

PREPARED BY:
DATE PREPARED:
EMAIL:

Mikayla Findlay
March 26, 2026
mfindlay@leg.ne.gov

LB 1091

Revision: 01

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to include provisions of AM 2381

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

This bill requires the Department of Health and Human Services to carve out skilled special needs nursing facility from being administered by managed care organizations (MCOs) under the Medicaid program. As amended, the bill maintains allowances for utilization management for such services, the removal of which was the source of aid costs in the bill as introduced. Administrative expenses to implement system changes and cost savings to end contacts with the agency's current prior authorization vendor result in no 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 3-26-2026

Phone: (5) 471-6719

	<u>FY 2026-2027</u>		<u>FY 2027-2028</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$0		\$0

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

Explanation of Estimate:

LB1091 AM2381 would require Medicaid and Long-Term Care (MLTC) to carve out skilled, special needs nursing facility (NF) services from the managed care delivery system and begin paying for these services through fee-for-service (FFS). AM2381 removed the prohibition on utilization management, thus eliminating the department’s concerns related to increased costs in the original bill.

The department must adopt and promulgate regulations no later than six months after the effective date of this bill.

The bill will require changes to the Medicaid Management Information System (MMIS) to update claims processing and payment edits, eliminate prior authorization requirements for special-needs NF services, and create new adjudication rules for special-needs NF levels of care. Discontinuation of the current prior authorization vendor will result in a cost reduction that will be offset by the cost of IT updates and internal staff now completing the prior authorization utilization management work.

The department expects this amendment to result in no overall fiscal impact to the department.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2026-2027 EXPENDITURES	2027-2028 EXPENDITURES
	26-27	27-28		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0

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

LB: 1091 AM: 2381 AGENCY/POLT. SUB: Nebraska Department of Health & Human Services

REVIEWED BY: Ann Linneman DATE: 3-26-2026 PHONE: (402) 471-4180

COMMENTS: Concur with the Nebraska Department of Health and Human Services' assessment of fiscal impact.