

PREPARED BY: Liz Hruska
 DATE PREPARED: February 19, 2013
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LB 487

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill provides for a certificate of need exemption for rehabilitation beds that are relocated but remain under the same ownership and are operated by same health care facility before and after the transfer.

Facilities with rehabilitation beds are serving clients with high and specialized needs and serve people from a large geographic area. Relocation of beds would not by itself create an increased demand for such a high level and specialized service. The Department of Health and Human Services has laid out the assumption in their fiscal note that relocation could result in unused capacity being filled to capacity. Mirroring the current percent of Medicaid days in rehabilitation beds, their fiscal note further assumes 11% of the those beds days would be paid by Medicaid. Since the service is so highly specialized and only specific types of high needs clients can access the service it is unlikely that relocation alone would increase capacity.

This bill does not appear to have a direct fiscal impact on the Medicaid Program and an indirect impact would likely not be significant, as the patients occupying rehabilitation beds would be receiving high-level services no matter where the beds are located.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 220	AM:	AGENCY/POLT. SUB: DHHS	
REVIEWED BY: Elton Larson		DATE: 2/19/2013	PHONE: 471-4173
COMMENTS: DHHS analysis and estimates appear reasonable.			

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) 2-15-13

Phone: (5) 471-8072

	FY 2013-2014		FY 2014-2015	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$964,559		\$1,293,508	
CASH FUNDS				
FEDERAL FUNDS	\$1,178,904		\$1,564,442	
OTHER FUNDS				
TOTAL FUNDS	\$2,143,463	\$0	\$2,857,950	\$0

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

Explanation of Estimate:

LB 487 would allow for the transfer/relocation of rehabilitation beds owned and operated a health care facility. According to the Department of Health and Human Services Licensure Unit, there are 234 licensed rehabilitation beds in Nebraska. It is assumed that occupancy is approximately 65% of licensed capacity. It is also assumed that with the transfer of beds allowed under LB 487, all beds will be full. The statewide average inpatient utilization rate for Medicaid is approximately 11%. By applying the average Medicaid utilization rate of 11% to the current unused capacity of 82 beds per day, it is estimated that Medicaid will cover an average of 9 (11%x82) additional beds per day. The statewide average Medicaid rate for a rehabilitation bed day is \$870. Assuming LB 487 is effective September 2013 and the first claims are paid in October 2013, State Fiscal Year 2013-14 expenditures in Program 348 will be \$2,143,463 (\$964,559 General Funds and \$1,178,904 Federal Funds). State Fiscal Year 2014-15, the expenditures are estimated to be \$2,857,950 (\$1,293,508 General Funds, \$1,564,442 Federal Funds).

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2013-2014	2014-2015
		13-14	14-15	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....				\$2,143,463	\$2,857,950
Capital Improvements.....					
TOTAL.....				\$2,143,463	\$2,857,950