

**ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013**  
**COMMITTEE STATEMENT**  
**LB23**

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**Hearing Date:** Thursday January 24, 2013  
**Committee On:** Health and Human Services  
**Introducer:** Hadley  
**One Liner:** Change allocations of the ICF/MR Reimbursement Protection Fund

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 7 Senators Campbell, Cook, Crawford, Gloor, Howard, Watermeier, Krist  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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<b>Proponents:</b> Senator Galen Hadley Scott Hoffman	<b>Representing:</b> District #37 Mosaic
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<b>Opponents:</b>	<b>Representing:</b>
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<b>Neutral:</b>	<b>Representing:</b>
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**Summary of purpose and/or changes:**

LB 23 modifies the definition of "net revenue" to mean revenue "including, but not limited to, state appropriations."

The bill deletes sections of the law pertaining to the fiscal year (FY) 2004-05 and adds that for fiscal years 2011-12 and 2012-13, proceeds from the tax imposed on intermediate care facilities for the mentally retarded under Neb. Rev. Stat. 68-1803 should be remitted as credit to the ICF/MR Reimbursement Protection Fund.

Finally, LB 23 requires that for FY 2013-14 and each fiscal year thereafter, funds should be remitted as follows: (a) first, \$55,000 for the administration of the fund (same as in current law); (b) second, the amount needed to reimburse the cost of the tax to intermediate care facilities for the mentally retarded (remains as in current law); (c) third (changed from fourth in current law), \$1 million (increased from \$600,000) or a lesser amount available in the fund in addition to any continuation appropriation percentage increases provided by the Legislature to non-state-operated intermediate care facilities for the mentally retarded; (d) fourth (moved from third currently) \$312,000 for community-based services for persons with developmental disabilities, and (e) fifth, the remainder of the proceeds to the General Fund (same as current law).

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**Explanation of amendments:**

The Committee Amendment replaces the bill.

The amendment removes sections of the law pertaining to fiscal year (FY) 2004-05 and adds that beginning July 1, 2014, the department shall use the ICF/MR Reimbursement Protection Fund, including the matching federal financial participation, for enhancing rates paid under Medicaid to ICF/MR and for annual contribution to community-based

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programs for persons with developmental disabilities.

The amendment requires that for FY 2014-15, and each fiscal year after, funds should be remitted from the ICR/MR Reimbursement Protection Fund as follows: (a) first, \$55,000 for the administration of the fund (same as in current law); (b) second, the amount needed to reimburse the cost of the tax to intermediate care facilities for the mentally retarded (remains as in current law); (c) third, \$312,000 for community-based services for persons with developmental disabilities (same as currently provided); (d) the amendment changes from the specified \$600,000 to ICF/MR to the remaining proceeds of the tax amount available in the fund to enhance rates in non-state-operated ICF/MR by increasing the annual inflation factor to the extent allowed by such proceeds and any funds appropriated by the Legislature. Finally, the amendment removes the provision that any remaining proceeds be remitted to the General Fund.

Additionally, beginning July 1, 2014 the amendment allows for the end of the tax if: federal financial participation to match become unavailable (any funds remaining shall be returned to the facilities on the same basis as collected); or if money in the ICF/MR Reimbursement Protection Fund is appropriated, transferred, or otherwise expended for any use other than permitted by the Act.

Finally, the amendment reiterates that beginning July 1, 2014 no proceeds from the tax, including the federal match, shall be placed in the General Fund unless otherwise provided in the ICF/MR reimbursement Protection Act.

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Kathy Campbell, Chairperson