

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$10,574,404		\$10,574,404	
CASH FUNDS				
FEDERAL FUNDS	\$8,539,732		\$8,539,732	
OTHER FUNDS				
TOTAL FUNDS	\$19,114,136		\$19,114,136	

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

LB 362 contains intent to appropriate language for five percent increases to the Department of Health and Human Services (DHHS) for Behavioral Health (BH), Children’s Health Insurance Program (CHIP), Medical Assistance, and Medicaid Expansion Aid programs for FY 2023-24. The bill further has intent to appropriate language for a five percent rate increase for behavioral health services to the Supreme Court for the Juvenile Justice program for FY 2023-24.

Department of Health and Human Services:

Behavioral Health:

- The increase of five percent for Behavioral Health increases would be \$5,061,291 in General Funds in FY 2023-24.

Medicaid Program:

- The 5% increases for Medicaid rely as dependent upon the anticipated results of the Public Health Emergency (PHE) rewind that will occur in April-May 2023. It is estimated that the increase would be \$3,722,331 in General Funds and \$8,539,732 in Federal Funds in FY 2023-24.

It is anticipated that the total fiscal impact for DHHS for Behavioral Health and Medicaid would be \$8,783,622 in GF and \$8,539,732 in FF in FY 2023-24.

Supreme Court-Juvenile Justice:

The 5% increase for the Juvenile Justice Program would be \$1,790,782 in FY 2023-24.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	362	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman	DATE:	3-21-2023	PHONE: (402) 471-4180
COMMENTS: The Nebraska Department of Health and Human Services’ analysis and estimate of fiscal impact to the department appears reasonable.				
Technical Note: The current appropriation language is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 362 AM: AGENCY/POLT. SUB: Nebraska Supreme Court

REVIEWED BY: Ann Linneman DATE: 3-20-2023 PHONE: (402) 471-4180

COMMENTS: No basis to disagree with the Nebraska Supreme Court's estimate of fiscal impact to program 437.

Disagree with impact to programs 420 and 435, as the bill specifically states this is for a juvenile justice rate increase in program 437.

Technical Note: The current appropriation language is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.

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 1-13-2013

Phone: (5) 471-6719

	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$8,783,622		\$8,783,622	
CASH FUNDS				
FEDERAL FUNDS	\$8,539,732		\$8,539,732	
OTHER FUNDS				
TOTAL FUNDS	\$17,323,354		\$17,323,354	

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

Explanation of Estimate:

As written, LB 362 would provide a five percent (5%) provider rate increase for the behavioral health services for FY24. This fiscal note table assumes the rate would be maintained in FY25 without any additional increases.

Behavioral Health Program 038 Impact: The total fund impact to implement a 5% rate increase in Program 038 is \$5,061,291. The increase would be applied to treatment, recovery and prevention services paid on a rate or expense basis.

Medicaid Program 348 Impact:

The estimated impact relies greatly on the results of the Public Health Emergency (PHE) unwind regarding the closure of Medicaid cases. An increase to behavioral health services would directly impact the per member, per month (PMPM) as past impact statements have asserted. The estimated portion of the general PMPM from SFY22 due to behavioral health services was 9.1%. Applying a 5% increase to that PMPM, the modeled potential member months assumed that:

-Medicaid unwind commences April 2023 with members beginning disenrollment May 2023

-Closing 7,000 members per month from May 2023 through March 2024

-Proportion of member months for newly eligible expansion [receives 90% Federal Medical Assistance Percentage (FMAP)] is 17%

-Increase to base PMPMs: July 2023 – 5% (LB362)

-FFY24 final regular FMAP used for all non-expansion; except for July-September 2023 impacted by the 2.5% FMAP increase, and October-December 2023 impacted by 1.5% FMAP increase from the phase-down PHE match.

Estimated appropriations required:

SFY24

TF \$ 17,323,354

GF \$ 8,783,622

FF \$ 8,539,732

Estimate includes impact of 5% rate increase for fee-for-service claim costs.

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2023-2024	2024-2025
	23-24	24-25	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$17,323,354	\$17,323,354
Capital Improvements.....				
TOTAL.....			\$17,323,354	\$17,323,354

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2023

LB⁽¹⁾ 362

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 3/16/2023 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	See below		See below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

Estimated General Fund impact to provide & sustain a 5% rate increase for Program 437, Juvenile Justice:
 FY23-24 1,790,782
 FY24-25 1,790,782

Note: Although LB362 intent is directed at the budget program for juveniles on probation, Probation also funds services for adults and problem-solving court participants. If Appropriations Committee intent is to provide funding for all service providers used by Probation the fiscal impact to Program 420, State Specialized Court Operations and Program 435, Probation Community Corrections must also be included. Aligning Probation reimbursement rates with entities such as the Department of Health and Human Services is essential for maintaining access to services for all Probation populations.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

