

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	\$1,168,113		\$1,362,892	
CASH FUNDS				
FEDERAL FUNDS	\$3,462,858		\$4,529,640	
OTHER FUNDS				
TOTAL FUNDS	\$4,630,971		\$5,892,532	

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 (DHHS) to submit a state plan amendment by October 1, 2023 for coverage of family planning services under the medical assistance act. The proposal would add a new eligibility category for individuals with income at or below the eligibility level for pregnant women as of January 1, 2023 (194% of the Federal Poverty Level, FPL) Services for this new eligibility group are limited to family planning and related services. If approved by the Centers for Medicare and Medicaid Services (CMS) the addition would result in increased aid costs, the need for additional personnel, and more.

The Family Planning eligibility includes males and females regardless of age, excluding those who are pregnant. These individuals must not otherwise be eligible under another Medicaid category. The estimated population of uninsured adults who would have income above the Medicaid expansion level (138 percent FPL) up to the Pregnant Woman income level and be a part of this new Family Planning population is 10,639.

Coverage for these individuals would start on October 1, 2023. The enhanced FMAP for federally defined family services is 90 percent. Due to discrepancies, any family planning related services as outlined in LB333 would only be eligible for regular FMAP (SFY24 58.60 percent, SFY25 58.60 percent estimate). Using the estimated population, estimated annual expenses, and assumed growth, DHHS estimates total additional aid would be \$4,047,426 in SFY2024 and \$5,585,448 in SFY2025. The estimate for SFY2024 is 75% of the annual estimate due to the October 1, 2023 begin date.

DHHS indicates additional staffing needs which would require five (5) Social Services Workers, starting October 2023 (approximately one social services/eligibility worker per 2,000 clients). Staff would cost \$219,345 in FY24 and \$307,084 in FY25. This program would require updates to the Nebraska Family Online Client User System (NFOCUS). The estimated cost to update NFOCUS is \$192,600. This program would also require adjustments to the Medicaid Management Information System (MMIS) to properly communicate eligibility and allowable services under this category. The cost to update Nebraska’s MMIS is estimated to be \$171,600. Administrative personnel and system changes are paid at 50% Federal Funds and 50% General Funds.

The Women’s and Men’s Health Programs (WMHP) currently serves women up to 225% FPL. Coverage for women enrolling in the Breast and Cervical Cancer screening program includes screening, follow-up, and treatment referral to the Women’s Cancer Program if diagnosed with cancer or pre-cancer. The WMHP also sees women up to 225% in the State Pap Plus program. Women enrolling in this program receive payment of an office visit when either a pap smear is collected, or a sexually transmitted infection test is completed. The WMHP receives CDC federal funds, Nebraska state funds and cash donations to operate and screen women and has been providing breast and cervical cancer screening services for more than 30 years. Two aspects of WMHP that could be impacted by LB 333 are Public Health screenings and the Breast and Cervical Cancer Program. If LB 333 is passed, there would likely be some offset in both state and federal expenditures in the two affected programs and due to the CDC grant funding in Breast & Cervical Cancer, it’s possible DHHS would lose out on funding with a higher federal cost share.

The following costs are anticipated to be absorbed within current agency appropriations. An extensive update of regulations is estimated to be \$2,231. DHHS estimates the costs to complete the SPA and Waiver required by LB333 to be \$2,278, contracts with the state’s contracted actuary is estimated to be \$20,000 annually, and the cost of an enrollment broker is estimated to be \$5,000 annually. DHHS will also absorb costs within Public Health to research and develop educational materials, to educate persons who may qualify for services and service providers about the new program, and to update the DHHS website to reflect the new program. The estimated absorbed cost is \$1,613 in SFY2024 and \$1,693 in SFY 2025. These estimates are based on 40 hours of annual work. The absorbed costs for internal hours and contracted work would be absorbed at 50% Federal Funds and 50% General Funds.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	333	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services
REVIEWED BY:	Ann Linneman	DATE:	3-7-2023 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 3-7-2023

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	\$1,168,113		\$1,362,892	
CASH FUNDS				
FEDERAL FUNDS	\$3,462,858		\$4,529,640	
OTHER FUNDS				
TOTAL FUNDS	\$4,630,971	\$0	\$5,892,532	\$0

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

Explanation of Estimate:

LB 333 requires the Division of Medicaid and Long-Term Care (MLTC) to submit a state plan amendment (SPA) by October 1, 2023 to add a new eligibility category for individuals with income at or below the income eligibility level for pregnant women as of January 1, 2023 (194 percent FPL). The services for this eligibility group are limited to family planning and related services. If approved by the Centers for Medicare and Medicaid Services (CMS), the addition to the family planning eligibility category would result in increased aid expenditures, additional FTEs, systems changes, existing staff resources for SPA development and submission, regulation changes, and additional contract costs for development of a new capitation rating cohort, as well as additional enrollment broker contract costs.

The Family Planning eligibility includes males and females regardless of age, excluding those who are pregnant. These individuals must not otherwise be eligible under another Medicaid category. The estimated population of uninsured adults who would have income above the Medicaid expansion level (138 percent FPL) up to the Pregnant Woman income level and be a part of this new Family Planning population is 10,639. Coverage for these individuals would start on October 1, 2023. The enhanced FMAP for federally defined family services is 90 percent. Any family planning related services as outlined in LB333 would only be eligible for regular FMAP (SFY24 58.60 percent, SFY25 58.60 percent estimate). Using the estimated population, estimated annual expenses, and assumed growth, total aid is estimated to be \$4,047,426 in SFY2024 and \$5,585,448 in SFY2025. The estimate for SFY2024 is 75% of the annual estimate due to the October 1, 2023 begin date.

Additional staffing would require five (5) Social Services Workers, starting October 2023 (approximately one social services/eligibility worker per 2,000 clients). Staff would cost \$219,345 in FY24 and \$307,084 in FY25 and are paid at 50% Federal Funds and 50% General Funds.

This program would require updates to the Nebraska Family Online Client User System (NFOCUS). The estimated cost to update NFOCUS is \$192,600. This includes 1,066 hours of NFOCUS technical analyst hours at \$100/hr and 1,075 NFOCUS business analyst hours at \$80/hr.

This program would also require adjustments to the Medicaid Management Information System (MMIS) to properly communicate eligibility and allowable services under this category. The cost to update Nebraska's MMIS is estimated to be \$171,600. This includes 1,060 hours of MMIS technical analyst hours at \$100/hr and 820 MMIS business analyst hours at \$80/hr. System changes are paid at 50% Federal Funds and 50% General Funds.

The Women's and Men's Health Programs (WMHP) currently serves women up to 225% FPL. Coverage for women enrolling in the Breast and Cervical Cancer screening program includes screening, follow-up, and treatment referral to the Women's Cancer Program if diagnosed with cancer or pre-cancer. The WMHP also sees women up to 225% in the State Pap Plus program. Women enrolling in this program receive payment of

an office visit when either a pap smear is collected, or a sexually transmitted infection test is completed. The WMHP receives CDC federal funds, Nebraska state funds and cash donations to operate and screen women and has been providing breast and cervical cancer screening services for more than 30 years. Two aspects of WMHP that could be impacted by LB 333 are Public Health screenings and the Breast and Cervical Cancer Program.

If LB 333 is passed, there would likely be some offset in both state and federal expenditures in the two affected programs and due to the CDC grant funding in Breast & Cervical Cancer, it's possible DHHS would lose out on funding with a higher federal cost share.

The Department of Health and Human Services (DHHS) will be required to complete a major rule and regulation change because of LB333. DHHS estimates these costs to be \$2,231 and will absorb these costs within current appropriations.

DHHS estimates the costs to complete the SPA and Waiver required by LB333 to be \$2,278 and will absorb these costs within current appropriations.

DHHS will also absorb costs for work to be completed by the state's contracted actuary in the amount of \$20,000 annually and enrollment broker in the amount of \$5,000 annually.

DHHS will also absorb costs within Public Health to research and develop educational materials, to educate persons who may qualify for services and service providers about the new program, and to update the DHHS website to reflect the new program. The estimated absorbed cost is \$1,613 in SFY2024 and \$1,693 in SFY 2025. These estimates are based on 40 hours of annual work. The absorbed costs for internal hours and contracted work would be absorbed at 50% Federal Funds and 50% General Funds.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2023-2024	2024-2025
	23-24	24-25	EXPENDITURES	EXPENDITURES
Social Services Worker	3.75	5	\$135,650	\$189,910
Benefits.....			\$47,477	\$66,468
Operating.....			\$400,418	\$50,706
Travel.....				
Capital Outlay.....				
Aid.....			\$4,047,426	\$5,585,448
Capital Improvements.....				
TOTAL.....			\$4,630,971	\$5,892,532