

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 205 provides that \$7,081,564 of the general funds appropriated to the Department of Health and Human Services in FY2016-17 for aid for developmental disability services be paid to providers for rates in instances when federal funds were not included in the rates paid to providers.

Background: In the process of revising the federal Medicaid waivers a discrepancy in definition and billing rates was found. There was duplicated billing for day programming beyond 35 hours per week. The Centers for Medicare and Medicaid Services indicated the unallowable payments needed to desist. Beginning, October 1, 2016, the payments to providers for these services only included the state share of funding for over 35 hours per week of service. HHS indicates the amount of federal funds paid to providers for a five month period in FY2016-17 will be reduced by \$7,081,564 due to the cease and desist order.

LB 22 (2017): The Legislature included \$4,663,144 of additional general funds to address this issue in LB 22, which was passed in the current legislative session. HHS indicates there is an additional \$1,666,856 of general funds available within the FY2016-17 appropriation to also offset federal fund reductions to providers. So, there is a total of \$6.3 million currently appropriated for this purpose.

Impact of LB 205: LB 205 does not have any additional general fund fiscal impact because the bill provides for existing general fund resources to be used for the provider payments. So, if the bill passes, then HHS will be required to use \$781,564 of existing funds to reimburse providers for unpaid federal funds.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 205	AM:	AGENCY/POLT. SUB: DHHS (Revised)	
REVIEWED BY: Elton Larson	DATE: 1/24/2017	PHONE: (402) 471-4173	
COMMENTS: Concur. LB 205 designates use of funds currently appropriated.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Pat Weber

Date Prepared:(4) 1-23-17

Phone: (5) 471-6351

	<u>FY 2016-2017</u>		<u>FY 2017-2018</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$0		\$0	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0		\$0	

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

Explanation of Estimate:

LB 205 designates \$7,081,564 of the FY2016-17 general fund appropriation in Program 424 to be used for state aid for services rendered on or after October 1, 2016. No additional funds are appropriated.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2017-2018	2018-2019
	POSITION TITLE	17-18	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$0	\$0
Capital Improvements.....				
TOTAL.....			\$0	\$0