



June 15, 2026

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 Department of Health and Human Services (DHHS) submits this report on how the Inflation Factor was calculated for State Fiscal Year 2026-27 Nursing Facility Rates as required in Neb. Rev. Stat. § 68-949.

The inflation factor specified in Nebraska State Plan section 12-011.08D5 Base Year Report Period and Inflation Factor, is determined by DHHS 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, DHHS computed rates before the inflation factor, to determine the projected expenditures for Nursing Facilities for SFY2026-27, which was calculated to be \$518,293,027.

Second, DHHS referenced the amounts appropriated in LB1071 (2026), slip law page 22, to determine legislative intent and budget directives as required in step two, above. This amount is \$449,351,518.

Third, DHHS calculated the Nursing Facility Quality Assurance Assessment rate add on portion of the rates using the referenced data. This amount is \$58,198,856.

Finally, using these three sets of data, DHHS arrived at a negative 2.07% inflation factor to apply to the projected spend from the base year cost report data of \$518,293,027, which amounts to (\$10,742,653) for a total projected expenditure of \$507,564,361. This amount projects expenditures just above the legislatively appropriated amounts of \$449,351,518, plus the Nursing Facility Quality Assurance Assessment amount available of \$58,198,856, for a total projected available funds amount of \$507,550,374.

Sincerely,

A handwritten signature in cursive script, appearing to read "Drew Gonshorowski".

Drew Gonshorowski
Director, Division of Medicaid and Long-Term Care