

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1143

Introduced by Hardin, 48.

Read first time January 20, 2026

Committee: Appropriations

1 A BILL FOR AN ACT relating to public assistance; to amend section 68-949,
2 Revised Statutes Cumulative Supplement, 2024; to provide for
3 modification of the appropriation to the Department of Health and
4 Human Services for medicaid nursing facility rates based on client
5 service utilization as prescribed; to require the department to
6 submit an application to establish a Money Follows the Person
7 program; and to repeal the original section.

8 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 68-949, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 68-949 (1) It is the intent of the Legislature that the department
4 implement reforms to the medical assistance program such as those
5 contained in the Medicaid Reform Plan, including (a) an incremental
6 expansion of home and community-based services for aged persons and
7 persons with disabilities consistent with such plan, (b) an increase in
8 care coordination or disease management initiatives to better manage
9 medical assistance expenditures on behalf of high-cost recipients with
10 multiple or chronic medical conditions, and (c) other reforms as deemed
11 necessary and appropriate by the department, in consultation with the
12 committee.

13 (2) The department shall develop recommendations based on a
14 comprehensive analysis of various options available to the state under
15 applicable federal law for the provision of medical assistance to persons
16 with disabilities who are employed, including persons with a medically
17 improved disability, to enhance and replace current eligibility
18 provisions contained in subdivision (8) of section 68-915.

19 (3) The department shall develop recommendations for further
20 modification or replacement of the defined benefit structure of the
21 medical assistance program. Such recommendations shall be consistent with
22 the public policy in section 68-905 and shall consider the needs and
23 resources of low-income Nebraska residents who are eligible or may become
24 eligible for medical assistance, the experience and outcomes of other
25 states that have developed and implemented such changes, and other
26 relevant factors as determined by the department.

27 (4)(a) It is the intent of the Legislature that the total amount
28 appropriated to the department for medicaid nursing facility rates be
29 identified as a dollar amount in the state budget and be used in the
30 medicaid nursing facility rate calculation, including the calculation of
31 the annual inflation factor. The total amount appropriated for medicaid

1 nursing facility rates shall include amounts for rate enhancement and any
2 other purpose related to medicaid nursing facility services and shall be
3 used as the base for funding for the following fiscal year. The
4 department may take into consideration utilization relating to client
5 needs and preferred setting when establishing nursing facility rates for
6 prospective rating periods. If the department uses an amount that differs
7 from the identified appropriation in the calculation of nursing facility
8 rates for the prospective rate period, such dollar amount and the number
9 of projected nursing facility resident days used in the calculation shall
10 be identified to the Legislature in the report required under subdivision
11 (4)(b) of this section.

12 (b) The department shall file a report electronically with the
13 Legislative Fiscal Analyst and the Clerk of the Legislature no later than
14 August 1 of each year identifying how the inflation factor was calculated
15 for that year's medicaid nursing facility rates and including the
16 information described in subdivision (4)(a) of this section.

17 (c) The department shall file a report electronically with the
18 Legislative Fiscal Analyst and the Clerk of the Legislature between
19 December 15 and December 31 of each year identifying the amount of any
20 remaining unobligated appropriation from the prior appropriations
21 earmarked for medicaid nursing facility payments. The report shall
22 include an identification of encumbrances and retroactive payments.

23 (5) No later than December 31, 2026, the department shall submit an
24 application to the federal Centers for Medicare and Medicaid Services to
25 establish a money follows the person program to assist qualified
26 individuals to transition from an institutional setting to a community
27 setting while continuing to receive long-term care.

28 Sec. 2. Original section 68-949, Revised Statutes Cumulative
29 Supplement, 2024, is repealed.