PREPARED BY: DATE PREPARED: PHONE: Liz Hruska January 25, 2020 402-471-0053

LB 955

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
	FY 2020-21		FY 2021-22		
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS	\$242,228		\$242,228		
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS	\$242,228		\$242,228		

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

This bill requires the Department of Health and Human Services to notify Medicaid recipients when eligibility is discontinued or modified. The notice shall include an explanation of the action, the reason, information used to make the decision, including regulations or laws requiring the action, contact information of department personnel who can address questions, information on the right to appeal and the availability of continued benefits pending an appeal. When a recipient appeals a decision, no action can be taken to eliminate or modify benefits until the appeal decision is rendered.

Federal law allows a 10-day appeal period. Continuation of benefits for appeals filed beyond the 10-day limit would be paid from General Funds. Currently the Department of Health and Human Services receives on average 287 appeals annually. The average cost for the capitated payments during the appeal process is \$844. Assuming an equal amount would appeal in the eleven to thirty day time period, the cost would be \$242,228.

	ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB:	LB: 955 AM: AGENCY/POLT. SUB: Nebraska Department of Health and Human Services					
REV	IEWED BY:	Ann Linneman	DATE:	1-27-20	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact.						

	ESTIMATE PROVIDE	ED BY STATE AGEN	ICY OR	POLITICAL SUBDIVISION		
State Agency or Political Sub	odivision Name:(2) Depart	tment of Health and	d Huma	an Services		
Prepared by: (3) Mike Michalski	Date Prepared 1-14-2020		Phone: (5) 471-6719			
	FY 2020-2021		FY 2021-2022			
	EXPENDITURES	REVENUE		EXPENDITURES	REVENUE	
GENERAL FUNDS	\$242,228			\$242,228		
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS	\$242,228	,	\$0	\$242,228		\$0
				-		

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

Explanation of Estimate:

LB 0955 proposes to change provisions related to discontinued eligibility for or modification of medical assistance. If a recipient of medical assistance appeals a decision by the department to discontinue eligibility or modify medical assistance within thirty days after the date notice of such decision is mailed, no action to discontinue eligibility or modify medical assistance shall be taken by the department until a decision is rendered based on such appeal.

Federal law does not allow for 30 day appeal period. If the legislation were to pass as written, the state may have to use all General Funds to cover services after someone has appealed and until a decision is rendered. The Department of Health and Human Services receives an average of 287 eligibility appeals annually and pays approximately \$844 in capitated payments during each appeal in process. Assuming the same amount will be appealed beyond the federally allowed 10 day appeal period the estimated General Fund expenditure would be \$242,228.

This bill would require the regulations to be updated to allow for 30 days. The Department of Health and Human Services would absorb the cost per regulation change based on the table below

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 Costs	19		\$	629

MAJOR OBJECTS OF EXPENDITURE					
PERSONAL SERVICES:					
	NUMBER OF POSITIONS	2020-2021	2021-2022		
POSITION TITLE	20-21 21-22	EXPENDITURES	EXPENDITURES		
Benefits					

Operating		
Travel		
Capital Outlay		
Aid	\$242,228	\$242,228
Capital Improvements		
TOTAL	\$242,228	\$242,228