

Revised to include provisions adopted in AM 2761 AM 2409 and FA 218

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				
CASH FUNDS	\$2,494,939		\$3,443,473	
FEDERAL FUNDS	\$4,158,956		\$5,516,102	
OTHER FUNDS				
TOTAL FUNDS	\$6,653,895		\$8,869,575	

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

As amended, LB 857 creates the Nebraska Prenatal Plus Program and expands coverage for continuous glucose monitors (CGMs) within the medical assistance program administered by the Department of Health and Human Services (DHHS). The Prenatal Plus Program terminates on June 30, 2028 while the provisions pertaining to CGM coverage are ongoing.

Both depend on the availability of funds in the Medicaid Managed Care Excess Profit Cash Fund. If the cash fund lacks sufficient funding, the permissive provisions (enhanced rates for eligible services for at-risk mothers under the Prenatal Plus Program) may not be executed by DHHS and required provisions (inclusion of designated populations in coverage for CGMs) may result in future deficit requests for General Funds.

Nebraska Prenatal Plus Program

The purpose of the Prenatal Plus 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 pregnant 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). As amended, the bill defines an at-risk mother to be a woman who is eligible for Medicaid, pregnant, and determined by a health care provider to be at risk of having a negative maternal or infant health outcome.

Assuming six TCM visits at a cost per visit as \$100 and six nutrition counseling as \$120 for initial visits and \$50 thereafter, 4,000 newly qualifying Medicaid recipients, and implementation of January 1, 2025, the aid cost of the Prenatal Plus Program is \$1,940,000 in FY25 and \$3,880,000 in FY26. Additional information on the basis for these assumptions can be found in prior iterations of the fiscal note for [LB 857](#). The fund mix for aid is based on Federal Medical Assistance Percentage (FMAP): 57.52% federal share for Medicaid. The remaining 42.48% state share is funded out of the Medicaid Managed Care Excess Profit Cash Fund.

Administrative expenses to implement the Prenatal Plus Program amount to \$229,800 in the first year, FY25, only which is funded with a mix of 75% federal funds and 25% State funds out of the Medicaid Managed Care Excess Profit Fund. In Sec. 4, the bill allows for enhanced reimbursement under the program and direct that DHHS shall submit a state plan amendment to implement the program. This language, “may” rather than “shall,” creates flexibility for DHHS to not reimburse at the enhanced rate if funding is not available. The bill states DHHS shall submit a report to the Legislature on or before December 15 each year beginning in 2024 on 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. The Prenatal Plus Program terminates on June 30, 2028.

Expansion of Continuous Glucose Monitoring Coverage

As amended, the bill specifies that Medicaid coverage for continuous glucose monitors (CGMs) shall include individuals with gestational diabetes and those who meet local coverage determinations under section 1869(F)(2)(B) of the Social Security Act as it existed on January 1, 2024.

Assuming the monthly cost of \$133 (\$158 for the CGM less \$25 for savings on supplies for finger stick monitoring), 3,065 recipients (75% of 4,086 newly qualified), and implementation date of August 1, 2024 as specified by the bill, and a 2% increase in utilization in FY26, the aid cost of the new CGM provisions is \$4,484,095 in FY25 and \$4,989,575 in FY26. Additional information on the basis for these assumptions can be found in prior iterations of the fiscal note for [LB 933](#). The fund mix is 64.02% Federal Funds which represents a blend of regular Federal Medical Assistance Percentage (FMAP), 57.52% Federal Funds, and the Medicaid expansion match percentage, 90% Federal Funds.

The bill states legislative intent that no more than \$600,000 be appropriated annually from the Medicaid Managed Care Excess Profit Fund and that any amount in excess of \$600,000 shall be funded by the same fund. As such, the full estimated state portion for this purpose, \$1,613,377 in FY25 and \$1,795,249 in FY26 would be appropriated out of the cash fund, the Medicaid Managed Care Excess Profit Fund.