

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	1,528,945		1,667,940	
CASH FUNDS				
FEDERAL FUNDS	1,406,009		1,533,828	
OTHER FUNDS				
TOTAL FUNDS	2,934,954		3,201,768	

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

This bill increase the personal needs allowance to a minimum of \$75 per month for those residing in alternate living arrangements. Alternate living arrangements are defined as a boarding home, a certified adult family home, a licensed assisted-living facility, a licensed residential child-caring agency as defined in section 12 71-1926, a licensed center for the developmentally disabled, and a long-term care facility.

The current personal needs allowance for those residing in a nursing facility is \$50 and \$64 for those in other alternate living arrangements. The personal needs allowance increase would increase costs in the Medicaid and the Assistance to Aged, Blind and Disabled Programs. The personal needs allowance is part of the Standard of Need formula. As the personal needs allowance is increased the Standard of Need is increased by the same amount, therefore, payments to AABD cash grant clients who are not in a nursing facility or alternate living arrangement would also have an increase in their monthly maintenance payments. The increase would be \$25 per month.

The chart on the next page shows the number of clients and the costs by fund source:

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 705	AM:	AGENCY/POLT. SUB: Health and Human Services (HHS)
REVIEWED BY: Elton Larson	DATE: 1/17/2014	PHONE: 471-4173
COMMENTS: HHS analysis and estimate of fiscal impact appear reasonable.		

	FY 15				
Medicaid	#ofClients	Increase	General	Federal	Total
Other Alternate Living Arrangements	4,449	11	250,323	288,006	538,329
Long-Term Care Facilities	7,599	25	971,722	1,118,003	2,089,725
Total	12,048		1,222,045	1,406,009	2,628,054
	FY 16				
	#ofClients	Increase	General	Federal	Total
Long-Term Care Facilities	4,449	11	273,080	314,188	587,268
Other Alternate Living Arrangements	7,599	25	1,060,061	1,219,640	2,279,700
Total	12,048		1,333,140	1,533,828	2,866,968
	FY 15				
AABD	#ofClients	Increase	General	Federal	Total
Other Alternate Living Arrangements	1,400	11	169,400		169,400
Cash Grant Clients	500	25	137,500		137,500
Total	1,900		306,900		306,900
	FY 16				
AABD	#ofClients	Increase	General	Federal	Total
Other Alternate Living Arrangements	1,400	11	184,800		184,800
Cash Grant Clients	500	25	150,000		150,000
Total	1,900		334,800		334,800
	FY 15		FY 16		
General	1,528,945		General	1,667,940	
Federal	1,406,009		Federal	1,533,828	
Total	2,934,954		Total	3,201,768	

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Steve Shively

Date Prepared:(4) 1-16-14

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	FY 2014-2015		FY 2015-2016	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,525,266		\$1,674,534	
CASH FUNDS				
FEDERAL FUNDS	1,409,688		1,527,234	
OTHER FUNDS				
TOTAL FUNDS	\$2,934,954		\$3,201,768	

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

Explanation of Estimate:

LB 705 seeks to increase the standard of need for Assistance to the Aged, Blind, and Disabled clients from at least fifty dollars per month to at least seventy-five dollars per month for a personal needs allowance under Medicaid. This action will cause an increase in Medicaid expenditures due to decreased client obligation. Currently, there is an average monthly count of 12,048 Aged, Blind, and Disabled clients on Medicaid. The current personal needs allowance is \$50 per month for long-term care facilities and \$64 per month for all other alternative living arrangements, causing an increase in Medicaid expenditures of \$25 and \$11 per month, respectively.

Annual Medicaid expenditures for Program 348 are estimated at \$2,628,054 total funds (\$1,218,366 GF, \$1,409,688 FF) for SFY15, and \$2,866,968 total Medicaid funds (\$1,339,734 GF, \$1,527,234 FF) for SFY16. For SFY15, costs are calculated for eleven months, assuming an implementation date of August 1, 2014. Monthly cost analysis by living arrangement and annual expenditure totals are provided in the tables below.

Monthly Medicaid Expenditures

Living Arrangement	Average Eligibles	Current Personal Needs Allowance	New Personal Needs Allowance	Personal Needs Allowance Gap	New Expenditures per Month
All Other Alternative Arrangements	4,449	\$64	\$75	\$11	\$48,939
Long-Term Care Facilities	7,599	\$50	\$75	\$25	\$189,975
Monthly Total	12,048				\$238,914

Annual Medicaid Expenditures

Aid	Total	State	Fed
SFY2015 (11 months)	\$2,628,054	\$1,218,366	\$1,409,688
SFY2016 (12 months)	\$2,866,968	\$1,339,734	\$1,527,234
Total	\$5,495,022	\$2,558,100	\$2,936,922

Currently, there are approximately 500 Assistance to the Aged, Disabled, and Blind cash grant clients. Increasing the Standard of Need \$25 would increase the amount of general funds spent on cash grants \$12,500 per month, or \$137,500 for eleven months of SFY15 and \$150,000 GF for SFY16. There are approximately 1,400 cash grant clients in all other alternate living arrangements. The Standard of Need would need to be increased \$11 for these clients as the current personal needs allowance is \$64. This would be an increase of \$15,400 per month, or \$169,400 GF for eleven months of SFY15 and \$184,800 GF for SFY16. The total increase in Program 347 would be \$306,900 GF for SFY15 and \$334,800 GF for SFY16.

Total Funds	Total	State	Fed
Program 347	\$306,900	\$306,900	\$0
Program 348	\$2,628,054	\$1,218,366	\$1,409,688
SFY2015 Total	\$2,934,954	\$1,525,266	\$1,409,688
Total Funds	Total	State	Fed
Program 347	\$334,800	\$334,800	\$0
Program 348	\$2,866,968	\$1,339,734	\$1,527,234
SFY2016 Total	\$3,201,768	\$1,674,534	\$1,527,234

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2014-2015 EXPENDITURES	2015-2016 EXPENDITURES
	14-15	15-16		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$2,934,954	\$3,201,768
Capital Improvements.....				
TOTAL.....			\$2,934,954	\$3,201,768