

PREPARED BY: Mikayla Findlay
 DATE PREPARED: January 10, 2024
 PHONE: 402-471-0062

LB 1106

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

This bill would require the Department of Health and Human Services (DHHS) to provide coverage for a minimum of ten lactation consultation visits for every mother covered under the medical assistance program, Medicaid, or child who is covered if their mother is not covered, by no later than January 1, 2025. The bill states legislative intent to appropriate an unspecified amount of General Funds to implement this provision. The unspecified appropriation must be a 145% rate increase over the current lactation consultant rate paid by Medicaid.

DHHS indicates that Medicaid currently covers up to five lactation consultation visits. Based on SFY23 data, 91% of members who utilized lactation consultations only received one or two sessions despite additional consultations being available. Due to this data, DHHS does not anticipate fiscal impact of increasing the number of consultations to ten.

The increase in the provider rate for lactation consultants to 145% of the current rate is estimated to be \$54,058 total funds in FY25. The estimate of \$55,139 total funds for FY26 includes a 2% increase. DHHS indicates these costs can be absorbed within the agency's current appropriation. There is no basis to disagree with this analysis.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	1106	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman	DATE:	2-16-2024	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Department of Health & Human Services' assessment of fiscal impact.				

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 2-16-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

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

Explanation of Estimate:

LB1106 requires Medicaid to increase the number of reimbursable lactation consultation sessions to ten per covered mother or per child if the mother is not covered and to increase the lactation consultation reimbursement rates.

Currently, up to five lactation consultation sessions are covered. In SFY 2023, the maximum number of sessions for any one member was four. On average, 91% of members received only one or two sessions. Medicaid does not anticipate a fiscal impact because of the requirement to increase from five to ten sessions due the utilization experienced in SFY 2023.

LB1106 also requires an increase to 145% over the current rates for lactation consulting effective July 1, 2024. Based on SFY 2023 utilization, the increase in expenditures related to the increase in rates for SFY 2025 is estimated to be \$54,058 (\$22,818 General Funds and \$31,240 Federal Funds). Assuming 2% growth for SFY 2026, the increase in expenditures is \$55,139 (\$23,423 General Funds and \$31,716 Federal Funds). The department will absorb these costs.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2024-2025 EXPENDITURES	2025-2026 EXPENDITURES
	24-25	25-26		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0