

PREPARED BY: Liz Hruska
 DATE PREPARED: March 14, 2011
 PHONE: 471-0053

LB 433

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				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

This bill requires any and all contracts entered into by the Department of Health and Human Services for the provision of child welfare and other related services and programs with private agencies shall be based on the reasonable costs of services. The bill restricts the contracting of the child abuse and neglect hotline, initial family assessment and final determinations regarding case closure. The department is required to adopt and promulgate rules and regulations that provide for the monitoring and oversight of child welfare contracts. The department is required to provide a financial report to the Legislature on a biannual basis regarding all child welfare contracts. Child welfare and related services and programs mean services and programs for families and children under the jurisdiction of the juvenile court and voluntary services for children and their families who are at risk of coming under the jurisdiction of the juvenile court.

The department should be able to handle the monitoring, oversight and reporting requirements within current agency resources. The fiscal impact of the provision that contractors be paid reasonable costs is unclear. Three contractors no longer contract with the department due to financial issues. One private provider did not sign a contract with the state because it was not financially feasible for them to do so. Since October 2009, the two remaining contractors have had increases of a combined total of \$25 million. It is assumed with these increases that payments are reasonable, but the definition of reasonable is not easily definable.

RECEIVED

MAR 15 2011

LB⁽¹⁾ 0433

FISCAL NOTE

LEGISLATIVE FISCAL

2011

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Willard Bouwens

Date Prepared: (4) March 15, 2011

Phone: (5) 471-8072

Willard Bouwens

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	\$0	See below	\$0

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

Explanation of Estimate:

The bill requires DHHS to assure that payment to providers and agencies are based upon reasonable cost of services (Section 1 (1)). It is assumed that DHHS is paying for "reasonable cost of services" therefore there is no fiscal impact to the Department of Health and Human Services under this provision.

The requirements of Section 1(2), (3), and (4) are already addressed by current DHHS practices, policies and contracts so there would not be a fiscal impact for the requirements set forth in these sections

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.....			See above	See above