

Updated for the 2016 Session. Includes any amendments to date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$120,782		\$115,165	
CASH FUNDS				
FEDERAL FUNDS	\$148,479		\$143,416	
OTHER FUNDS				
TOTAL FUNDS	\$269,261		\$258,581	

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

LB 18 requires every student entering the 7th grade and entering the academic year after they reach age 16 to have a booster immunization containing meningitis vaccines. The requirement begins on or after July 1, 2016. The cost of the immunization is borne by the parent or guardian. The Department of Health and Human Services (HHS) pays for those students whose parent or guardian is financially unable to meet such cost.

HHS indicates the vaccines for students unable to pay are available at no charge from the federal government. However, HHS will pay an injection fee for every Medicaid or CHIP eligible child who will be required to get the booster shot. It is assumed expenditures for injections will be incurred by HHS beginning in FY2016-17. The department will pay a \$19.82 injection fee for an estimated 12,791 children in FY17 and 13,047 children in FY18, assuming a 2% increase in the Medicaid/CHIP population each fiscal year. The estimated increased cost for the Medicaid and CHIP programs is \$253,511 (\$112,907 G, \$140,604 F) in FY17 and \$258,581 (\$115,165 G, \$143,416 F) in FY18.

The Medicaid program will also have increased expenses in FY17 for actuarial services to update managed care capitation rates. The federal government requires an actuarial study under managed care when a contract changes. The estimated increased cost is \$15,750 (\$7,875 G, \$7,875 F).

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

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Date Prepared:(4) 11/23/2015

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	FY 2016-2017		FY 2017-2018	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$120,782		\$115,166	
CASH FUNDS				
FEDERAL FUNDS	\$148,479		\$143,416	
OTHER FUNDS				
TOTAL FUNDS	\$269,261	\$0	\$258,581	\$0

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

Explanation of Estimate:

LB 18 would add a requirement for students to receive a meningococcal vaccination. This requirement would affect students entering the 7th grade and those students entering the grade following the year they turn sixteen.

There is a fiscal impact to the Department of Health and Human Services. Medicaid would pay the \$19.82 injection fee for every Medicaid eligible client who would be required to get the vaccine (these vaccines are provided at no charge from the federal government so the injection fee represents the total cost). The affected clients include both Medicaid Fee for Service (FFS) and Medicaid Managed Care (MC).

The costs of this bill are estimated using historical data from FY2014-2015. During this time, the Medicaid FFS eligible clients in the age group targeted in this bill (11 to 16 year olds) was 3,912. Of these, 454 already received the vaccine. This represents a proportion of 11.6%. The average number of Medicaid FFS eligible clients aged 11 or 16 was 1,327. Assuming the 11.6% vaccination rate in this population, the bill would require an additional 1,173 vaccinations (88.4% of 1,327) for Medicaid FFS per year.

The same method is used to calculate the impact for Medicaid MC eligible clients. In FY2014-2015, the average of Medicaid MC eligible clients who met the age group targeted in the bill (11 to 16 year olds) was 38,436. Of these, 5,119 already received the vaccine. This represents a proportion of 13.3%. The average number of Medicaid MC eligible clients aged 11 or 16 was 12,830. Assuming the 13.3% vaccination rate in this population, the bill would require an additional 11,121 vaccinations (86.7% of 12,975) for Medicaid MC per year.

Using the methodology established and applied to FY2014-2015, the fiscal impact for FY2016-2017 and FY2017-2018 are estimated. Medicaid Program 348 expenditures are estimated at \$190,133 (\$98,584 FF, \$91,549 GF) for FY2016-2017 and \$193,936 (\$100,556 FF, \$93,380 GF) for FY2017-2018. CHIP Program 344 expenditures are estimated at \$63,378 (\$42,019 FF, \$21,358 GF) for FY2016-2017 and \$64,645 (\$42,860 FF, \$21,785 GF) for FY2017-2018. Medicaid Program 033 expenditures are estimated at \$15,750 (\$7,875 FF, \$7,875 GF) for FY2015-2016 for actuarial services to update managed care capitation rates. The distribution of 75% Medicaid/25% CHIP observed in December 2014 enrollment is used to allocate cost to the programs. The fiscal impact assumes:

- that increased payments for the vaccine will begin at the beginning FY2016-2017,
- expenditures reflect an estimated 2% growth rate in the Medicaid/CHIP population each year, and
- all children for which Medicaid has not paid for this vaccine have not received it.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2016-2017 EXPENDITURES	2017-2018 EXPENDITURES
	16-17	17-18		
Benefits.....				
Operating.....			\$15,750	
Travel.....				
Capital Outlay.....				
Aid.....			\$253,511	\$258,581
Capital Improvements.....				
TOTAL.....			\$269,261	\$258,581