

MHD

PREPARED BY: Liz Hruska
DATE PREPARED: February 04, 2011
PHONE: 471-0053

LB 551

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	543,910		725,213	
CASH FUNDS				
FEDERAL FUNDS	723,650		964,867	
OTHER FUNDS				
TOTAL FUNDS	1,267,560		1,690,080	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill increases from \$4,500 to \$8,500 the amount in an irrevocable burial trust that is not counted as a Medicaid resource.

The increase in an irrevocable burial trust not counted towards eligibility would make approximately 40 nursing home clients per month eligible for Medicaid one month earlier. The average cost of nursing home care is \$3,512 a month. Medicaid would pay for 480 additional months of Medicaid nursing home care at a cost of \$1,267,560 (\$543,910 GF and \$723,650 FF) in FY 12 and by \$1,690,080 (\$725,213 GF and \$964,867 FF) in FY 13.

RECEIVED

FEB - 4 2011

LB(1) 0551

FISCAL NOTE

2011

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Willard Bouwens

Date Prepared: (4) February 4, 2011

Phone: (5) 471-8072

W. Bouwens

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$543,910		\$725,213	
CASH FUNDS				
FEDERAL FUNDS	\$723,650		\$964,867	
OTHER FUNDS				
TOTAL FUNDS	\$1,267,560	\$0	\$1,690,080	\$0

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

Explanation of Estimate:

Currently, the first \$4,513 of an irrevocable burial trust is excluded for Medicaid eligibility. This bill would increase that amount to \$8,500. The populations that will primarily be affected by this change are the elderly and nursing home populations as they are the primary holders of irrevocable burial trusts and burial insurance. It is estimated that approximately 40 nursing home clients will become eligible one month early every month so that Medicaid would have to pay 480 months more costs during each year if the limit is raised. Taking into account the average monthly cost per nursing home client (\$3,521 for 2010), the total yearly expenditures would be 480 X \$3,521 = \$1,690,080 (\$725,213 GF, \$964,867 FF) in Program 348. First year costs are adjusted for eligibility lag, to represent nine months, \$1,267,560 (\$543,910 GF, \$723,650 FF). Fiscal year 2013 would be the first full year for budgeting purposes.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
		11-12	12-13		
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$1,267,560	\$1,690,080