

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2018-19</b>		<b>FY 2019-20</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$5,765,760		\$5,881,030	
CASH FUNDS				
FEDERAL FUNDS	\$226,165		\$230,732	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$5,991,925</b>		<b>\$6,111,763</b>	

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

This bill would require the Department of Health and Human Services and Area Agencies on Aging to reimburse common and contract carriers at a rate not to exceed the lower of either 1) rate state employees are reimbursed multiplied by three for both loaded and unloaded miles or 2) the rate of the carrier in its tariff filed with the Public Service Commission.

The current rates contracted for by the department are less than the rates required in this bill. The department does not reimburse for unloaded miles. The inclusion of unloaded miles or paying the carrier tariff rates will increase costs. Although it is difficult to determine the impact as unloaded miles are not tracked, the department has assumed unloaded miles overall would be roughly equal to loaded miles. Federal Medicaid regulations do not allow for reimbursement of unloaded miles, so there would not be a federal match for those expenses. The federal Medicaid match is available for the increased cost of loaded miles. All other programs are funded through the General Fund. Based on this assumption, the bill would increase cost in the following programs by the amounts shown below:

Program	FY 2019		FY 2020	
	General	Federal	General	Federal
354 -- Child Welfare	\$ 320,737		\$ 327,152	
347 -- Public Assistance	\$ 162,018		\$ 165,258	
348 -- Medicaid	\$ 2,831,368	\$ 226,165	\$ 2,887,951	\$ 230,732
434 -- Developmental Disabilities Aid	\$ 2,451,637		\$ 2,500,669	
<b>Total</b>	<b>\$ 5,765,760</b>	<b>\$ 226,165</b>	<b>\$ 5,881,030</b>	<b>\$ 230,732</b>

The Area Agencies on Aging would also have increased reimbursement rates. Each agency would have to either reduce services or request additional funding for their counties.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 1043	AM:	AGENCY/POLT. SUB: Nebraska Public Service Commission (PSC)
REVIEWED BY: Elton Larson	DATE: 1/25/18	PHONE: <a href="tel:4024714173">(402) 471-4173</a>
COMMENTS: No basis to disagree with PSC estimate of no 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) Mike Michalski

Date Prepared 1-18-18

Phone: (5) 471-6719

	<u>FY 2018-2019</u>		<u>FY 2019-2020</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>	\$5,765,760		\$5,881,031	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$226,165		\$230,732	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$5,991,925		\$6,111,763	

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

**Explanation of Estimate:**

LB1043 increases the maximum amount of reimbursement the Department of Health and Human Services (DHHS) may pay the negotiated rate for transportation services by including unloaded miles in mileage computation. Current rates of reimbursement for transportation services do not exceed the new maximum. However, it is expected contracted transportation providers will choose not to enter into a contract to provide services at the current contracted rates. In order to calculate the fiscal impact, we assume providers will only agree to negotiated contracts that reimburse for unloaded miles and the full \$1.635 (3 x \$0.545 allowed by the Nebraska Department of Administrative Services). Currently, DHHS does not track providers' unloaded miles thus the estimations below are based on the assumption that providers perform as many unloaded miles as "loaded" miles. This is based on the fact that in order to provide transportation services some providers have to travel more than the length of the trip to pick up the client while other providers have to travel less than the length of the trip. Additional programmatic assumptions are noted below.

The estimated fiscal impact to the Division of Children and Family Services is a total increase of \$482,755 in contractual transportation general fund expenditures in SFY19 and \$492,410 in SFY20, a 2% annual cost increase. Program 354 would experience an average of 16% increase in transportation expenditures related to child welfare, requiring a total of \$320,737 in general funds in SFY19 and \$327,152 GF in SFY20. Program 347 (Title XX services for adults and Employment First (EF)), would see an increase of \$162,017 in general funds in SFY19 and \$165,258 in SFY20. Title XX would experience a 9% increase in expenditures for loaded miles, \$15,559, and an estimated \$72,922 to cover unloaded miles of non-residential transportation providers. EF transportation expenditures are estimated to double to cover unloaded miles.

The estimated fiscal impact to Medicaid and Long-Term Care is a \$3,057,534 in Program 348 in SFY19 and \$3,118,684 increase in SFY20. Increase in contractual expenditures for loaded miles total \$430,216 (\$226,165 FF, \$204,051 GF) in SFY19. Federal regulation prevents federal match for costs associated with unloaded miles; therefore an estimated \$2,627,317 increase in general funds in SFY19 is needed to reimburse for unloaded miles. A 2% annual cost increase and FMAP of 52.58% in 2020 result in \$230,732 federal funds and \$208,088 in general funds for loaded miles as well as \$2,679,863 in general funds for unloaded miles.

The estimated fiscal impact to Developmental Disabilities is a \$2,451,637 increase in contractual transportation general fund expenditures in Program 424 in SFY19 and \$2,500,669 in SFY20, a 2% annual cost increase. Federal regulation prevents federal match for costs associated with unloaded miles. This estimate is based on utilization records from SFY17.

**MAJOR OBJECTS OF EXPENDITURE**

**PERSONAL SERVICES:**

POSITION TITLE	NUMBER OF POSITIONS		2018-2019	2019-2020
	18-19	19-20	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$5,991,925	\$6,111,763
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$5,991,925</b>	<b>\$6,111,763</b>

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**2018**

**LB<sup>(1)</sup> 1043**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Public Service Commission

Prepared by: <sup>(3)</sup> Suzanne Hinzman Date Prepared: <sup>(4)</sup> 01108/2018 Phone: <sup>(5)</sup> 402-471-0240

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

This bill has no fiscal impact to the Public Service Commission.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>0</u>	<u>0</u>