



August 1, 2024

Mr. Brandon Metzler
Clerk of the Legislature
P.O. Box 94604
Lincoln, NE 68509

Ms. Keisha Patent, Director
Legislative Fiscal Office
P.O. Box 94604
Lincoln, NE 68509

Subject: Nursing Facility Rate Inflation Factor Report

Dear Mr. Metzler and Director Patent:

The Division of Medicaid and Long-Term Care (MLTC) submits this report, as required under Neb. Rev. Stat. § 68-949(4)(b), to the Clerk of the Legislature and the Legislative Fiscal Office on how the Inflation Factor was calculated for State Fiscal Year 2024-25 Nursing Facility Rates.

The inflation factor specified in Nebraska State Plan section 12-011.08D5 Base Year Report Period and Inflation Factor is determined by MLTC from spending projections using:

1. Audited base year cost and census data;
2. Budget directives from the Nebraska Legislature; and
3. Funding generated by the Nursing Facility Quality Assurance Assessment.

First, MLTC computed rates before the inflation factor, to determine the projected expenditures for Nursing Facilities for SFY2024-25 which was calculated to be \$485,212,808.

Second, MLTC referenced the specific amounts appropriated per LB1412 (2024), page 19, to determine the legislative intent and budget directives as required in step two, above. These amounts are \$449,351,518.

Third, MLTC calculated the Nursing Facility Quality Assurance Assessment rate add-on portion of the rates using the referenced data. These amounts are \$68,121,023.

Finally, utilizing these three sets of data, MLTC arrived at a positive 6.67% inflation factor to apply to the projected spend from the base year cost report data of \$485,212,808, which

amounts to \$32,363,694, for a total projected expenditure of \$517,576,502. This amount projects expenditures just above the legislatively appropriated amounts of \$449,351,518, plus the Nursing Facility Quality Assurance Assessment amount of \$68,121,023 for a total target expenditure amount of \$517,472,541.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew Ahern", with a stylized, flowing script.

Matthew Ahern
Interim Director, Division of Medicaid and Long-Term Care