

PREPARED BY: Liz Hruska
 DATE PREPARED: February 01, 2018
 PHONE: 402-471-0053

LB 787

Revision: 01

Revised to correct a typing error

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|--------------------|---------|--------------------|---------|
| | FY 2018-19 | | FY 2019-20 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | \$2,242,113 | | \$3,060,663 | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | \$2,486,088 | | \$3,393,708 | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$4,728,201 | | \$6,454,371 | |

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

Under this bill, patrimony would not be counted when determining eligibility for Medicaid. Patrimony is defined as any funds held on behalf of, but not available for expenditure by a member of a religious order who has taken a vow of poverty.

Per Centers for Medicare and Medicaid (CMS) regulations, exempting patrimony is allowable but must also include tithing and cannot be narrowed to only those individuals who have taken a vow of poverty. Excluding patrimony from eligibility determination would increase Medicaid costs. The Department of Social Services estimates that approximately 305 additional persons per year would qualify for Medicaid, primarily long-term care. The cost would be \$4,728,201 (\$2,242,113 GF and \$2,486,088 FF) in FY 2019 and \$6,454,371 (\$3,060,663,663 GF and \$3,393,708 FF) in FY 2020.

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|--|-----------------|--|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
| LB: 787-Revised | AM: | AGENCY/POLT. SUB: Health and Human Services (DHHS) |
| REVIEWED BY: Elton Larson | DATE: 1/31/2018 | PHONE: 402) 471-4173 |
| COMMENTS: DHHS estimate of fiscal impact to the department based on Medicaid managed care capitation rates 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) Mike Michalski

Date Prepared: 1-31-18

Phone: (5) 471-5046

| | <u>FY 2018-2019</u> | | <u>FY 2019-2020</u> | |
|----------------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | \$2,242,113 | | \$3,060,663 | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | \$2,486,088 | | \$3,393,708 | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$4,728,201 | | \$6,454,371 | |

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

Explanation of Estimate:

LB 787 would amend the Medical Assistance Act to address the population affected by patrimony, which is defined as any funds held on behalf of, but not available for expenditure by, a member of a religious order who has taken a lifetime vow of poverty. Based on historical populations that have taken a vow of poverty, it is assumed that .025% or 305 persons would qualify for Medicaid under this legislation.

Using current managed care capitation rates, the estimated costs in Program 348 will be \$4,728,201 SFY19 (\$2,242,113 General Fund, \$2,486,088 Federal Fund) and \$6,454,371 SFY 20 (\$3,060,663 General Fund, \$3,393,708 Federal Fund). Expenditures for SFY 19 assume an October 1, 2018 start date.

MAJOR OBJECTS OF EXPENDITURE

| PERSONAL SERVICES: | POSITION TITLE | NUMBER OF POSITIONS | | 2018-2019 | 2019-2020 |
|---------------------------|----------------|---------------------|-------|--------------------|--------------------|
| | | 18-19 | 19-20 | EXPENDITURES | EXPENDITURES |
| Benefits..... | | | | | |
| Operating..... | | | | | |
| Travel..... | | | | | |
| Capital Outlay..... | | | | | |
| Aid..... | | | | \$4,728,201 | \$6,454,371 |
| Capital Improvements..... | | | | | |
| TOTAL..... | | | | \$4,728,201 | \$6,454,371 |