

PREPARED BY: Liz Hruska
 DATE PREPARED: January 27, 2022
 PHONE: 402-471-0053

LB 762

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	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.

This bill states legislative intent to increase behavioral health rates by 10% in Medicaid, Medicaid Expansion and the Children’s Health Insurance Program in FY 2023. The bill contains the emergency clause.

The costs would be \$24,305,409 (\$8,993,953 GF and \$15,311,456 FF) in FY 2023. It is assumed the rate increases in FY 2023 would be incorporated into the base for the FY 2024 appropriation. The costs would be \$27,173,105 (\$10,051,113 GF and \$17,121,992 FF).

LB: 762	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 1-26-2022	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) John Meals

Date Prepared 1-6-2022

Phone: (5) 471-6719

	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$8,993,953	\$0	\$10,051,113	\$0
CASH FUNDS				
FEDERAL FUNDS	\$15,311,456	\$0	\$17,121,992	\$0
OTHER FUNDS				
TOTAL FUNDS	\$24,305,409	\$0	\$27,173,105	\$0

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

Explanation of Estimate:

LB 762 implements a ten percent (10%) rate increase for behavioral health services in Agency 25: The Department of Health and Human Services.

LB 762 coincides with the current Public Health Emergency (PHE), and the fiscal impact assumes the following:

- PHE unwind commences July, 2022
- Closing 6,000 persons a month, through all months of SFY23
- Increase member months at a rate of 1.25% month-over-month (the average rate from Jan-Sep 2021)
- Proportion of member months for Newly Eligible expansion (receives 90% Federal Medical Assistance Percentage [FMAP]) – 16%
- Increases to base Per Member Per Month (PMPM): July 2022 - 2%, January 2023 - 3%, July 2023 - 2%, and January 2024 - 3%
- FFY23 final Regular FMAP used for all non-expansion dollars

With these points in mind, the estimate is generated based on the ten point four percent (10.4%) proportion of the general PMPM due to behavioral health services with the ten percent (10%) increase applied to that PMPM.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2022-2023	2023-2024
	POSITION TITLE	22-23	23-24	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$24,305,409	\$27,173,105
Capital Improvements.....				
TOTAL.....			\$24,305,409	\$27,173,105