

PREPARED BY: Mikayla Findlay
DATE PREPARED: March 7, 2025
PHONE: 402-471-0062

LB 146

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$2,869,815			
CASH FUNDS				
FEDERAL FUNDS	\$4,881,848			
OTHER FUNDS				
TOTAL FUNDS	\$7,751,663		See below	

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

This bill states legislative intent to increase reimbursement rates for dental services provided by Medicaid by 12.5% for FY26. The Department of Health and Human Services (DHHS) estimates the total cost of such an increase would be \$7,751,663 in FY26 and that the rates would return to the previous amounts in FY27. The total for such dental rate increases is composed of three components, regular Medicaid (\$5,508,156 of which 56.34% is federal funded), Medicaid expansion (\$1,177,915 of which 90% is federally funded), and the Children's Health Insurance Program, CHIP (\$1,065,592 of which 68.6% is federally funded).

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

LB: 146 AM: AGENCY/POLT. SUB: Nebraska Department of Health & Human Services

REVIEWED BY: Ann Linneman DATE: 3-7-2025 PHONE: (402) 471-4180

COMMENTS: Concur with the Nebraska Department of Health and Human Services' assessment of fiscal impact.

Technical Note: The current appropriation language is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.

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 3-7-2025

Phone: (5) 471-6719

	FY 2025-2026		FY 2026-2027	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$2,869,815			
CASH FUNDS				
FEDERAL FUNDS	\$4,881,848			
OTHER FUNDS				
TOTAL FUNDS	\$7,751,663	\$0	\$0	\$0

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

Explanation of Estimate:

LB 146 proposes increasing the provider rates for Medicaid dental services by 12.5% for the state fiscal year (SFY) 2026. This would increase Medicaid aid expenditures in programs 348, 344, and 349. To implement this bill, a state plan amendment (SPA) would be required to increase the rates commensurate with the increase in appropriations. This would be incorporated into the already planned SPA rates for SFY26.

Based on SFY 2024 data by eligibility group, the estimated increase in appropriations would be \$5,508,156 (\$3,103,295 in federal funds and \$2,404,861 in general funds) for program 348, \$1,177,915 (\$1,047,557 in federal funds and \$130,358 in general funds) for program 349, and \$1,065,592 (\$730,996 in federal funds and \$334,596 in general funds) for program 344. The total estimated increase for SFY 2026 would be \$7,751,663 (\$4,881,848 in federal funds and \$2,869,815 in general funds).

LB146 only allocates funds for SFY 2026. Since this is the first year of the biennium, this funding will not be included in the ongoing base budget. As a result, the Department may need to reduce the rates in the following fiscal year.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2025-2026	2026-2027
	26-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$7,751,663	
Capital Improvements.....				
TOTAL.....			\$7,751,663	\$0