



August 1, 2025

Mr. Brandon Metzler
Clerk of the Legislature
P.O. Box 94604
Lincoln, NE 68509

Ms. Keisha Patent, Director
Legislative Fiscal Office
P.O. Box 94604
Lincoln, NE 68509

Subject: Nursing Facility Rate Inflation Factor Report

Dear Mr. Metzler and Director Patent:

The Division of Medicaid and Long-Term Care (MLTC) submits this report, as required under Neb. Rev. Stat. § 68-949(4)(b), to the Clerk of the Legislature and the Legislative Fiscal Office on how the inflation factor was calculated for state fiscal year 2025-26 nursing facility rates.

The inflation factor specified in Nebraska State Plan Section 12-011.08D5 Base Year Report Period and Inflation Factor is determined by MLTC from spending projections using:

1. Audited base year cost and census data;
2. Budget directives from the Nebraska Legislature; and
3. Funding generated by the Nursing Facility Quality Assurance Assessment.

First, MLTC computed rates before the inflation factor, to determine the projected expenditures for nursing facilities for state fiscal year 2024-25, which calculated to be \$507,582,006.

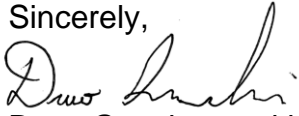
Second, MLTC referenced the specific amounts appropriated per LB261 (2025), Section 100, to determine the legislative intent and budget directives as required in step two, above. These amounts are \$449,351,518.

Third, MLTC calculated the Nursing Facility Quality Assurance Assessment rate add-on portion of the rates using the referenced data. These amounts are \$65,782,620.

Finally, utilizing these three sets of data, MLTC arrived at a positive 1.49% inflation factor to apply to the projected spend from the base year cost report data of \$507,582,006, which amounts to \$7,562,972, for a total projected expenditure of \$515,144,978. This amount projects

expenditures just above the legislatively appropriated amounts of \$449,351,518, plus the Nursing Facility Quality Assurance Assessment amount of \$65,782,620, for a total projected expenditure amount of \$515,134,138.

Sincerely,

A handwritten signature in black ink, appearing to read "Drew Gonshorowski".

Drew Gonshorowski

Director, Division of Medicaid and Long-Term Care