

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$3,792,003		\$7,699,214	
CASH FUNDS				
FEDERAL FUNDS	\$3,645,197		\$6,993,382	
OTHER FUNDS				
TOTAL FUNDS	\$7,437,200		\$14,692,596	

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

This bill creates the Nebraska Prenatal Plus Program within the Department of Health and Human Services (DHHS). The purpose of the program is to reduce incidences of low birth weight, pre-term birth, and adverse birth outcomes of the birthing parent and child by covering services for at-risk mothers. Services include but are not limited to nutrition counseling, psycho social counseling and support, general education and health promotion, breastfeeding support, and targeted case management (TCM). An at-risk mother means a woman who is eligible for Medicaid or the Children’s Health Insurance Program (CHIP), pregnant or in the postpartum period, and determined by a health care provider to be at risk of having a negative maternal or infant health outcome.

The aid cost calculated by DHHS is based on 7,500 regular Medicaid recipients per year, 840 CHIP recipients in FY25, and 910 CHIP recipients in FY26. DHHS assumes 6 months of services during pregnancy and 12 months of postpartum services. Rates used by DHHS for nutrition counseling are \$120 for initial visits and \$50 thereafter, \$150 per visit for TCM, and \$100 per visit for counseling, education, and breastfeeding support. DHHS’s calculation of aid cost is \$23,711,850 in FY25 and \$31,956,573 in FY26. Note that FY25 consists of 75% of a full fiscal year and FY26 includes an increase of CHIP recipients from 840 to 910. The fund mix for aid is based on Federal Medical Assistance Percentage (FMAP): 57.52% Federal share for Medicaid, 70.26% Federal share for CHIP. Postpartum CHIP services require 100% General Funds. Table 1 shows DHHS aid estimates by category and service type. DHHS assumes an implementation date of October 1, 2024, which is when the bill requires state plan amendment be submitted.

Table 1: DHHS Aid Estimate	6-Months Prenatal		12-Months Postpartum	
	Medicaid	599-CHIP	Medicaid	599-CHIP
Nutrition Counseling	\$2,775,000	\$310,800	\$4,500,000	\$504,000
Counseling, Education, and Breastfeeding Support	-	-	-	\$1,008,000
Targeted Case Management (TCM)	\$6,750,000	\$756,000	\$13,500,000	\$1,512,000

Table 2 shows an estimate with two adjustments to DHHS’s assumptions. First, cost per visit for TCM as \$100 rather than \$150 which is in line with the rate DHHS used for the other supports (counseling, education, and breastfeeding support). Second, the number of Medicaid recipients as 4,000 instead of 7,500. Nebraska Hospital Association (NHA) reports 5,986 births covered by Medicaid in Q1-Q3 of 2023. Using this data, it is reasonable to assume approximately 8,000 Medicaid births each year. The bill requires a determination by a health care provider of risk of having a negative maternal or infant health outcome to qualify. A proxy variable for this requirement is the percent of births to which a neonatology code is applied. NHA data indicates approximately half of births covered by Nebraska Medicaid had a neonatology code. Using NHA data, the adjusted estimate for number of qualifying Medicaid recipients is 4,000. Finally, it is also more reasonable to assume implementation of January 1, 2025 which allows three months for federal partners to review and approve the state plan amendment submission which is required by October 1, 2024. The aid cost is \$7,207,400 in FY25 and \$14,692,596 in FY26. FY25 consists of 50% of a full fiscal year and FY26 includes an increase of CHIP recipients from 840 to 910.

Table 2: Adjusted Aid Estimate	6-Months Prenatal		12-Months Postpartum	
	Medicaid	599-CHIP	Medicaid	599-CHIP
Nutrition Counseling	\$1,480,000	\$310,800	\$2,400,000	\$504,000
Counseling, Education, and Breastfeeding Support	-	-	-	\$1,008,000
Targeted Case Management (TCM)	\$2,400,000	\$504,000	\$4,800,000	\$1,008,000

Administrative expenses to implement the program amount to \$229,800 in the first year, FY25, only which is funded with a mix of 75% Federal Funds and 25% General Funds. The bill requires DHHS to submit an electronic report to the Legislature on or before December 15 each year beginning in 2024 on the program including the number of mothers served, services offered, and birth outcomes for each mother served. The cost of annual reporting can be absorbed by the agency.

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

LB: 857 AM: AGENCY/POLT. SUB: Nebraska Department of Health & Human Services

REVIEWED BY: Ann Linneman DATE: 2-5-2024 PHONE: (402) 471-4180

COMMENTS: Concur with the Nebraska Department of Health & 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) John Meals

Date Prepared 2-5-2024

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	FY 2024-2025		FY 2025-2026	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$11,332,865		\$15,312,223	
CASH FUNDS				
FEDERAL FUNDS	\$12,608,785		\$16,644,350	
OTHER FUNDS				
TOTAL FUNDS	\$23,941,650	\$0	\$31,956,573	\$0

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

Explanation of Estimate:

LB857 establishes a Medicaid Prenatal Plus Program to provide health care services for a pregnant mother and 12 months postpartum.

The calculations include 6 months of prenatal and 12 months of postpartum care. The affected eligibility groups are Medicaid eligible moms and 599 CHIP moms who today do not have postpartum coverage, only the unborn child is deemed eligible, and the program covers the care for the mother under the child during the prenatal period. Treatments outlined in LB857 specifically include Nutrition Counseling, Psychosocial Counseling and Support, General Client Education and Health Promotion, Breastfeeding Support, and Targeted Case Management (TCM).

The visual below shows the prenatal and postpartum coverage for each affected category. "Current" (shown in green) represents the current coverage of the individuals for each category. "LB857" (shown in blue) represents the expanded treatments covered in the event LB857 is adopted.

	6-Months Prenatal		12-Months Postpartum	
	Medicaid	599 CHIP	Medicaid	599 CHIP
Nutrition Counseling	LB857	LB857	LB857	LB857
Psychosocial Counseling And Support	Current	Current	Current	LB857
General Client Education And Health Promotion	Current	Current	Current	LB857
Breastfeeding Support	Current	Current	Current	LB857
Targeted Case Management (TCM)	LB857	LB857	LB857	LB857

This bill expands services in the Medicaid program to require payment for Nutrition Counseling and Targeted Case Management (TCM) for both prenatal and postpartum stages. Based on historical payments for live births in Nebraska Medicaid, the estimated number of patients is 7,500 per year in Medicaid and 840 per year in 599 CHIP.

In Medicaid, nutrition counseling costs \$120 for an initial 60-minute visit and \$50 for each 30-minute follow-up, with 1 initial and 17 monthly follow-ups totaling \$7,275,000. TCM will cost \$150 monthly per individual, totaling \$20,250,000 for the entire period. The combined Medicaid general and federal expenditure for these services is \$27,525,000.

This bill expands services in the 599 CHIP program to require payment of Nutrition Counseling and Targeted Case Management (TCM) for the prenatal stage and adds all services as a required coverage for the postpartum period which is not currently available to 599 CHIP moms. Postpartum treatments outlined in LB857 for 599 CHIP are entirely funded by state general funds. In the prenatal stage, nutrition counseling costs

include a \$120 initial visit and \$50 for each of 5 subsequent visits, totaling \$310,800. TCM will have an average monthly cost of \$150 per individual, adding up to \$756,000. For the postpartum period, nutrition counseling costs total \$504,000 for 12 visits, TCM costs total \$1,512,000, and counseling, education, and breastfeeding support totals \$1,008,000. The complete total for 599 CHIP, combining general and federal funds, is \$4,090,800.

The implementation of LB857 is set to begin on October 1, 2024. Federal and state general funding are 75% of the total as a result for SFY25. There is a one-time NFOCUS and MMIS systems update with an estimated combined cost of \$229,800. The grand totals for LB857 are as follows: SFY25, the total is \$23,941,650, with the state general fund contributing \$11,332,865 and the federal fund contributing \$12,608,785. SFY26, the total is \$31,956,573, with the state general fund contributing \$15,312,223 and the federal fund contributing \$16,644,350.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2024-2025	2025-2026
	24-25	25-26	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....			\$229,800	
Travel.....				
Capital Outlay.....				
Aid.....			\$23,711,850	\$31,956,573
Capital Improvements.....				
TOTAL.....			\$23,941,650	\$31,956,573