

PREPARED BY: Liz Hruska
 DATE PREPARED: March 15, 2019
 PHONE: 402-471-0053

LB 404

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	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 states Legislative intent to separate the Medicaid Program appropriations into three budget programs. The three division are Medicaid Expansion, Medicaid Long-Term Care and Other Medical Assistance. The Medicaid Long-Term Care budget program would include a subprogram for nursing facilities appropriations and expenditures.

Separating the appropriation for the Medicaid Program into three budget programs does not have a fiscal impact. It may require the Legislature to move funding from one program to another through deficit bills, if the appropriated amounts don't match up with the expenditures.

The Department of Health and Human Services shows costs for changes to NFOCUS and MMIS. However, the department currently tracks long-term care Medicaid expenditures separately from non-long-term care expenses, so the information needed is being tracked. Medicaid funds are also expended in two other budget programs, Programs 421 Beatrice State Developmental Center and Program 424 Developmental Disabilities Aid.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 404	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 3-20-19	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Health and 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) Mike Michalski

Date Prepared 01/25/19

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	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$65,569		\$47,232	
CASH FUNDS				
FEDERAL FUNDS	\$102,244		\$47,231	
OTHER FUNDS				
TOTAL FUNDS	\$167,813		\$94,463	

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

Explanation of Estimate:

LB 404 changes the appropriation of Program 348 Medicaid and Long-Term Care (MLTC) in the Department of Health and Human Services. It seeks to split the appropriation into three separate programs: Medicaid Expansion, Medicaid Long-Term Care, and Other Medical Assistance.

There is no increase in aid costs to the Medicaid budget if the program is separated into new programs. MLTC has concerns about the unintended consequences of bucketing appropriations into separate programs of an integrated aid program. Separating the budget appropriations would not allow a seamless continuation of payments to providers when significant utilization changes cause increased expenditures in one program, exhausting funds and requiring deficit requests.

There could be some additional administrative costs associated with creating new programs. Computing systems, NFOCUS and MMIS, would need updates, as well as internal and external reporting documents that would need to be updated prior to the programs being separated. The estimated costs for MMIS updates would be \$73,350 in total funds in one time charges in SFY 2020. Technology updates would qualify for a 75% Federal Funds (FF) and 25% General Funds (GF) match rate.

To accommodate the increased reporting and other requirements of having new programs and sub-programs, the Department of Health and Human Services will need to hire one additional Budget Analyst starting on July 1, 2019. Administration costs are assumed at 50/50 FF and GF.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2019-2020	2020-2021
		19-20	20-21	EXPENDITURES	EXPENDITURES
	Budget Analyst	1	1	\$51,299	\$51,299
	Benefits.....			\$19,940	\$19,940
	Operating.....			\$96,574	\$23,224
	Travel.....				
	Capital Outlay.....				
	Aid.....				
	Capital Improvements.....				
	TOTAL.....			\$167,813	\$94,463