

PREPARED BY: Liz Hruska
 DATE PREPARED: February 08, 2022
 PHONE: 402-471-0053

LB 857

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	\$143,213		\$33,896	
CASH FUNDS				
FEDERAL FUNDS	\$143,213		\$33,896	
OTHER FUNDS				
TOTAL FUNDS	\$286,426		\$67,792	

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

This bill requires the Department of Health and Human Services to submit a state plan amendment no later than October 1, 2022, to implement express lane eligibility. The state plan amendment shall identify the Division of Children and Family Services as the express lane agency. Data from the Supplemental Nutrition Assistance Program (SNAP) shall be used for express lane eligibility determinations. Express lane eligibility will be used for initial eligibility determinations, redeterminations, automatic enrollment and renewals for children in Medicaid and the Children’s Health Insurance Program. The department shall take actions to maximize federal funding. Legislative intent is stated that to the maximum extent possible, federal funds are to be appropriated for express lane eligibility costs. The federal funds to be appropriated are from the Coronavirus State Fiscal Recovery Fund under the American Rescue Plan Act.

The cost to implement express lane eligibility is for system changes totaling \$232,330 in FY 2023. An additional Program Accuracy Specialist is also needed to implement and oversee quality assurance activities. The costs would be \$54,096 in FY 2023 and \$67,792 in FY 2024.

The bill directs the use of a portion of American Rescue Plan Amendment (ARAP) funding available under the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). SLFRF funds are specifically prohibited as an allowable use for the non-federal match for Medicaid and the Children’s Health Insurance Program. The only federal funding available is the 50% federal administrative match.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 857	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 1-28-2022	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Health & 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 1-27-2022

Phone: (5) 471-6719

	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$145,495		\$39,106	
CASH FUNDS				
FEDERAL FUNDS	\$145,495		\$39,106	
OTHER FUNDS				
TOTAL FUNDS	\$290,990	\$0	\$78,212	\$0

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

Explanation of Estimate:

LB857 Provides express lane eligibility (ELE) under the Medical Assistance Act and the Children’s Health Insurance Program and assumes an implementation date of January 1, 2023.

There would be two system updates needed to implement LB857. An estimated 665 Business Analyst hours would be needed for analysis, design, and testing to implement the first system update and changes described above. The estimated cost for this time is \$43,225. An estimated 1,661 Technical Analyst hours would also be needed for analysis, design, coding, and testing. The estimated cost for this time is \$149,490. In total, for system updates and changes, the estimated cost is \$192,715. For the second system needing updating, it would require the following:

- 16 hours from the Web team
- 165 hours from the business analysts team
- 225 hours from the expert system team
- 20 hours from gen team
- 60 hours from the batch team

The combined cost for the second system update would be \$39,615.

In addition to system changes, LB 857 would require the addition of one Program Accuracy Specialist. This position would be needed to implement the required quality assurance reviews and generate the required federal reports outlined for this option. This implementation would also require training development and time for all staff processing or reviewing cases with an ELE determination.

ELE implementation also carries the risk of loss of federal funds resulting from an accuracy review finding with an error rate above three percent. This policy is outlined within the overall ELE policy found at 42 U.S.C. 1397a(e)(13). This finding would also require developing and implementing a corrective action plan, which would require the participation and time of the eligibility operations, policy, and program accuracy units.

The Department of Health and Human Services (DHHS) will be required to complete a minor rule and regulation change as a result of LB 857. DHHS will absorb the estimated costs listed below to complete this regulation change and state plan development.

Title	Hour(s)	Hourly Cost	Absorbed Cost
Director	1	\$ 76	\$ 76
Deputy Director	1	\$ 55	\$ 55
Administrator I	1	\$ 31	\$ 31
Program Specialist	2	\$ 23	\$ 47
Program Analyst	4	\$ 23	\$ 91
Attorney III	10	\$ 35	\$ 345
Total Costs			\$ 645

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2022-2023	2023-2024
	22-23	23-24	EXPENDITURES	EXPENDITURES
C72180 Program Accuracy Specialist	0.8	1	\$33,166	\$44,220

Benefits.....	\$12,378	\$16,503
Operating.....	\$245,446	\$17,489
Travel.....		
Capital Outlay.....		
Aid.....		
Capital Improvements.....		
TOTAL.....	\$290,990	\$78,212