

Liz Hruska January 23, 2012 471-0053

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *					
	FY 2012-13		FY 2013-14		
<u></u>	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS	994,257		659,918		
CASH FUNDS					
FEDERAL FUNDS	1,338,621		836,160		
OTHER FUNDS					
TOTAL FUNDS	2,332,878		1,496,078		

^{*}Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill requires the Department of Health and Human Services to apply for a Medicaid waiver to allow coverage of individuals infected with human immunodeficiency virus who are not otherwise eligible for Medicaid and whose income is at or below 100% of the federal poverty guidelines. The department may utilize resources and technical assistance from outside organizations that offer assistance to states in applying for Medicaid waivers. The bill sunsets on December 31, 2013.

Assistance in preparing the waiver application is available from the Center for Health Law and Policy Innovation which provides technical assistance to the states applying for Medicaid waivers for pre-disabled people living with HIV. The center has indicated that they would be available to work on a Nebraska waiver. This should be sufficient assistance to handle most of the workload associated with the waiver application. An additional half-time social service worker would be needed once the waiver is approved. The cost would be \$22,478 (\$11,239 GF and FF). Changes would also be needed to the MMIS and NFOCUS systems. Cost for computer changes would be approximately \$100,000 (\$10,000 GF and \$90,000 FF).

It is estimated that approximately 200 individuals would be eligible under the waiver. The cost for services and drugs is estimated to be \$14,736. Total medical costs would be \$2,210,400 (\$973,018 GF and \$1,237,382 FF) for three quarters of FY 13 and \$1,473,600 (\$648,679 GF and \$824,921 FF) for a half a year in FY 14.

LB₍₁₎ 0891

FISCAL NOTE

State Agency or Political Sub	odivision Name:(2) Depar	tment of Health and Hu	man Services	
Prepared by: (3) Willard Bouwe	ns Date Prepar	ed:(4) 1-24-12	Ph	one: (5) 471-8072
	FY 2012-2	013	FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,097,632		\$663,391	
CASH FUNDS				
FEDERAL FUNDS	\$1,411,067		\$839,633	<u> </u>
OTHER FUNDS				
TOTAL FUNDS	\$2,508,699		\$1,503,024	

Explanation of Estimate:

The fiscal impact of LB 891 on the Department of Health and Human Services will be a Medicaid expansion.

LB 891 would require the Nebraska Medicaid program to submit an 1115 Waiver application by July 1, 2012. Because of the short time line and the inclusion of an Emergency Clause, DHHS would need to contract out the preparation and submission of the 1115 Waiver application. It is estimated that these contractual services would cost \$100,000 (\$50,000 GF, \$50,000 FF) to obtain a contractor for conducting the data analysis and incorporate stakeholder input. An additional \$50,000 (\$25,000 GF and \$25,000 FF) would be needed to hire a contractor to prepare the waiver, draft rules and provide guidance to get the program running. The bill estimates CMS approval in three months.

Based on the July 1, 2012 submission date and assuming the 1115 Waiver is approved by CMS within three months through an expedited application process, services could begin October 1, 2012. It is estimated Medicaid would expand by 200 clients. Using an average annual Medicaid cost of \$5,256 per person it is estimated that the addition of 200 HIV/AIDS clients would cost \$1,314,000 (\$569,672 GF and \$744,328 FF) for existing Medicaid services. Additionally, it is estimated that each individual would need approximately \$9,480 in HIV related prescription drug benefits annually. The total cost for prescription drugs is estimated to be \$2,370,000 (\$1,027,490 GF and \$1,342,510 FF.) The total cost for Medicaid Aid Services would be \$3,684,000 (\$1,597,161 GF and \$2,086,839 FF) for the time period October 1, 2012 through December 31, 2013. The fiscal impact will likely be much larger due to the creation of a new eligibility group.

The Department of Health and Human Services would also have an increase in Administration expenditures due to LB 891. It is estimated that 0.5 FTE Social Services Worker would be needed to complete the necessary work associated with a new eligibility group of Medicaid clients, such as completing enrollment processes, providing case management and all other related duties. The cost for this Social Service Worker is estimated at \$58,848 (\$29,424 GF and \$29,424 FF) for the time period October 1, 2012 through December 31, 2013. Additionally, system changes to NFOCUS and MMIS will be needed to accommodate the new Medicaid eligibility group at an estimated cost of \$118,875 (\$59,437 GF and \$59,438 FF.)

MAJOR OBJECTS OF EXPENDITURE							
PERSONAL SERVICES:							
POSITION TITLE	NUMBER OF POSITION 12-13 13-14	DNS 2012-2013 EXPENDITURES	2013-2014 EXPENDITURES				
Social Services Worker	.5 .5	\$15,341	\$15,341				

Operating	
Travel	
Capital Outlay	
Aid	
Capital Improvements	
TOTAL	

\$276,822	\$7,947
\$2,210,400	\$1,473,600
\$2,508,699	\$1,503,024