

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

This bill states legislative intent to fund increases for rates paid to mental health and behavioral health providers in the Medicaid Program and Probation comparable to the rates paid by the Division of Behavioral Health as of January 1, 2020. The funding shall be prioritized for services where the reimbursement rate is at 15% or below the rates by the Division of Behavioral Health, including but not limited to day rehabilitation services, mental health individual sessions, substance use disorder assessments, therapeutic community services, and psychiatric residential rehabilitation.

The Legislative Fiscal Office compared the rates paid by the Division of Behavioral Health to those paid by Medicaid and Probation for the same or comparable services. Using FY 2019 expenditure data and adding a 1.25% for utilization increases, the increase in the Children’s Health Insurance Program would be \$817,122 (\$251,510 GF and \$565,612 FF) in FY 2021. Using the same calculations for the current Medicaid eligible with a utilization increase of 1.23%, the rate increase would be \$8,844,074 (\$3,888,740 GF and \$4,955,335 FF) in FY 2021. The rate increases would become part of the base for FY 2022 and beyond. Additional funding would be needed for the Medicaid Expansion Adult Group that will be eligible beginning on October 1, 2020. The actuarial study has not been completed, so the amount cannot be determined at this time.

The only rate State Probation has that is 15% or below the Division of Behavioral Health’s January 1, 2020 rates is for Psychiatric Residential Treatment Facility (PRTF) which is more than 50% below the division’s rate. The cost to bring the PRTF rate up would be \$776,242.

Technical Note: The bill states the funding shall be appropriated to the Division of Behavioral Health as well as Medicaid and Probation. Since the rates are to be adjusted to those paid by the Division of Behavioral Health in effect on January 1, 2020, there would not be any funds appropriated to the division

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 1100 AM:	AGENCY/POLT. SUB: Department of Health and Human Services (DHHS)	
REVIEWED BY: Elton Larson	DATE: 2/4/2020	PHONE: (402) 471-4173
COMMENTS: No basis to disagree with DHHS analysis and estimate of 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 1-22-2020

Phone: (5) 471-6719

	<u>FY 2020-2021</u>		<u>FY 2021-2022</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	0	0	0	0

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

LB1100 proposes to fund the Division of Medicaid and Long Term Care (MLTC) in the Department of Health and Human Services and the Office of Probation rate increases for behavioral health services comparable to the rates the Division of Behavioral Health (DBH) in DHHS pays for services effective January 1, 2020. The funds for those services shall be prioritized for those services that are 15% or more below the rate paid by DBH.

This bill seeks to fund rate increases for mental health and behavioral health rates across MLTC, DBH, and Probation using DBH’s rates paid as of January 1, 2020 as a proxy for the level at which MLTC rates must be “comparable to” with if a rate is “fifteen percent of more below such rates paid by the division.” Additionally, the bill seeks to appropriate funds to all three programs (MLTC, DBH, and Probation) with the intent of funding rate increases that will be “only for” MH/BH rates. The department has several questions surrounding how to properly implement this bill in spirit of the bill’s intent as not all BH services directly align to MLTC services, or are eligible for reimbursement under current service definitions. Additionally, because this bill would also appropriate additional funding to DBH, any impact of an attempt to equalize rates between MLTC and DBH would immediately be erased. The Managed Care Organizations (MCOs) each have proprietary provider agreements with potentially highly variable rate agreements.

There is indeterminate fiscal impact to the Department of Health and Human Services. There is no timeline for implementing this bill or how any funding comparison will be determined. If there is a requirement for an outside entity to study the rates, there will be a direct impact to contract out for a rate study.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2020-2021	2021-2022
	20-21	21-22	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>			0	0

Please complete ALL (5) blanks in the first three lines.

**2020**

**LB<sup>(1)</sup> 1100**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> 05 Supreme Court

Prepared by: <sup>(3)</sup> Eric Asboe Date Prepared: <sup>(4)</sup> 2/7/20 Phone: <sup>(5)</sup> 1-4138

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

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

Based on the Judicial Branch’s understanding of the current service definitions, for the specific services listed in LB1100, rates paid by Probation meet the intent of being within 15% of the rates paid by the Division of Behavioral Health (DBH) of the Department of Health and Human Services (DHHS) on January 1, 2020. Therefore, there would be no immediate fiscal impact.

However, based on information seen by the Administrative Office of the Courts and Probation, the current rate recommended for a hospital-based psychiatric residential treatment facility (PRTF) (\$901.50) is more than double the rate paid by Probation. FY18-19 juvenile hospital-based PRTF expenditures were more than \$6.4 million General Funds. If correct, the impact would be greater than last fiscal year’s total.

NOTE: This fiscal note would need to be amended if funding is provided for services in addition to those listed.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>