

PREPARED BY: Mikayla Findlay
 DATE PREPARED: January 16, 2024
 PHONE: 402-471-0062

LB 1237

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|-------------------|---------|-------------------|---------|
| | FY 2024-25 | | FY 2025-26 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | \$11,470 | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | \$34,410 | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$45,880 | | | |

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

This bill would require a summary of specific data pertaining to the administration of Medicaid in Nebraska be submitted by the Department of Health and Human Services (DHHS) to the Legislature. DHHS would need to contract with DAS OCIO to modify the Medicaid Management Information System (MMIS) and the Nebraska Family Online Client User System (NFOCUS) to enable collection of the specified data. For this purpose, DHHS needs \$45,880 in FY25 only. These IT updates qualify for 75% federal funds and a 25% general funds match rate. DHHS would incur additional expenses to comply with the reporting requirement however those internal costs to the agency will be absorbed within current appropriations.

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|--|--------------|--------|--|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
| LB: | 1237 | AM: | AGENCY/POLT. SUB: Nebraska Department of Health & Human Services |
| REVIEWED BY: | Ann Linneman | DATE: | 2-26-2024 |
| | | PHONE: | (402) 471-4180 |
| COMMENTS: Concur 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 2-22-2024

Phone: (5) 471-6719

| | <u>FY 2024-2025</u> | | <u>FY 2025-2026</u> | |
|----------------------|---------------------|---------|---------------------|---------|
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | \$11,470 | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | \$34,410 | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$45,880 | \$0 | \$0 | \$0 |

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

Explanation of Estimate:

LB1237 mandates the inclusion of several new reporting items in the annual report submitted to the legislature by the Department of Health and Human Services (DHHS) for Medicaid and Children's Health Insurance Program (CHIP)

The bill requires DHHS to report on a wide array of statistics, including the number and percentage of applications approved and denied, details on eligibility determinations, case closures, and demographic breakdowns of enrollees by program type, geographic area, and race/ethnicity, if available. Additionally, the legislation calls for reporting on the average processing time for applications, the re-enrollment rates post-termination, client call durations, and the number of requests for fair hearings and the outcomes of these hearings.

To comply with these reporting requirements, DHHS will need to allocate resources toward detailed requirements gathering, coding, testing, and documentation. Administration expenses related to eligibility appeals and required reporting, estimated to be \$12,000 per year, will be absorbed by DHHS. System updates will also be needed for the Medicaid Management Information System (MMIS) and the Nebraska Family Online Client User System (NFOCUS). To make these necessary changes to MMIS and NFOCUS, the following hours are needed: 238 hours for a Batch Technical Analyst and 300 hours for a Business Analyst. These hours result in a total expense of \$45,880. Technology updates would qualify for 75% federal funds and a 25% general funds match rate.

MAJOR OBJECTS OF EXPENDITURE

| PERSONAL SERVICES: | NUMBER OF POSITIONS | | 2024-2025 EXPENDITURES | 2025-2026 EXPENDITURES |
|---------------------------|---------------------|-------|---------------------------|---------------------------|
| | POSITION TITLE | 24-25 | | |
| Benefits..... | | | | |
| Operating..... | | | \$45,880 | |
| Travel..... | | | | |
| Capital Outlay..... | | | | |
| Aid..... | | | | |
| Capital Improvements..... | | | | |
| TOTAL..... | | | \$45,880 | \$0 |