

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	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 caps payments from ICF/DD Reimbursement Fund for enhanced rates to non-state-operated ICF-DD facilities to ensure federal financial participation for Medicaid payments to ICF-DD facilities.

The revenue to the ICF/DD Reimbursement Protection Fund is from a six percent tax on net revenues of ICF-DD facilities. The proceeds fund administration costs, repayment of the tax and payments to community-based providers and ICF-DD facilities. The General Fund also receives \$1,000,000 a year.

Without the cap proposed on rates in this bill, the state is at risk of losing the federal Medicaid match for payments to ICF-DD facilities and for the costs of administration of the fund, the community-based funding from the ICF-DD fund and \$1,000,000 to the General Fund.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 605	AM:	AGENCY/POLT. SUB: Department of Health and Human Services (DHHS)	
REVIEWED BY: Elton Larson		DATE: 2/01/2017	PHONE: (402) 471-4173
COMMENTS: DHHS analysis and estimate of fiscal impact appear 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) Pat Weber

Date Prepared:(4) 1-19-17

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	<u>FY 2017-2018</u>		<u>FY 2018-2019</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:

LB605 would alter the language of ICF-DD Reimbursement Protection Act, section 68-1804(4) to allow the inflation factor used in the calculation of the Upper Payment Limit (UPL) to ensure federal financial participation. Without the passage of LB605, there is potential fiscal impact to the Department of Health and Human Services.

Exceeding the UPL for ICF-DD reimbursement would result in Nebraska being unable to claim federal matching funds above the UPL. Section 68-1806(2)(a)(i) says that if the ability to match payments by the ICF/DDs becomes unavailable, the ICF-DD tax will discontinue.

If discontinued, Nebraska Medicaid program would no longer receive the annual funding of \$55,000 for administration of the ICF-DD Reimbursement Protection Fund. Additionally, Program 424 would not receive the \$312,000 set aside from the tax funds for community-based services for persons with developmental disabilities.

Further, if the tax is discontinued, the State's General Fund would not receive the annual \$1,000,000 set forth in 68-1804(4)(e).

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2017-2018	2018-2019
		17-18	18-19	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				0	0