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Revision: 02

Revised to Include provisions adopted in AM 2410

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	\$6,905,424		\$6,905,424	
CASH FUNDS				
FEDERAL FUNDS	\$13,123,563		\$13,123,563	
OTHER FUNDS				
TOTAL FUNDS	\$20,028,987		\$20,028,987	

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 reimbursement rates for dental services provided by Medicaid by 25% in FY25. The funding for the projected fee-for-service and MCO capitation costs for FY25 was determined by the Department of Health and Human Services based on projected Public Health Emergency (PHE) unwind figures, projected other utilization changes, and the 25% rate increase.

Regular Medicaid expenses are eligible for federal funding based on the Federal Medical Assistance Percentage or FMAP of 57.79% federal funds whereas Medicaid expansion expenses are eligible for 90%. Both Regular Medicaid and Medicaid Expansion aid expenses are funded in Program 348 Medical Assistance Program. The Children's Health Insurance Program (CHIP) also pays for dental services for children in the program. CHIP aid expenses are funded in Program 344, CHIP.

	Program 348	Program 344
General Funds	\$6,108,374	\$797,050
Federal Funds	\$11,223,321	\$1,900,242
Total Funds	\$17,331,695	\$2,697,292

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 2-14-2024

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	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$6,905,421		\$6,905,421	
CASH FUNDS				
FEDERAL FUNDS	\$13,123,563		\$13,123,563	
OTHER FUNDS				
TOTAL FUNDS	\$20,028,984		\$20,028,984	

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

Explanation of Estimate:

LB 358 proposes to increase the provider rates for Medicaid dental services by 25% for fiscal year 2024-25. This would increase Medicaid aid expenditures in programs 344 and 348 (for regular Medicaid and Medicaid expansion, program 349) for SFY25; there is no other anticipated fiscal impact to implement these rate changes. An estimate for the projected fee-for-service and MCO capitation costs for SFY25 was determined based on projected Public Health Emergency (PHE) unwind figures, projected other utilization changes, and the 25% rate increase.

The result is an increased appropriation need of approximately \$20,028,984 for SFY25 (\$13,123,563 Federal Funds and \$6,905,421 General Funds).

The funding split by budget program is as follows:

CHIP, program 344, \$2,697,292 total funds, \$1,900,242 federal funds, and \$797,050 general funds.

Medicaid Aid, program 348 (including Medicaid expansion, program 349), \$17,331,692 total funds, \$11,223,321 federal funds, and \$6,108,371 general funds.

The funding split within the umbrella program of 348 between regular Medicaid and Medicaid expansion is as follows:

348 - \$13,583,368 total funds, \$7,849,829 federal funds, and \$5,733,539 general funds.

349 - \$3,748,324 total funds, \$3,373,492 federal funds, and \$374,832 general funds.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2024-2025 EXPENDITURES	2025-2026 EXPENDITURES
	POSITION TITLE	24-25		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$20,028,984	\$20,028,984
Capital Improvements.....				
TOTAL.....			\$20,028,984	\$20,028,984