

PREPARED BY: Nikki Swope  
 DATE PREPARED: March 02, 2022  
 PHONE: 402-471-0042

**LB 1223**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$901,600		\$901,600	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$901,600</b>		<b>\$901,600</b>	

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

LB 1223 would require the Department of Health and Human Services to reimburse counties for lodging defendants who are waiting for competency restoration at the Lincoln Regional Center (LRC) before trial. The bill specifically allows for a reimbursement rate at \$100 per day after the first thirty days that the defendant is in the county jail before being transferred to LRC for competency restoration treatment. Included in the reimbursement costs include the daily rate of lodging the defendant, food, medical services, transportation and any other necessary costs incurred by the county to lodge the defendant.

The average wait time for patients for defendants to be admitted to the LRC for competency restoration is 128 days. In calendar year 2021, DHHS admitted 92 patient defendants. The costs for reimbursement to the county would be \$100 per day for an average of ninety-eight days for ninety-two defendants. The total annual cost that would be incurred by the Department of Health and Human Services would be \$901,600,

Annually the reimbursement costs amount would be adjusted by the percentage increase in the Consumer Price Index for all urban consumers. The increased annual amount would be nominal.

NOTES: The counties conducted a survey of counties, excluding the 3 largest populated counties, and it was reported that the lodging costs for defendants range from \$50-\$90.

The fiscal note also does not account for the funding that has been set aside by the legislature for outpatient competency restoration. It is unclear of the progress by DHHS to implement this program. Outpatient competency treatment would reduce the number of individuals waiting for this type of treatment at LRC.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
<b>LB: 1223</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)</b>
REVIEWED BY: Joe Wilcox	DATE: 02/01/2022	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Association of County Officials (NACO) estimate of potential Fiscal Impact to Nebraska Counties from LB 1223.		

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

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

Prepared by: (3) John Meals

Date Prepared 3-2-2022

Phone: (5) 471-6719

	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$1,352,400	\$0	\$1,352,400	\$0
<b>CASH FUNDS</b>	\$0	\$0	\$0	\$0
<b>FEDERAL FUNDS</b>	\$0	\$0	\$0	\$0
<b>OTHER FUNDS</b>	\$0	\$0	\$0	\$0
<b>TOTAL FUNDS</b>	\$1,352,400	\$0	\$1,352,400	\$0

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

**Explanation of Estimate:**

LB1223 requires the Lincoln Regional Center (LRC) to reserve a portion of their existing beds for certain patients and to reimburse county jails \$100 per day (after the first 30 days) for housing defendants originally ordered to the LRC.

LB1223 specifically lists a daily rate for lodging at \$100. The bill also requires the Department of Health and Human Services to reimburse jails for the cost of meals, medical care, and transportation, but does not provide specific rates. Using statistics from several sources including the Pew Charitable Trust, the daily rate used for meals was \$10 and the daily rate used for medical care was \$30. To include the bill's requirement to pay for transportation and any other necessary costs incurred by the county to lodge the defendant, HHS added \$10 to the daily rate per inmate. This created a total daily reimbursement rate of \$150.

The average wait time for patients that are admitted to LRC 128 days so the average reimbursement will be \$14,700 per person. This is calculated as 98 days (128 days less the initial 30 days) times the \$150 per day rate.

During calendar year 2021, LRC received 92 admissions. This would create an estimated annual fiscal impact of \$1,352,400.

Additionally, upon July 1<sup>st</sup>, 2023, and every July 1<sup>st</sup> thereafter, this reimbursement amount will be adjusted by the percentage increase in the Consumer Price Index for all Urban Consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, for the twelve months ending on June 30 of such year.

This court list also competes with LRC's other waitlist; the Mental Health Board (MHB) list of patients. Currently, LRC has 44 MHB patients with 2 patients waiting on the MHB list. LB1223 designates 90 out of the reserved 200 beds to be exclusively for MHB. This would leave 44 beds vacant while the defendants on the court list continue to wait even longer.

LB1223 also does not address the staffing need required to host these individuals. LRC already currently utilizes travel nurses to compensate for their shortage in registered nurses and licenses practical nurses. So while LRC may have the physical beds to meet LB1223's requirements they may not have the staff to provide coverage for that many patients.

Finally, LB1223 does not address the need for segregated housing units. Altering the bed designations could result in a construction project to ensure males and females have the necessary bed allocations. HHS is not able to quantify the cost of construction project of this magnitude at this point.

The Department is not able to directly quantify the fiscal impact from these additional requirements because it is unknown how the waitlist will be affected. Altering the bed designations would likely increase the waitlist and time spent on the waitlist. Each additional day on the waitlist adds \$150 per patient admitted.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2022-2023	2023-2024
	22-23	23-24	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....			\$1,352,400	\$1,352,400
Travel.....			\$0	\$0
Capital Outlay.....			\$0	\$0
Aid.....			\$0	\$0
Capital Improvements.....			\$0	\$0
<b>TOTAL.....</b>			<b>\$1,352,400</b>	<b>\$1,352,400</b>

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**2022**

**LB<sup>(1)</sup> 1223**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Association of County Officials (NACO)

Prepared by: <sup>(3)</sup> Elaine Menzel Date Prepared: <sup>(4)</sup> 1/25/2022 Phone: <sup>(5)</sup> 402.434.5660

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

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

**LB 1223** would require reimbursement for lodging defendants who have been ordered by a judge to be committed to the Department of Health and Human Services to receive treatment to restore competency. If the defendant remains in a county jail, the Department would be required to reimburse counties for lodging the defendant. Based upon a small sample of counties (19 respondents and excluding the three largest populated counties), lodging costs for housing inmates range from \$50 - \$90 and there were 10 individuals identified awaiting a competency hearing. The fiscal amount reimbursed by counties would help them to recoup costs associated with housing inmates.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23 EXPENDITURES</u>	<u>2023-24 EXPENDITURES</u>
	<u>22-23</u>	<u>23-24</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____