan and  
12 determine whether the benchmarks, deadlines, and timeframes are in  
13 substantial compliance with the strategic plan;

14 (d) Provide continuing analysis of the strategic plan and a report  
15 on the progress of the strategic plan and changes or revisions to the  
16 Legislature by December 15, 2021, and every three years thereafter; and

17 (e) Provide the completed strategic plan to the Legislature and the  
18 Governor by December 15, 2019.

19 (3) The reports and completed plan shall be submitted electronically  
20 to the Legislature.

21 **Sec. 26.** Section 81-1316, Revised Statutes Supplement, 2025, is  
22 amended to read:

23 81-1316 (1) All agencies and personnel of state government shall be  
24 covered by sections 81-1301 to 81-1319 and shall be considered subject to  
25 the State Personnel System, except the following:

- 26 (a) All personnel of the office of the Governor;
- 27 (b) All personnel of the office of the Lieutenant Governor;
- 28 (c) All personnel of the office of the Secretary of State;
- 29 (d) All personnel of the office of the State Treasurer;
- 30 (e) All personnel of the office of the Attorney General;
- 31 (f) All personnel of the office of the Auditor of Public Accounts;

- 1 (g) All personnel of the Legislature;
- 2 (h) All personnel of the court systems;
- 3 (i) All personnel of the Board of Educational Lands and Funds;
- 4 (j) All personnel of the Public Service Commission;
- 5 (k) All personnel of the Nebraska Brand Committee;
- 6 (l) All personnel of the Commission of Industrial Relations;
- 7 (m) All personnel of the State Department of Education;
- 8 (n) All personnel of the Nebraska state colleges and the Board of  
9 Trustees of the Nebraska State Colleges;
- 10 (o) All personnel of the University of Nebraska;
- 11 (p) All personnel of the Coordinating Commission for Postsecondary  
12 Education;
- 13 (q) All personnel of the Governor's Policy Research Office;
- 14 (r) All personnel of the Commission on Public Advocacy;
- 15 (s) All agency heads;
- 16 (t)(i) The Director of Behavioral Health of the Division of  
17 Behavioral Health; (ii) the Director of Children and Family Services of  
18 the Division of Children and Family Services; (iii) the Director of  
19 Disability and Aging Developmental Disabilities of the Division of  
20 Disability and Aging Developmental Disabilities; (iv) the Director of  
21 Medicaid and Long-Term Care of the Division of Medicaid and Long-Term  
22 Care; and (v) the Director of Public Health of the Division of Public  
23 Health;
- 24 (u) The chief medical officer established under section 81-3115, the  
25 Administrator of the Office of Juvenile Services, and the chief executive  
26 officers of the Beatrice State Developmental Center, Lincoln Regional  
27 Center, Norfolk Regional Center, Hastings Regional Center, Central  
28 Nebraska Veterans' Home, Norfolk Veterans' Home, Eastern Nebraska  
29 Veterans' Home, Western Nebraska Veterans' Home, and each youth  
30 rehabilitation and treatment center;
- 31 (v) The chief executive officers of all facilities operated by the

1 Department of Correctional Services and the medical director for the  
2 department appointed pursuant to section 83-4,156;

3 (w) All personnel employed as pharmacists, physicians,  
4 psychiatrists, or psychologists by the Department of Correctional  
5 Services;

6 (x) All personnel employed as pharmacists, physicians,  
7 psychiatrists, psychologists, service area administrators, or facility  
8 operating officers of the Department of Health and Human Services or the  
9 Department of Veterans' Affairs;

10 (y) Deputies and examiners of the Department of Banking and Finance  
11 and the Department of Insurance as set forth in sections 8-105 and  
12 44-119, except for those deputies and examiners who remain in the State  
13 Personnel System;

14 (z) All personnel of the Tax Equalization and Review Commission;

15 (aa) The associate director of the Conservation Division of the  
16 Nebraska State Historical Society and all personnel employed as a  
17 Conservator I or Conservator II of the Conservation Division of the  
18 Nebraska State Historical Society;

19 (bb) Assistant directors and deputies of the Nebraska Public  
20 Employees Retirement Systems; and

21 (cc) The Chief Water Officer, assistant directors, and deputies of  
22 the Department of Water, Energy, and Environment.

23 (2) At each agency head's discretion, up to the following number of  
24 additional positions may be exempted from the State Personnel System,  
25 based on the following agency size categories:

26	Number of Agency	Number of Noncovered
27	Employees	Positions
28	less than 25	0
29	25 to 100	1
30	101 to 250	2
31	251 to 500	3

1	501 to 1000	4
2	1001 to 2000	5
3	2001 to 3000	8
4	3001 to 4000	11
5	4001 to 5000	40
6	over 5000	50

7           The purpose of having such noncovered positions shall be to allow  
8 agency heads the opportunity to recruit, hire, and supervise critical,  
9 confidential, or policymaking personnel without restrictions from  
10 selection procedures, compensation rules, career protections, and  
11 grievance privileges. Persons holding the noncovered positions shall  
12 serve at the pleasure of the agency head and shall be paid salaries set  
13 by the agency head. An agency with over five thousand employees shall  
14 provide notice in writing to the Health and Human Services Committee of  
15 the Legislature when forty noncovered positions have been filled by the  
16 agency head pursuant to this subsection.

17           (3) No changes to this section or to the number of noncovered  
18 positions within an agency shall affect the status of personnel employed  
19 on the date the changes become operative without their prior written  
20 agreement. A state employee's career protections or coverage by personnel  
21 rules and regulations shall not be revoked by redesignation of the  
22 employee's position as a noncovered position without the prior written  
23 agreement of such employee.

24           **Sec. 27.** Section 81-2205, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26           81-2205 Council ~~Committee~~ shall mean the Aging, Alzheimer's, and  
27 Dementia Advisory Council ~~Division of Medicaid and Long-Term Care~~  
28 ~~Advisory Committee on Aging.~~

29           **Sec. 28.** Section 81-2212, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31           81-2212 The council ~~In addition to duties enumerated in section~~

1 ~~68-1104~~, the committee shall advise the department regarding:

2 (1) The state plan on aging as developed and prepared by the  
3 department;

4 (2) Policies adopted by the department;

5 (3) The needs of the state's older individuals;

6 (4) The development of the state plan and policies which affect the  
7 state's older individuals;

8 (5) Such rules, regulations, and standards as may be adopted by the  
9 department; and

10 (6) A community aging services budget for submission to the  
11 Legislature by the department.

12 The council ~~committee~~ shall also act as a panel for the hearing and  
13 resolution of any appeal requested by an area agency on aging should the  
14 department disapprove the area plan and budget or amendments as  
15 submitted.

16 **Sec. 29.** Section 81-2226, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 81-2226 In the event of a documented malfeasance on the part of any  
19 area agency on aging in the administration of its area plan, and the  
20 failure of the governing unit of the area agency to take corrective  
21 action within a reasonable time, the department shall, with the advice of  
22 the council ~~committee~~, terminate funding to the area agency governing  
23 unit by disapproving the area plan for that area agency on aging.

24 **Sec. 30.** Section 81-2234, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 81-2234 (1) Care management clients may contribute to the costs of  
27 receiving care management services, as provided under section 81-2230. A  
28 client family income schedule, using the federal poverty guidelines,  
29 shall be used to determine a care management client's voluntary  
30 contribution. Individuals who have family income below three hundred  
31 percent of a poverty level determined by the Department of Health and

1 Human Services based on any federal poverty index or similar guidelines  
2 may contribute ~~shall pay~~ from zero to ninety percent of the cost fee for  
3 the services provided by a care management unit. The client family income  
4 schedule ~~fee—scale~~ shall be adopted and promulgated as rules and  
5 regulations by the department and shall reflect the income range of  
6 individuals.

7 (2) A care management unit may receive reimbursement from state and  
8 federal government programs which allow for reimbursement for care  
9 management or case management services.

10 ~~(3) Individuals not covered by subsection (1) or (2) of this section~~  
11 ~~shall pay the full fee for services provided by a care management unit.~~

12 **Sec. 31.** Section 81-2235, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 81-2235 (1) Each care management unit may be reimbursed by the  
15 Department of Health and Human Services for costs ~~not paid for by the~~  
16 ~~individual~~ or through other reimbursement specified in section 81-2234.  
17 Reimbursement by the department shall be based on actual casework time  
18 units expended on all care management services provided and shall include  
19 expenses for personnel, administration and planning, client eligibility  
20 review, contractual services, and necessary support services and other  
21 necessary actual and indirect costs. Standardized rates of reimbursement  
22 shall be adopted and promulgated by the department and shall be adjusted  
23 at least every three years.

24 (2) Appropriations for reimbursement by the department for services  
25 provided under sections 81-2229 to 81-2235 and for the costs of the  
26 department to administer the program shall be appropriated separately  
27 from funds appropriated under the Nebraska Community Aging Services Act.

28 **Sec. 32.** Section 81-3113, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 81-3113 The Department of Health and Human Services is created. The  
31 department shall have five divisions to be known as (1) the Division of

1 Behavioral Health, (2) the Division of Children and Family Services, (3)  
2 the Division of Disability and Aging Developmental Disabilities, (4) the  
3 Division of Medicaid and Long-Term Care, and (5) the Division of Public  
4 Health.

5 **Sec. 33.** Section 81-3116, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 81-3116 The responsibilities of the divisions created in section  
8 81-3113 include, but are not limited to, the following:

9 (1) The Division of Behavioral Health shall administer (a) the state  
10 hospitals for the mentally ill designated in section 83-305 and (b)  
11 publicly funded community-based behavioral health services;

12 (2) The Division of Children and Family Services shall administer  
13 (a) protection and safety programs and services, including child welfare  
14 programs and services and the Office of Juvenile Services, (b) economic  
15 and family support programs and services, and (c) service areas as may be  
16 designated by the chief executive officer or by the Director of Children  
17 and Family Services under authority of the chief executive officer  ~~,~~  
18 ~~except that on and after September 1, 2012, the western, central, and~~  
19 ~~northern service areas shall be aligned to be coterminous with the~~  
20 ~~district court judicial districts described in section 24-301.02;~~

21 (3) The Division of Disability and Aging Developmental Disabilities  
22 shall administer (a) the Beatrice State Developmental Center, (b) aging  
23 services, and (c) (b) publicly funded community-based developmental  
24 disabilities services;

25 (4) The Division of Medicaid and Long-Term Care shall administer (a)  
26 the medical assistance program also known as medicaid  ~~, (b) aging~~  
27 ~~services,~~ and (b) (c) other related programs and services; and

28 (5) The Division of Public Health shall administer (a) preventive  
29 and community health programs and services, (b) the regulation and  
30 licensure of health-related professions and occupations, and (c) the  
31 regulation and licensure of health care facilities and health care

1 services.

2 **Sec. 34.** Section 83-1201, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4 83-1201 Sections 83-1201 to ~~83-1226~~ ~~83-1228~~ shall be known and may  
5 be cited as the Developmental Disabilities Services Act.

6 **Sec. 35.** Section 83-1204, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 83-1204 Department shall mean the Division of Disability and Aging  
9 ~~Developmental Disabilities~~ of the Department of Health and Human  
10 Services.

11 **Sec. 36.** Section 83-1206, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 83-1206 Director shall mean the Director of Disability and Aging  
14 ~~Developmental Disabilities~~ of the Division of Disability and Aging  
15 ~~Developmental Disabilities~~.

16 **Sec. 37.** The State Department of Education may authorize any  
17 accredited or approved public, private, denominational, or parochial  
18 school to maintain epinephrine in any form approved by the federal Food  
19 and Drug Administration for the purpose of emergency first aid to  
20 students who experience allergic reactions.

21 **Sec. 38.** Sections 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15,  
22 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33,  
23 34, 35, 36, 37, 39, and 41 of this act become operative three calendar  
24 months after the adjournment of this legislative session. The other  
25 sections of this act become operative on their effective date.

26 **Sec. 39.** Original sections 43-2624, 68-927, 68-928, 68-1006,  
27 68-1007, 71-2226, 71-7450, 81-6,122, 81-2205, 81-2212, 81-2226, 81-2234,  
28 81-2235, 81-3113, 81-3116, 83-1201, 83-1204, and 83-1206, Reissue Revised  
29 Statutes of Nebraska, sections 30-38,113, 43-4413, 43-4504, 71-561,  
30 71-563, 71-564, 71-565, 71-566, and 71-567, Revised Statutes Cumulative  
31 Supplement, 2024, and sections 38-131, 43-3342.04, 68-1530, 71-814,

1 71-1908, and 81-1316, Revised Statutes Supplement, 2025, are repealed.

2 **Sec. 40.** Original section 68-949, Revised Statutes Supplement,  
3 2024, is repealed.

4 **Sec. 41.** The following sections are outright repealed: Sections  
5 68-1008, 68-1101, 68-1103, 68-1104, 68-1106, 71-1795, 71-1795.02,  
6 71-2201, 71-2202, 71-2203, 71-2204, 71-2205, 71-2207, 71-2208,  
7 81-3133.02, 81-3134, 83-1216.02, 83-1227, and 83-1228, Reissue Revised  
8 Statutes of Nebraska, and section 68-1105, Revised Statutes Cumulative  
9 Supplement, 2024.

10 **Sec. 42.** Since an emergency exists, this act takes effect when  
11 passed and approved according to law.