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DATE PREPARED: January 20, 2015  
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**LB 72**

Revision: 00

# FISCAL NOTE

**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(21,258)		(21,258)	
CASH FUNDS				
FEDERAL FUNDS	(22,744)		(22,744)	
OTHER FUNDS				
TOTAL FUNDS	(44,000)		(44,000)	

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

This bill prevents the transfer of trust property after death until after Medicaid estate recovery is satisfied or it is determined no Medicaid estate recovery is due.

This would increase collection of Medicaid recoveries from estates. The Department estimates the increase to be approximately \$44,000 (\$21,256 GF and \$22,744 FF) if estate recoveries increased by 1%. These recoveries would offset Medicaid General Fund and Federal Fund costs by the amount of the recoveries.

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

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

Prepared by: (3) Mike Mason

Date Prepared:(4) 1-20-15

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	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	(\$21,256)		(\$21,490)	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	(\$22,744)		(\$22,510)	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	(\$44,000)		(\$44,000)	

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

**Explanation of Estimate:**

LB 72 would prohibit a trustee from transferring property from revocable trusts that become irrevocable due to the death of the trustor prior to satisfaction of Medicaid Estate Recovery. If passed, this bill could potentially result in an increase in recovered Medicaid monies.

It is not possible to predict the amount of future Medicaid Estate Recoveries that would be affected by this bill. In SFY14, Nebraska Medicaid Estate Recoveries totaled \$4.4 million. As a point of reference, if recovered amounts increase by 1%, this would result in an increase of approximately \$44,000 total (\$21,256 GF, \$22,744 FF) in SFY16 and \$44,000 total (\$21,490 GF, \$22,510 FF) in SFY17 in Medicaid Estate Recovery. Estate recoveries are reimbursements to the Department of Health and Human Services for previous Medicaid expenditures and are therefore considered a reduction of expense, not revenue.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2015-2016 EXPENDITURES	2016-2017 EXPENDITURES
		15-16	16-17		
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....				(\$44,000)	(\$44,000)
Capital Improvements.....					
<b>TOTAL.....</b>				<b>(\$44,000)</b>	<b>(\$44,000)</b>