

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to include provisions of AM 2766

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.

As amended by AM 2766, LB 958 defines terms and requires training for assessing need for services within the 1915(c) waiver for Home and Community Based Services (HCBS) provided by the Department of Health and Human Services. The bill add procedural steps to the assessment process including a supervisory review of assessments resulting in reduced services and notification requirements.

Section 3 of AM 2766 requires DHHS to provide the maximum amount of retroactive coverage as permitted by the One Big Beautiful Bill Act (OBBBA) which is two months retroactive coverage for regular Medicaid recipients and one month retroactive coverage for Medicaid expansion recipients. Currently Nebraska DHHS implements three months of retroactive Medicaid coverage and states are permitted to seek federal approval to implement no retroactive coverage. The adjustment from current policy to what is maximally allowed by OBBBA is a savings of approximately \$4.6m in FY26 which is accounted for in the mid-biennium budget adjustments to the medical assistance program, Agency 25 Program 348.

DHHS indicates ability to absorb administrative expenses associated with provisions of LB 958 as amended. There is no basis upon which to disagree.

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

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Date Prepared 3-31-2026

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	<u>FY 2026-2027</u>		<u>FY 2027-2028</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

LB958 AM2766 restructures the original bill to focus on statutory requirements governing Medicaid assessment processes for Home and Community-Based Services (HCBS) waivers, including both DD and AD waivers. The amendment establishes detailed definitions related to assessment tools and clinical interviewing, including standardized instruments used to determine eligibility, level of care, service needs, or service tiers. It requires the Nebraska Department of Health and Human Services to ensure that employees and contractors conducting waiver assessments receive formal training in clinical interviewing techniques.

The amendment further imposes new procedural and communication requirements on DHHS. It requires the department to provide clear explanations of assessment results, scoring methodologies, eligibility determinations, and appeal rights to waiver participants or their representatives. Before any reduction in service tiers, authorized hours, or services may be finalized, the amendment mandates a supervisory review of the assessment. The department will plan to absorb any associated costs.

AM2766 also adds requirements related to retroactive eligibility coverage and that the department must adhere to the maximum coverage permitted by section 71112 of the federal One Big Beautiful Bill Act, Public Law 199-21, as such existed on January 1, 2026. Currently, the department provides three months' retro coverage for all eligibility categories. The current federal law alters coverage to one month for the Medicaid Expansion population and two months coverage for all other eligibility categories.

The department submitted a fiscal impact for LB777 that stated altering the retro eligibility coverage to match current federal law would result in a budget reduction of \$4,606,450 in FY27 (\$1,765,624 General Funds and \$2,840,826 Federal funds) and \$9,305,028 in FY28 (\$3,566,559 General Funds and \$5,738,469 Federal Funds). These amounts have already been accounted for in LB1071. The department will absorb any related administrative costs associated with enacting the changes to retro eligibility.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

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