Liz Hruska February 15, 2011 471-0053

LB 607

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES *								
	FY 2011-12 FY 2012-13							
	EXPENDITURES REVENUE EXPENDITURES REVENU							
GENERAL FUNDS								
CASH FUNDS								
FEDERAL FUNDS								
OTHER FUNDS				=-=				
TOTAL FUNDS								

This bill requires the Department of Health and Human Services to enter into an interagency agreement with the Department of Revenue to utilize income tax return information for the purpose of eligibility determination of children for Medicaid and the Children's Health Insurance Program (CHIP). A report is to be submitted to the Legislature and the Revenue Committee no later than December 31, 2011.

The requirement for HHS and Revenue to provide a joint report to the Legislature on model language regarding the use of tax information and report to the Legislature can be done within current resources.

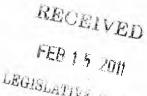
DEPARTMENT OF ADMINISTRATIVE SERVICES

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REVIEWED BY		DATE 2/15/11	PHONE 471-2526

COMMENTS

DEPARTMENT OF HEALTH AND HUMAN SERVICES: Concur. DEPARTMENT OF REVENUE: Agency estimates appear reasonable.

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



LB₍₁₎ 0607

FISCAL NOTE

2011

	ESTIMATE PROVID	DED BY STATE AGENCY OR I	POLITICAL SUBDIVISION	
State Agency or Politic	cal Subdivision Name (2) Depa	rtment of Health and Huma	n Services	
Prepared by: (3) Willard	Bouwens Date Prepa	ared:(4) February 15, 2011	Р	hone: (5) 471-8072
	() FY 2011-	2012	FY 2012	<u>-2013</u>
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$16,000			
CASH FUNDS				
FEDERAL FUNDS	\$16,000			
OTHER FUNDS				
TOTAL FUNDS	\$32,000	\$0	\$0	\$0
Return by date specified of	or 72 hours prior to public hearing,	whichever is earlier.		
Explonation of Esti	mata:	*		

Explanation of Estimate:

For the time frame addressed in this fiscal note, DHHS would contract for two months of services to investigate CHIPRA eligibility, outreach, and funding options, to work with the Tax Commissioner to prepare a report of recommended changes to the Nebraska income tax form, and to coordinate implementation of changes as further directed by the Legislature. Program 33 expenditures are estimated at \$32,000 (\$16,000 GF, \$16,000 FF) for FY12.

The report of recommendations is due to the Legislature on 12/31/11. This fiscal note assumes that the intent is that the 2012 Legislature would decide which of the recommended changes to implement, if any, which would presumably be implemented on the income tax forms used in 2013 to report 2012 income. If that is the case, this assumes that the earliest that prior tax year information would be available to DHHS would be June 15, 2013, eight weeks after the tax filing deadline. The bill does not specify the intended use of the income tax form data. Bonus payments and enrollment incentives end by January 1, 2014, when federal health care reform is implemented. At that point, as currently written, children will be required to be insured by Medicaid, CHIP, or private/exchange insurance.

MAJOR OBJECT	S OF EXPENDI	TURE		
PERSONAL SERVICES:				
	NUMBER OF	POSITIONS	2011-2012	2012-2013
POSITION TITLE	11-12	12-13	EXPENDITURES	EXPENDITURES
				
Benefits				
Operating			\$32,000	
Travel	***********			
Capital Outlay				
Aid	*********			
Capital Improvements				
TOTAL			\$32,000	
			ΨΟΣ,000	

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LB 607 Fiscal Note 2011

		State Agency	Estimate	m ripodi,		
State Agency Name: Department	of Revenue				Date Due LFA:	2/16/11
Approved by: Douglas Ewald		Date Prepared:	2/8/11		Phone: 471-5700	
	FY 2011-	-2012	FY 201	2-2013	FY 20	13-2014
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$ 49,038	\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$ 49,038	\$ 0		\$ 0	100	\$0

LB 607 requires the Department of Health and Human Services (HHS) to execute an interagency agreement with the Department of Revenue and revise the income tax return to identify children eligible for Medicaid and the state children's medical assistance program (Kids Connection).

The Nebraska income tax form must include:

- questions asking taxpayers to indicate whether any dependent children have health insurance;
- questions asking taxpayers to indicate whether dependent children have health insurance at the time of filing;
- questions asking taxpayers to indicate whether dependent children are under 19 years of age at the time of filing;
- consent and disclosure provisions or procedures to provide prior disclosure and reasonable opportunity for taxpayers to decline;
- notice that taxpayers shall not be penalized for failure to provide information or failure to provide accurate information; and
- written instructions to taxpayers.

To allow the transfer of information from the Department of Revenue to HHS, an amendment of confidentiality statutes would be required.

It is estimated that the costs to the General Fund and the Department would be a one time programming cost of \$49,038.

Major Objects of Expenditure								
Class Code	Classification Title	11-12 <u>FTE</u>	12-13 FTE	13-14 FTE	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures	
Benefits								
Operating Costs					\$ 49,038	\$ 0	\$ 0	
Aid								
Total					\$ 49,038	\$ 0	\$ 0	