

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 | \$26,575,000 | | \$10,803,198 | |
| CASH FUNDS | \$362,092 | | \$288,562 | |
| FEDERAL FUNDS | | | \$13,260,844 | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$26,837,092 | | \$24,352,604 | |

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

This bill requires all individuals licensed or credentialed under the Uniform Credentialing Act to annually complete implicit bias training approved by the Department of Health and Human Services. The Nebraska Perinatal Quality Improvement Program at the University of Nebraska Medical Center would be required to develop and provide instruction to appropriate health care professionals regarding health screenings for maternal hypertension, gestational diabetes and obesity. Such information shall include information specific to black women. The bill directs the department to apply for a demonstration project to provide 12 months of postpartum care and expand Medicaid coverage for postpartum women to twelve months. The bill also provides for coverage of services of a doula to Medicaid recipients. The doula services would be paid for from State funds. The Maternal Health Care Cash Fund is created. The fund is for programs that promote healthy pregnancy, delivery, and postpartum care and to identify health care disparities in maternal and postpartum health outcomes for women and children of color and low-income women and children to reduce or eliminate such disparities. The bill states legislative intent to make the following appropriations from the Maternal Health Care Cash Fund: 1) \$23 million in FY 2021-22 or until the waiver for postpartum care for 12 months is approved; 2) \$125,000 annually to the Nebraska Perinatal Quality Improvement Collaborative for maternal health screening training; 3) \$500,000 annually to provide reimbursement for the services of a doula in the Medicaid Program; 4) \$800,000 for one-time software changes in the Medicaid Program; 5) \$2,000,000 for the Women’s Health Initiative of Nebraska; 6) \$150,000 annually to fund data abstractors under the Maternal Death Review Act. The Women’s Health Initiative is directed to design and implement a grant program for funding local organizations that work to improve maternal health outcomes and reduce or eliminate health disparities for women and children of color and low-income women and children.

The implicit bias training will increase the workload for the licensing division. The estimated costs for four licensing specialists and a coordinator is \$362,092 in FY 2022 and \$288,562 in FY 2023. The costs would be paid from fees.

Although the bill states the intent to fund the following programs with the Maternal Health Care Cash Fund, there isn’t a known source of revenue that would be deposited into the fund that would adequately cover the costs. It is assumed all programs are funded through outright General Fund appropriations. These are the amounts by program:

- 1) \$23 million in FY 2021-22 or until the waiver for postpartum care for 12 months is approved
- 2) \$125,000 annually to the Nebraska Perinatal Quality Improvement Collaborative for maternal health screening training
- 3) \$500,000 annually to provide reimbursement for the services of a doula in the Medicaid Program
- 4) \$800,000 for one-time software changes in the Medicaid Program
- 5) \$2,000,000 for the Women’s Health Initiative of Nebraska
- 6) \$150,000 annually to fund data abstractors under the Maternal Death Review Act

Extending Medicaid coverage to postpartum women from 60 days to twelve months would require an 1115 waiver. It is unclear if the waiver would be approved. The estimated total cost of the coverage is \$23,264,640. Assuming federal approval, the General Fund share would be \$10,236,442 and the federal share would be \$13,028,198 annually.

CONTINUED

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | | |
|--|--------------|--|-----------|-----------------------|
| LB: 416 | AM: | AGENCY/POLT. SUB: Nebraska Department of Health & Human Services | | |
| REVIEWED BY: | Ann Linneman | DATE: | 1-26-2021 | PHONE: (402) 471-4180 |
| COMMENTS: The Nebraska Department of Health & Human Services' analysis and estimate of fiscal impact to the department appears reasonable. Without a valid appropriation for the cash fund created, this bill requires a General Fund appropriation. | | | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | | |
|--|--------------|--|-----------|-----------------------|
| LB: 416 | AM: | AGENCY/POLT. SUB: University of Nebraska | | |
| REVIEWED BY: | Ann Linneman | DATE: | 1-25-2021 | PHONE: (402) 471-4180 |
| COMMENTS: No basis to disagree with the University of Nebraska's assessment of no 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 1-25-2021

Phone: (5) 471-6719

| | <u>FY 2021-2022</u> | | <u>FY 2022-2023</u> | |
|----------------------|---------------------|---------|---------------------|---------|
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | \$24,190,440 | | \$24,189,640 | |
| CASH FUNDS | \$362,092 | | \$339,302 | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$24,552,532 | | \$24,528,942 | |

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

Explanation of Estimate:

LB416 Sec. 2. Section 38-129 (1) Revised Statutes Cumulative Supplement, 2020, is amended to read: No individual shall be issued a credential under the Uniform Credentialing Act (UCA) until the individual has furnished satisfactory evidence to the department that the individual: (c) Has completed implicit bias training, as defined in section 3 of this act, which is approved by the department. Sec. 3 adds the individual shall annually complete implicit bias training approved by the Department of Health and Human Services (DHHS).

The estimate is based on each bias training program requiring eight (8) hours of staff time to review and make response to training program submission for approval. This estimate is based on at least ten (10) training programs that would seek approval from DHHS. This estimate is based on a one-time requirement for implicit bias training for all UCA credential holders. The current number of credential holders per Section 1, Section 38-129 of LB 416 under the UCA is approximately 131,000. This estimate is also based on the group of certain credentialed professions specified in Section 1, Section 38-129 to receive training annually. The current number of credential holders in this group is 105,000. Most of these UCA professions renew credentials biennially and could be notified along with renewal notifications on a biennial basis. Requiring training annually will create additional work and expense for contacting all impacted credential holders and tracking their completion of training during their non-renewal year. These renewals are scheduled during different times of the year and in alternating years depending upon the profession. Because of these variables, this estimate assumes initial trainings to occur in FY2021-2022 and all annual trainings to occur in FY2022-2023, regardless of renewal year. DHHS would require four (4.0) FTEs Health Licensing Specialists and one (1.0) Health Licensing Coordinator in order to review and approve programs, and to notify, verify and track training of credential holders. Costs related to credential-holders would be financed through the Professional and Occupational Licensing fund (Program 178).

| | |
|--|---------------------------|
| | Estimated Man-hours |
| Implicit Bias Training programs: review and response 10 each x 8 hours = | 80 |
| Receive, verify, and enter training completions in credentialing system | |
| 131,000 first year x 5 minutes each =655,000 min / 60 min = | 10,917 |
| (Includes first year of annual for group below) | |
| Total Hours | 10,997 / 2,080 = 5.3 FTEs |

Instruction in health screenings for women of color: Receive, verify, and enter training completions in credential system

| | |
|---|---------------------------|
| 105,000 annually x 5 minutes each = 525,000 min / 60 min | 8,750 |
| The remaining .8 FTE would assist with annual notifications to credential holders | |
| Annual review of approved training programs and new submissions; | 1,650 |
| and with verification of training completions. Total Hours | 10,400 / 2,080 = 5.0 FTEs |

Total Estimate for staff is **\$288,562** per year.

The Office of Health Disparities and Health Equity would assist with identifying appropriate implicit bias training offerings to credential holders.

DHHS would need to modify the credentialing system to add the implicit bias training requirement to the applicable credential holders' modules. The resources needed to make these changes are:

One (1) IT Business Systems Analyst to add the implicit bias training requirement to the electronic credentialing system for eighty (80) hours.

One (1) Health Licensing Specialist to create and distribute notification regarding the new credentialing requirements to the applicable credential holders for eighty (80) hours.
These costs would be absorbed by The Department of Health and Human Services

The current credentialing system does not provide an efficient way to notify credential holders by email or the ability for credential holders to update their email addresses online. Credential holders are currently notified by postcard mailing. The costs to provide the initial postcard mailing to 131,000 credential holders at \$0.35 for postage and \$.08 for postcard material is \$56,330. The cost to notify subsequently 105,000 credential holders annually at \$0.35 for postage and \$.08 for postcard material is \$45,150. DHHS is in the process of procuring a replacement Licensure Information System (LIS) which is tentatively scheduled to go live September, 1 2021. It is expected that the new LIS would allow for electronic notifications and online renewals. Costs related to credential-holders would be financed through the Professional and Occupational Licensing fund (Program 178). This cost is estimated at \$101,480 per year or approximately \$8,457 per month until the Licensure Information System is completed. Even after the system is complete there will continue to be some credential holders that cannot participate in the electronic registration process causing a minimal amount of ongoing mailing costs. A six month estimate of **\$50,740** is used for this item

Sec. 2. 38-129 (2) Sec. 4 (2) requires the Nebraska Perinatal Quality Improvement Program to develop and provide instruction to appropriate health professionals regarding health screenings for maternal hypertension, diabetes, obesity, cardiomyopathy, cardiovascular and coronary conditions, preeclampsia and eclampsia, hemorrhage, embolism, and other maternal health conditions, including information specific to the health of black women and other women of color.

The estimated number of health professionals that would receive this instruction is approximately 53,000 health professionals. This estimate is based on DHHS developing and providing the specified instruction in an electronic format. DHHS would use existing staff from the Office of Health Disparities and Health Equity in collaboration with the Lifespan Services Unit and Health Promotion Unit to develop the instructional materials. LB 416 does not specify the frequency of instruction or if instruction is a requirement in order to obtain or maintain a credential under the UCA. This estimate is based on notification to health professionals in a one (1) time only postcard mailing. The estimate is based on media production costs for this instruction to be completed by existing DHHS Communications resources. Existing staff would absorb the cost of providing a link on the DHHS website. The cost of notifying 53,000 health professionals by postcard mailing at \$0.35 postage and \$.08 for postcard material is **\$22,790**. Any additional information, such as the frequency of instruction or a change in credential requirements, would subsequently be included in the biennial renewal mailing. Costs related to credential-holders would be financed through the Professional and Occupational Licensing fund (Program 178).

LB 416 Sec. 6 (5) requires the Department of Health and Human Services to on or before Oct.31, 2021 apply to the federal Centers for Medicare and Medicaid Services for a demonstration project waiver under section 1115 of the Social Security Act, 42 U.S.C. 1315, to provide twelve months of postpartum care for women, including lactation support services. The estimated costs for consulting support to apply for, and if approved, implement, and monitor the 1115 Waiver are approximately **\$300,000**.

The Department of Health and Human Services is not sure that they will be able to create projections to demonstrate that the waiver would be budget neutral and has concerns that this would be approved (which is a requirement for 1115 Waivers). The assumption is that the state will need full Federal Financial Participation. If/when an 1115 Waiver is approved, the amount needed from state funds would reduce by the amount matched by Federal Financial Participation (FFP).

LB 416 Sec. 7 (5) extends medical assistance coverage of post-partum women to twelve (12) months from the existing sixty (60) day period after birth. In State Fiscal Year 2019, medical assistance coverage for 2,370 women ended after the sixty (60) day period after birth. There were 2,284 women whose medical assistance coverage

ended at some point between sixty-one (61) days and eleven (11) months. The average cost of coverage for these persons is \$600 per month. The estimated cost is based on a minimum of 2,370 women x \$600 x 10 months = \$14,220,000 and 2,284 women x \$600 x 6.6 months = \$9,044,640 for a total estimate of **\$23,264,640** per year. This amount is included as General Funds and would be managed under The Maternal Health Care Cash Fund.

Continuous eligibility beyond sixty (60) days would not qualify for Federal funding. If coverage and eligibility are not allowable under current Medicaid programs, changes in coverage and eligibility can be submitted under a request of a Section 1115(a) waiver of the Social Security Act. Such changes must be budget neutral to the Federal government. The costs of the additional months would require 100 percent State funds managed under Program 348 Medical Assistance, depending upon waiver filing and subsequent approval.

LB 416 Sec. 8 (2) adds state funded reimbursement for the cost of doula services to be paid directly to Medicaid beneficiaries by State funds at rates determined by the Department of Health and Human Services (DHHS). Currently, DHHS has no system to make payments directly to medical assistance recipients. The estimated number of doulas and number of doula-assisted births in Nebraska are difficult to obtain. Doulas are not required to be licensed, certified, or registered and most doulas use word of mouth advertising. The use of doulas by medical assistance recipients would have been paid privately. Hospitals and birthing centers typically allow pregnant women to use privately hired doula services within their facilities. There are several online estimates of doula-assisted births that do not reference a specific study, but state the national average use of doulas is up to 6.0%. The Centers for Disease Control and Prevention/National Center for Health Statistics Data Brief No. 144 published in March 2014 indicates 0.75% of births in Nebraska occurred out-of-hospital in 2012. This data brief includes birthing centers in the out-of-hospital number. The DHHS Office of Vital Statistics reports an average of 0.38% of Nebraska births are outside of a facility based on actual birth certificates issued. This percentage does not include birthing centers. LB 416 would most likely increase the usage of doulas by medical assistance recipients. Public medical assistance covers an average of 8,200 Nebraska births each year. Using .38% of all Nebraska births results in an estimated 100 births per year. Using 6.0% of medical assistance recipients births results in an estimated 500 births per year.

According to the What To Expect Foundation's website by Everyday Health Group, the cost of labor and delivery services from doulas vary by region up to \$2,500. Doulamatch.net lists 48 birth doulas in Nebraska with only three of these using some type of credential title. The average cost for birth and short term post-partum services is \$1,250. Based on the estimated numbers above, the range of costs would be between \$125,000 and **\$625,000**. This higher estimate is included as General Funds and would be managed under The Maternal Health Care Cash Fund.

LB 416 changes to Sections 5 and 6 of 68-915 would require software changes to the medical assistance eligibility system. The cost to make these changes would use existing DHHS resources, except for technical assistance provided by the Office of CIO for approximately **\$800** that would be charged to DHHS under Program 033 – Administration.

LB416 Sec. 9 (5) The department may adopt and promulgate rules and regulations as necessary to carry out this section. This bill would require NAC 477 Medicaid eligibility regulation chapters 1 and 19 to be updated to incorporate the 12-month postpartum period. The estimated absorbed cost is:

| Title | Hour(s) | Hourly Cost | Absorbed Cost |
|--------------------------------------|-----------|-------------|-----------------|
| Director | 1 | 74.28 | \$ 74 |
| Deputy Director | 1 | 53.48 | \$ 53 |
| Administrator I | 1 | 30.82 | \$ 31 |
| Program Specialist | 2 | 22.52 | \$ 45 |
| Program Analyst | 4 | 21.91 | \$ 88 |
| Attorney 3 | 10 | 33.82 | \$ 338 |
| Total Absorbed Costs | 19 | | \$ 629 |
| Additional Board Meeting Cost | | | \$ 1,500 |
| Total Cost with meeting | | | \$ 2,129 |

LB 416 Sec 9 creates the Maternal Health Care Cash Fund. The fund shall be administered by the Department of Health and Human Services. The State Treasurer shall credit to the Maternal Health Care Cash Fund any funds transferred or appropriated to the fund by the Legislature and funds received as gifts or grants or other private or public funds obtained for the purposes of this section. Any money in the Maternal Health Care Cash Fund available for investment shall be invested by the State investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

It is the intent of the Legislature to make the following appropriations from the Maternal Health Care Cash Fund:

- (a) Twenty-three million dollars for fiscal year 2021-22 or until the waiver in subsection (5) of section 68-911 is approved, to the medical assistance program established pursuant to the Medical Assistance Act to extend postpartum care to twelve months;
- (b) One hundred and twenty-five thousand dollars annually to the Nebraska Perinatal Quality Improvement Collaborative for maternal health screening training;
- (c) Five hundred thousand dollars annually to medical assistance program to provide reimbursements for the services of doulas;
- (d) A one-time appropriation of eight hundred dollars for software changes to the medical assistance program eligibility system; and
- (e) Two million dollars annually to the Women's Health Initiative of Nebraska; and
- (f) One hundred fifty thousand dollars annually to fund data abstractors under the Child and Maternal Death Review Act.

| Intended Appropriation | | | Fiscal Impact | | | Excess/ (Shortfall) | | |
|------------------------|----------------------|---------------------|---------------|---|----------------------|----------------------|---------|-------------------------------------|
| | 2021-22 | 2022-23 | Program | | 2021-22 | 2022-23 | 2021-22 | 2022-23 |
| a | \$ 23,000,000 | | 348 | a | \$ 23,264,640 | \$ 23,264,640 | a | \$ (264,640) \$ (23,264,640) |
| b | \$ 125,000 | \$ 125,000 | 514/178 | b | \$ 362,092 | \$ 339,302 | b | \$ (237,092) \$ (214,302) |
| c | \$ 500,000 | \$ 500,000 | 348 | c | \$ 625,000 | \$ 625,000 | c | \$ (125,000) \$ (125,000) |
| d | \$ 800 | | 33 | d | \$ 800 | | d | \$ - |
| e | \$ 2,000,000 | \$ 2,000,000 | | e | \$ - | \$ - | e | \$ - \$ - |
| f | \$ 150,000 | \$ 150,000 | | f | \$ - | \$ - | f | \$ - \$ - |
| | | | | g | \$ 300,000 | \$ 300,000 | g | \$ (300,000) \$ (300,000) |
| TTL | \$ 25,775,800 | \$ 2,775,000 | | | \$ 24,552,532 | \$ 24,528,942 | | \$ (926,732) \$ (23,903,942) |

Note: items (e) and (f) do not offset fiscal impact items

(g) This item was added to the fiscal note for costs to prepare the 1115 Waiver

Of the total amount intended to be appropriated for 2021-2022 from the Maternal Health Care Cash Fund \$2,150,000 (relating to items (e) and (f)) does not apply to the estimated costs described above. The intended appropriation for item (a) is for the first fiscal year or until the 1115 waiver is approved. Should the 1115 waiver be approved only a certain percentage would be matched by Centers for Medicare and Medicaid Services.

The remaining amount would still need to be appropriated from the General or Cash fund. While it is the intent of the Legislature to make the following appropriations from the Maternal Health Care Cash Fund, the language is not a valid appropriation and estimates are shown as General Funds and Cash Funds where appropriate.

| MAJOR OBJECTS OF EXPENDITURE | | | | |
|-------------------------------------|----------------------------|--------------|---------------------|---------------------|
| PERSONAL SERVICES: | | | | |
| POSITION TITLE | NUMBER OF POSITIONS | | 2021-2022 | 2022-2023 |
| | 21-22 | 22-23 | EXPENDITURES | EXPENDITURES |
| X01750 Health Licensing Specialist | 4 | 4 | \$133,960 | \$133,960 |
| X01740 Health Licensing Coordinator | 1 | 1 | \$41,194 | \$41,194 |
| | | | | |
| | | | | |
| Benefits..... | | | \$48,885 | \$48,885 |
| Operating..... | | | \$438,853 | \$415,263 |
| Travel..... | | | | |
| Capital Outlay..... | | | | |
| Aid..... | | | \$23,889,640 | \$23,889,640 |
| Capital Improvements..... | | | | |
| TOTAL..... | | | \$24,552,532 | \$24,528,942 |

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 416

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 25, 2021 Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2021-22</u> | | <u>FY 2022-23</u> | |
|--------------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | ===== | ===== | ===== | ===== |

Explanation of Estimate:

Among other things, LB 416 would require implicit bias training for all credentialed employees. The University already anticipates providing such training to its employees. There would be no additional costs for the University.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2021-22</u> | <u>2022-23</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>21-22</u> | <u>22-23</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | 60,000 | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | 60,000 | _____ |