

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 740

Introduced by McKinney, 11.

Read first time January 07, 2026

Committee: Health and Human Services

- 1 A BILL FOR AN ACT relating to housing; to adopt the Housing First
- 2 Supportive Services Act.
- 3 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Sections 1 to 8 of this act shall be known and may be
2 cited as the Housing First Supportive Services Act.

3 **Sec. 2.** (1) The Legislature finds that: (a) Stable housing is a
4 fundamental determinant of health and a key factor in reducing reliance
5 on costly emergency, institutional, and correctional systems; (b) many
6 Nebraskans experiencing homelessness have unmet behavioral health,
7 substance use, and physical health needs that can be effectively
8 addressed through integrated supportive housing services; (c) evidence
9 from other states demonstrates that implementing a Housing First model,
10 which provides permanent housing without preconditions combined with
11 voluntary supportive services, reduces chronic homelessness, lowers
12 medicaid and correctional services expenditures, and improves health
13 outcomes; (d) the federal Centers for Medicare and Medicaid Services
14 permits states to cover housing-related services under a section 1115
15 demonstration waiver or state plan amendment; and (e) Nebraska can
16 strengthen its continuum of care and promote fiscal responsibility by
17 authorizing medicaid reimbursement for supportive housing services.

18 (2) It is the intent of the Legislature to: (a) Direct the
19 department to seek federal approval to cover supportive housing services
20 under medicaid; (b) expand access to permanent supportive housing
21 statewide; and (c) leverage state, local, and federal resources to
22 stabilize individuals and families at risk of homelessness.

23 **Sec. 3.** For purposes of the Housing First Supportive Services Act:

24 (1) Department means the Department of Health and Human Services;

25 (2) Housing First means an approach to ending homelessness that
26 prioritizes permanent housing without preconditions including, but not
27 limited to, sobriety, treatment participation, or criminal justice
28 compliance, while offering voluntary supportive services to promote
29 stability and self-sufficiency;

30 (3) Medicaid means the Medical Assistance Act established under
31 section 68-901;

1 (4) Permanent supportive housing means permanent, affordable housing
2 paired with voluntary, flexible supportive services; and

3 (5) Supportive housing services means services that assist an
4 individual in obtaining, maintaining, and retaining housing, including
5 housing transition, tenancy sustaining, and stabilization services, as
6 defined by federal guidance.

7 **Sec. 4.** (1) The department shall: (a) Seek federal approval through
8 a section 1115 demonstration waiver, state plan amendment, or other
9 available federal authority to authorize medicaid reimbursement for
10 supportive housing services for eligible beneficiaries who are
11 experiencing, or at risk of, homelessness; and (b) implement the coverage
12 of such services upon federal approval.

13 (2) Covered services shall include, but not be limited to: (a)
14 Housing transition services, including outreach, application assistance,
15 and landlord engagement; (b) tenancy sustaining services, including case
16 management, eviction prevention, and links to community resources; (c)
17 housing navigation and stabilization services; and (d) care coordination
18 among health care, behavioral health, and substance use treatment
19 providers.

20 (3) The department may contract with community-based organizations,
21 behavioral health regions, local housing authorities, or managed care
22 entities to deliver supportive housing services.

23 **Sec. 5.** (1) The Housing First Supportive Services Fund is created.
24 The fund shall consist of: (a) Money appropriated by the Legislature; (b)
25 federal matching funds received from medicaid; and (c) gifts, grants, or
26 other contributions.

27 (2) Money in the fund shall be used to: (a) Provide the nonfederal
28 share of medicaid expenditures authorized under the Housing First
29 Supportive Services Act; and (b) support housing-related costs that are
30 not eligible for medicaid reimbursement, including short-term rental
31 assistance, operating subsidies, and capital investment in supportive

1 housing.

2 (3) Money in the fund available for investment shall be invested by
3 the state investment officer pursuant to the Nebraska Capital Expansion
4 Act and the Nebraska State Funds Investment Act.

5 **Sec. 6.** (1) The department shall coordinate with: (a) The Nebraska
6 Investment Finance Authority to leverage federal low-income housing tax
7 credits and other housing resources; (b) the Department of Economic
8 Development to align community development block grant and federal HOME
9 Investment Partnerships Program funds; and (c) local continuums of care
10 and housing authorities to ensure supportive housing units are targeted
11 to eligible populations.

12 (2) The department shall jointly develop an annual plan with the
13 Nebraska Investment Finance Authority that identifies priority
14 populations, geographic needs, and strategies for integrating housing and
15 health services.

16 **Sec. 7.** (1) Beginning January 1, 2027, and each January 1
17 thereafter, the department shall submit an electronic report to the
18 Health and Human Services Committee of the Legislature and the
19 Appropriations Committee of the Legislature that includes (a) the number
20 of individuals receiving supportive housing services, (b) the number of
21 individuals transitioned into, and retained in, permanent supportive
22 housing, (c) health care and behavioral health outcomes, and (d)
23 estimated cost offsets to medicaid, correctional services, and other
24 state programs.

25 (2) The department shall contract with an independent entity to
26 evaluate the program's effectiveness within five years after the date of
27 implementation and report its findings to the Legislature.

28 **Sec. 8.** The department shall adopt and promulgate rules and
29 regulations to carry out the Housing First Supportive Services Act,
30 including, but not limited to, establishing (1) eligibility criteria, (2)
31 provider qualifications, (3) reimbursement methodologies, and (4) service

- 1 delivery standards consistent with federal requirements.