

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	\$2,880,493		\$2,984,392	
CASH FUNDS				
FEDERAL FUNDS	\$3,716,307		\$3,612,408	
OTHER FUNDS				
TOTAL FUNDS	\$6,596,800		\$6,596,800	

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

This bill modifies provisions of the state’s Home and Community Based Services (HCBS) waiver for individuals with developmental disabilities (DD) as administered by the Department of Health and Human Services (DHHS).

The bill amends Neb. Rev. Stat. § 83-1216 to include the following provisions:

- Requires the assessment formula for HCBS to be published on the website
- Requires the Governor’s DD advisory board or other stake holder group as required by the access rule
- Establishes in statute that the assessment tool shall not decrease an individual’s budget to the point where they are removed from a setting
- Requires for requests for redetermination to be completed within thirty days
 - Note that it is unclear at what point the thirty-day limit begins
- Establishes an independent mediation process
- Establishes that individuals or their representatives choose their own providers

The bill also amends provisions in Subsection 4 of the statute which set funding priorities as follows:

- Expands the first funding priority to include threat to life and safety of family/household members, and the public
- Requires DHHS to create a form and process for expedited request for priority one status.
 - DHHS has five calendar days to respond to such a request
- Expands the second funding priority to individuals who have been institutionalized for at least 2 months and those who are at risk for placement in juvenile detention centers
- Expands the third funding priority to anyone who has been supervised by the Office of Probation Administration
- Expands the fourth funding priority to include those aged 18-21 or who have departed the education system

Finally, the bill removes the sunset date from Neb. Rev. Stat. § 83-1216.02 which establishes priorities that determine which individuals receive services if funding is not sufficient to meet total need.

DHHS estimates the fiscal impact based on the changes to the fourth funding priority citing counts of 199 individuals age 18-20 awaiting day services and 67 individuals currently on the Family Support Waiver (FSW) who would move to day services. The annual cost of day services is assumed to be \$24,800 resulting in an added cost of \$6,596,800. The federal fund participation is assumed to be 56.34% in FY26 and 54.76% in FY27 based on the state’s Federal Medical Assistance Percentage. The 67 newly available FSW openings would be filled by individuals currently awaiting services therefore there is no offsetting reduction accounted for in the estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	239	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman	DATE:	2-28-2025	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Department of Health and Human Services’ assessment of fiscal impact.				

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 2-27-25

Phone: (5) 471-6719

	<u>FY 2025-2026</u>		<u>FY 2026-2027</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$2,880,493		\$3,551,819	
CASH FUNDS				
FEDERAL FUNDS	\$3,716,307		\$4,298,373	
OTHER FUNDS				
TOTAL FUNDS	\$6,596,800	0	\$7,850,192	0

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

Explanation of Estimate:

LB239 updates Nebraska’s Medicaid Home and Community Based Services (HCBS) waivers for individuals with developmental disabilities. The bill adds requirements to the objective assessment process and changes the existing tiered priority system for HCBS funding including an expansion of the criteria for the first funding priority. The bill will require submission of three new waiver amendments to CMS.

LB239 changes the age limit from 21 to 18 for participants under funding priority four. There are currently 199 participants aged 18-20 waiting for day services and 67 participants aged 18-20 on the Family Support Waiver (FSW) that would begin receiving day services when the age limit is changed from 21 to 18.

The estimated cost for these individuals would be \$6,596,800 (\$2,880,493 state general funds and \$3,716,307 federal funds) in fiscal year 2026 and \$7,850,192 (\$3,551,819 state general funds and \$4,298,373 federal funds) in fiscal year 2027.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2025-2026 EXPENDITURES	2026-2027 EXPENDITURES
	26-26	26-27		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$6,596,800	\$7,850,192
Capital Improvements.....				
TOTAL.....			\$6,596,800	\$7,850,192