

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$124,069		\$36,468	
CASH FUNDS				
FEDERAL FUNDS	\$124,069		\$36,468	
OTHER FUNDS				
TOTAL FUNDS	\$248,138		\$72,936	

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

This bill requires the Department of Health and Human Services to submit a state plan amendment no later than October 1, 2023, to implement express lane eligibility. The state plan amendment shall identify the Division of Children and Family Services as the express lane agency. Data from the Supplemental Nutrition Assistance Program (SNAP) shall be used for express lane eligibility determinations. Express lane eligibility will be used for initial eligibility determinations, redeterminations, automatic enrollment and renewals for children in Medicaid and the Children’s Health Insurance Program. Legislative intent is stated that to the maximum extent possible, federal funds are to be appropriated for express lane eligibility costs.

The cost to implement express lane eligibility is for system changes and an additional Program Accuracy Specialist starting in October 2023 to implement and oversee quality assurance activities. The total cost of the additional FTE and the system changes is \$248,138 in FY24 and \$72,936 in FY25. The only federal funding available is 50% through permissible federal administrative match.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	85	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman	DATE:	3-10-2023	PHONE: (402) 471-4180
COMMENTS: The Nebraska Department of Health and Human Services’ analysis and estimate of fiscal impact to the department appears reasonable.				

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 3-10-2023

Phone: (5) 471-6719

	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$124,069		\$36,468	
CASH FUNDS				
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OTHER FUNDS				
TOTAL FUNDS	\$248,138		\$72,936	

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

Explanation of Estimate:

LB 85 would implement Express Lane Eligibility (ELE) in Nebraska. The State Plan Amendment (SPA) shall identify the Department of Health and Human Services (DHHS) Division of Children and Family Services (CFS) as the express lane agency. CFS will use Supplemental Nutrition Assistance Program (SNAP) data for eligibility determinations, redeterminations, automatic enrollment, and automatic renewals for Children’s Medicaid and the Children’s Health Insurance Program (CHIP) programs.

LB 85 mandates submission of the applicable Medicaid SPA by October 1, 2023. This SPA would include an implementation date of January 1, 2024. LB 85 does not change eligibility for the SNAP program but does require applications to automatically be sent to Medicaid on behalf of the recipient upon approval for SNAP.

To implement LB 85, DHHS will need to make changes to Nebraska Family Online Client User System (N-FOCUS) to allow tracking of SNAP applications as Medicaid applications and to track an applicant's election to 'opt out' of a children's Medicaid determination (a provision/option required ELE). System alerts would be created to prompt workers to screen Medicaid eligibility after approval.

The ACCESS Nebraska Economic Assistance Application will require updates to include a statement indicating the intent to use the information on the application to determine eligibility for children’s Medicaid and offering the household an opportunity to 'opt out' of such determination. In addition, the iServe application will need updates to implement this program. The changes outlined relevant to the ACCESS Nebraska Economic Assistance Application will also need to be made to the SNAP only application which will be implemented with the iServe project.

To perform analysis, design, and testing and to implement the NFOCUS, iServe, and ACCESS Nebraska Economic Assistance Application updates or changes described above, an estimated 665 Business Analyst (BA) hours at a cost of \$46,550 and 1,661 Technical Analyst (TA) hours at a cost of \$149,490 would be needed. These IT costs are 50% state general funds and 50% federal funds.

Quality assurance staff will be needed to implement LB 85. The policies surrounding the ELE option require separate quality assurance sampling and review, along with required reports to be submitted to the Secretary of Health and Human Services. To complete and submit the required reports, an additional program accuracy specialist will be needed. The estimated cost of this new full-time employee (FTE) is \$52,098 in FY2024 and \$72,936 in FY 2025. This FTE cost is 50% state general funds and 50% federal funds.

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2023-2024	2024-2025
	23-24	24-25	EXPENDITURES	EXPENDITURES
C72180 Program Accuracy Specialist	0.75	1	\$32,219	\$45,106
Benefits.....			\$11,277	\$15,787
Operating.....			\$204,642	\$12,043
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$248,138	\$72,936