

Revised to include an agency response

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$840,108		\$1,697,019	
CASH FUNDS				
FEDERAL FUNDS	\$44,126		\$89,317	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$884,224</b>		<b>\$1,786,336</b>	

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

This bill prohibits Medicaid from using a Medicare reimbursement methodology for certain therapies: physical, occupational and speech-pathology that pays the highest rate for the first unit and a reduce rate for subsequent units to the same patient on the same day.

The reimbursement process described in the bill is in limited use by the Medicaid managed care organizations (MCOs). The department does not anticipate a change in the MCO rate as a result of this restriction. These provisions do not have a fiscal impact.

The bill as amended includes intent language directing the Division of Children and Family Services within the Department of Health and Human Services to provide a 2% increase each year to foster care reimbursement rates in FY 2022 and FY 2023. The costs of the increases are \$884,325 (\$840,108 GF and \$44,216 FF) in FY 2022 and \$1,786,336 (\$1,697,019 GF and \$89,317 FF) in FY 2023. The increased appropriation is included in the bill.

Other rates are tied to foster care rates. Those are guardianships, the adoption subsidy and Bridge to Independence payments. The language of the bill only included foster care. The department will review the rates of these programs and make an assessment.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 100	AM: 1496	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 5-25-2021	PHONE: (402) 471-4180	
COMMENTS: Concur with the Nebraska Department of Health and Human Services' 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 5-25-2021

Phone: (5) 471-6719

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$840,108		\$1,697,019	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$44,216		\$89,317	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$884,224		\$1,786,336	

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

**Explanation of Estimate:**

LB 100 AM1496 would require the Department of Health and Human Services (DHHS) Division of Children and Family Services (CFS) to increase reimbursement rates for foster care by 2% in SFY 2022 and another 2% in SFY 2023. AM 1496 appropriates \$840,108 General Funds (GF) and \$44,216 Federal Funds (FF) in SFY 2022 and \$1,1697,019 GF and \$89,317 in FF in SFY 2023.

Increasing foster care rates has an impact on adoption, guardianship, and Bridge to Independence stipend rates. Rates for youth in adoption and guardianship cases are set based on foster care rates on ce the youth has found a permanent placement. The effect of the foster care rate increase on these other rates is currently under review.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2021-2022	2022-2023
	POSITION TITLE	21-22	22-23	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$884,224	\$1,786,336
Capital Improvements.....				
<b>TOTAL.....</b>			\$884,224	\$1,786,336