

PREPARED BY: Liz Hruska
 DATE PREPARED: May 07, 2019
 PHONE: 402-471-0053

LB 468

Revision: 02

Revised based on amendments adopted through 4-24-19

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	719,275		719,275	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	719,275		719,275	

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

This bill as amended prohibits the Department of Health and Human Services from adding long-term care services to managed care until July 1, 2021. The bill also bill authorizes the department to continue the family finding program that was a pilot set to terminate on June 30, 2019.

The moratorium on adding long-term care to managed care until July 1, 2021, does not have a fiscal impact. The department needs to create a certifiable claims broker system. The moratorium ends at the end of FY 2021 and the certifiable system will be completed in FY 2021. Since the prohibition ends as the new system will be coming online, there is not fiscal impact.

The family finding program is authorized to continue. The department estimates the cost to be \$719,275 annually.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 468	AM: 1166	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 5-8-19	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Health and Human Services' assessment 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 5-7-19

Phone: (5) 471-6719

	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$719,275		\$719,275	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$719,275		\$719,275	

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

Explanation of Estimate:

LB 468, as amended, will require two provisions to the Department of Health and Human Services (DHHS).

LB 468 eliminates the sunset date of June 30, 2019 for family finding and changes it from a pilot project to an entitlement program. The current pilot is administered by the Division of Children and Family Services (CFS). To continue the program, DHHS will need to keep administration at similar levels (total GF impact of \$151,716 from the mainline budget bill LB 294 located in Program 33 or DHHS Operations). The amount of aid appropriation would be similar to the elimination of the funding found in LB 294 (\$567,559 GF). This would increase the appropriation for Program 354 (Child Welfare). Total costs are \$719,275 GF.

The second provision of the amended LB 468 will require the Division of Medicaid and Long-Term Care (MLTC) to not add Long-Term Care (LTC) services and supports to the Medicaid managed care program prior to July 1, 2021. If Medicaid is guaranteed to carve in LTC into the managed care program after July 1, 2021, then there is no fiscal impact to MLTC. If the moratorium is extended beyond June 30, 2021, MLTC would need to create a new Centers for Medicaid and Medicare (CMS) Certifiable claims broker system (CBS) to process the LTC claims. A recent bid for the design, development, and implementation (DDI) of a CMS Certifiable CBS was \$22.6 million. It is assumed that the cost for the new system would be 5% higher than the most current bid for an estimated total of \$23.73 million. Federal funding for the DDI would be approximately \$21 million while general funds would be used for the remaining \$2.73 million. The CBS needs to be CMS Certified in order to receive the 90% federal funding. If it is not certified, the state would pay a higher percentage of the CBS costs (75% FF / 25% GF split rather than 90/10 of a certified system). The project is estimated to be completed in SFY 2021. To manage a CBS project and monitor the functionality of the CBS, MLTC would need to hire a Program Manager. Total costs (including salary, benefits, and operating) would be \$109,811 per year. All administration costs would be 50/50 General and Federal Funds. The new staff would need to be hired on July 1, 2019.

After the project is complete, there is an ongoing maintenance cost of approximately \$10 million per year. Total Federal Funds per year would be \$7.5 million with General Funds paying the remaining \$2.5 million, for a certified system.

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2019-2020	2020-2021
	19-20	20-21	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....			\$151,716	\$151,716
Travel.....				
Capital Outlay.....				
Aid.....			\$567,559	\$567,599
Capital Improvements.....				
TOTAL.....			\$719,275	\$719,275