

With amendments to date

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$3,957,409		\$7,914,818	
CASH FUNDS				
FEDERAL FUNDS	\$5,245,868		\$10,491,735	
OTHER FUNDS				
TOTAL FUNDS	\$9,203,277		\$18,406,553	

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

LB 376 proposes that the Department of Health and Human Services (DHHS) apply for a waiver to administer a home and community-based services family support program for children with developmental disabilities who are currently on the DHHS Developmental Disability waiting list. If the bill were enacted, the program would be developed by the Advisory Committee on Developmental Disabilities and be administered by the Division of Developmental Disabilities of DHHS. The program would offer an annual capped budget of \$10,000 for long-term services and supports. The bill also provides a pathway for Medicaid eligibility for disabled children regardless of parental income. DHHS would be tasked with submitting an annual report regarding the status of the program annually to the Legislature.

The proposed waiver program would provide waiver services to 850 children, including 400 children who are not currently eligible for Medicaid.

Costs other than the \$10,000 per child cap for waiver services includes staffing costs, a rate of \$84 for each waiver participant for the contracted case management software, and expenditures for children not eligible for Medicaid.

It is assumed that the application for the waiver will take approximately 6 months for approval by CMS thus reducing the first year expenditures.

See the following for cost component breakdown:

Cost Component	Newly Eligible	Cost per Person or FTE	Cost FY 22	Cost FY 23
1915 c waiver services	850	\$10,000	\$4,250,000	\$8,500,000
Services Coordination	850	39.67	\$1,350,466	\$2,700,932
Case Management Software	850	\$84	\$35,611	\$71,222
Heritage Health Costs	400	\$17,836	\$3,567,200	\$7,134,400
General Funds			\$3,957,409	\$7,914,818
Federal Funds			\$5,245,868	\$10,491,735

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 376 AM: AGENCY/POLT. SUB: Nebraska Department of Health and Human Services

REVIEWED BY: Ann Linneman DATE: 2-16-2021 PHONE: (402) 471-4180

COMMENTS: The Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department 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 2-12-2021

Phone: (5) 471-6719

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$10,552,306		\$21,104,613	
CASH FUNDS				
FEDERAL FUNDS	\$14,441,314		\$28,882,628	
OTHER FUNDS				
TOTAL FUNDS	\$24,993,620		\$49,987,241	

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

Explanation of Estimate:

LB 376 would require the development and implementation of a family support waiver, which would be offered to minors with disabilities to prevent institutionalization and allow children to remain in their family homes. This offers services needed by families and a pathway to Medicaid eligibility.

The bill does not specify the eligibility level of the child, but an institutional level of care is required to disregard parental income and seek the federal funding of Medicaid. 42 CFR 435.602 states that a parent has financial responsibility for a child in Medicaid eligibility, while this bill specifically seeks to waive parental income from being counted as a resource. A new 1915(c) waiver would need to be submitted for approval first in order to implement this and other changes proposed in this bill.

This fiscal note assumes January 1st, 2022 as the implementation date due to the time needed to apply for and receive approval for the waiver.

This fiscal note assumes the number of participants would be 1,500 as there are approximately 1,100 children on the DD waitlist currently and 1,500 would allow for some growth. Using the current Service Coordination workload ratios, 60 FTE Services Coordinators, 9 FTE SC Supervisors, and 1 FTE Service District Administrator will be needed. There will also be a need for 1 FTE for the policy team (program specialist), 2 FTE for the Quality team (2 Program Accuracy Specialists), and 2 FTE for the financial and data management team (2 Fiscal Project Analysts).

There would be additional costs for the Therap case management system to add the new waiver and all components of case management for this new waiver population. The contract for case management is structured on a per member rate of \$83.79/year. The additional cost of adding 1,500 participants is estimated at \$62,843 the first year, and \$125,685 for the second year.

The waiver would have a limited budget of up to \$12,000 per participant. This would require \$9,000,000 in the first year, and \$18,000,000 in the second year.

Additional Medicaid expenditures would be incurred due to the pathway to Medicaid eligibility required in this bill. Based on the 1,500 additional cases added to the Heritage Health per month per member capitation payments, the overall impact to Medicaid would be \$13,377,600 in the first year, and \$26,755,200 in the second year (1,500 x \$17,836 per member per year).

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2021-2022	2022-2023
		21-22	22-23	EXPENDITURES	EXPENDITURES
C72831	Developmental Disabilities Service Coordinator	30.0	60.0	\$1,117,147	\$2,234,294

V72832 Developmental Disabilities Service Coordination Supervisor	4.5	9	\$211,265	\$422,529
G78601 Developmental Disabilities Service District Administrator	0.5	1.0	\$31,350	62,700
C73210 DHHS Program Specialist	0.5	1.0	23,770	47,540
C72180 Program Accuracy Specialist	1.0	2.0	\$44,221	\$88,442
K19850 DHHS Fiscal Project Analyst	1.0	2.0	\$52,031	\$104,062
Benefits.....			\$502,497	\$1,004,995
Operating.....			\$633,739	\$1,267,479
Travel.....				
Capital Outlay.....				
Aid.....			\$22,377,600	\$44,755,200
Capital Improvements.....				
TOTAL.....			\$24,993,620	\$49,987,241