

Revised based on amendments adopted through 4-11-06

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2006-07		FY 2007-08	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	108,500			
CASH FUNDS	50,000			
FEDERAL FUNDS	108,500			
OTHER FUNDS				
TOTAL FUNDS	267,000			

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

As amended, this bill creates the Medical Assistance Act. The medical assistance program is also known as Medicaid. It states the public policy for the program. The ten-member Medicaid Reform Council is established. The council must conduct at least two public hearing annually. The council terminates on June 30, 2010. The following reporting requirements are in the bill: 1) At least biennially, the department must prepare and summary and analysis of the Medicaid Program. The Medicaid Reform Council is required to hold a hearing on the report and make recommendations to the department. 2) Any proposed changes to the rules and regulations regarding fees, copayments or deductibles and or changes to the amount, scope or duration of covered services must be submitted to the Medicaid Reform Council. The council will hold a hearing and make recommendations. No changes in the rules or regulations can be made until after there has been legislative consideration during a regular legislative session. 3) The department is to conduct a study relating to the provisions of health care to children eligible under the Children’s Health Insurance Program and make recommendations by October 1, 2007. The draft report and recommendations would be submitted to the Medicaid Reform Council. The council would hold a public hearing by October 15, 2007 and make recommendations by November 1, 2007. 4) The department is to develop recommendations for modification or replacement of the defined benefit structure of the Medicaid Program. The draft report would be submitted to the Medicaid Reform Council by October 1, 2008. The council will hold a public hearing by October 15, 2008 and make recommendations by November 1, 2008. Legislative intent is stated that the department is to implement program reforms such as those contained in the Medicaid Reform Plan approved in December, 2005, including 1) incremental expansion of the home and community-based services, 2) an increase in care coordination or disease management initiatives, and 3) other reforms deemed necessary and appropriate by the department in consultation with the Health and Human Services Committee and the council.

To comply with the requirement that the department is to develop recommendations on further modifications or replacement of the defined benefit structure of Medicaid to be completed by October 1, 2008, the department will need to hire a consultant at a cost of \$100,000 (\$50,000 GF and FF) in FY 2007.

The department is to develop recommendations regarding the Children’s Health Insurance Program. A consultant will be required. The cost will be \$50,000 (\$25,000 GF and \$25,000 FF) in FY 2007.

The department is to consider the outcomes and experiences of other states and the nature and scope of benchmark or benchmark-equivalent health insurance. A consultant will be required to gather and analyze this information at a cost of \$67,000 (\$33,500 GF and \$33,500 FF) in FY 2007.

Funding totaling \$100,000 (\$50,000 GF FF) in FY 2006 and \$985,000 (\$492,500 GF and FF) in FY 2007 has been provided for the following Medicaid reform activities in the mainline budget bill, LB 1060:

- 1) Mental Health Drugs Best Practices
- 2) Preferred Drug List/Pooling
- 3) Partial-Month Eligibility
- 4) Parental Buy-In to Specialized Programs for Children with Disabilities
- 5) Public Education on Health Systems/Medicaid

- 6) Targeted Medicaid Public Health
- 7) Long-term Care Rates Study, including Developmental Disabilities
- 8) Long-term Care Assessment Tool
- 9) Cash and Counseling Pilot
- 10) Home and Community-Based Advisory
- 11) Long-term Care Technology Study

The costs for the Medicaid Reform Council can be allocated from the current \$100,000 appropriation to the Legislative Council from the Health Care Cash Fund.

The requirement that an actuarial study be conducted on behavioral health parity will cost \$50,000 in FY 2007. The costs will be from the Health Care Cash Fund.