

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	1,100,760		1,320,900	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	1,100,760		1,320,900	

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 pay a uniform rate for adult day services and the payment rate to be the one established under the Medicaid home and community-based waiver.

Payment for adult day services under the Title XX Social Services Block grant is \$17.34 a day and under the waiver is \$32.97 a day or a difference of \$15.63. In FY 12, 84,512 units of service were paid for under the Title XX Program. The increased cost at the higher rate in FY 14 would be \$1,100,760 for 10 months and \$1,320,900 for a full year in FY 15. All costs would be from the General Fund, as the Title XX block grant is a capped amount and expenditures currently exceed the grant amount.

The department's fiscal note assumes that higher reimbursement would result in higher utilization. Although services may be more available with a higher reimbursement and that in turn could lead to higher utilization, there also may be offsets from other services. If more adult day services are available, it may prevent or delay individuals from entering assisted living or a nursing facility.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 231	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 3/1/2013	PHONE: 471-4173
COMMENTS: HHS analysis and estimate of LB 231 fiscal impact on HHS appear reasonable.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Willard Bouwens

Date Prepared:(4) 2-27-13

Phone: (5) 471-8072

	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,599,536		\$1,599,536	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,599,536		\$1,599,536	

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

Explanation of Estimate:

The current Social Services Block Grant program (SSBG) rate for Adult Day Care services is \$17.34 per unit, LB 231 would increase this rate by \$15.63 to \$32.97 per unit to match the Aged and Disabled Waiver Adult Day Care service rate. Applying this rate increase to the SFY 2012 SSBG Adult Day service total of 84,512 units, it is estimated the fiscal impact to the Department of Health and Human Services would be an increase to the SSBG program of approximately \$1,320,900 for State fiscal year 2013-2014 and \$1,320,900 for State fiscal year 2014-2015. All of these expenditures would need to be funded with General Funds because the Federal SSBG funds and General Funds allocated for the SSBG program have already been exhausted.

Additionally, because LB 231 increases the Adult Day Care Service rate, it is estimated the utilization of Adult Day Care Service could increase by as much as 10%. Using the 2012 State Fiscal Year utilization level and assuming an increase of 10%, it is estimated the SSBG program would need an additional \$278,636 in General Funds for State fiscal year 2013-2014 and \$278,636 in General Funds for State fiscal year 2014-2015.

The total cost increase to the Department of Health and Human Services would be \$3,199,072 all General Funds in program 347. \$1,599,536 in State fiscal year 2013-2014 and \$1,599,536 in State fiscal year 2014-2015.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2013-2014	2014-2015
		13-14	14-15	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....				\$1,599,536	\$1,599,536
Capital Improvements.....					
TOTAL.....				\$1,599,536	\$1,599,536