

**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				
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 requires the Department of Health and Human Services to submit a state plan amendment by October 1, 2015, for Medicaid coverage of dyslexia and related reading disorders.

Medicaid covers medically necessary optional and mandatory services provided by a licensed practitioner. The following information was provided by the Centers for Medicare and Medicaid in Kansas City on coverage of provider types not listed as a coverable services:

*Section 1905(a) lists coverable Medicaid services and some provider types. There are at least two means by which a state may cover a service by a provider type that is not specified in section 1905(a). Section 1905(a)(6) permits states to cover “medical care, or any other type of remedial care recognized under State law, furnished by licensed practitioners within the scope of their practice as defined by State law.” Thus, a state may cover services performed by a class of providers (such as licensed dieticians) when the service they provide is not specified in section 1905(a) as long as the service is determined medically necessary for a child. Alternatively, a provider’s services can be covered as a component of a section 1905(a) service. For example, in the case of a licensed social worker, the services could be provided through a federally qualified health center or a clinic, both of which are recognized providers under section 1905(a). The process for covering a provider for a service not specified in section 1905(a) varies depending on how the state intends to provide the service.*

It is unclear what medically necessary services provided by a licensed practitioner would be covered under a state plan amendment for dyslexia, so it is unlikely that a state plan amendment would be approved. Since approval is unlikely, there is not fiscal impact.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 370	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 2/25/2015	PHONE: 471-4173
COMMENTS: Concur with HHS comment on LB 370.			

**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) 2-24-15

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	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>		\$0		\$0

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

**Explanation of Estimate:**

LB370 would require the Department of Health and Human Services to provide services for the treatment of dyslexia and related reading disorders. LB370 does not identify the scope or type of service treatment to be provided or medical practitioner type to provide the treatment. A prerequisite to federal Medicaid funding is to receive approval of a state plan amendment, the service to be rendered must be identified as either a mandatory or optional medical service under 42 CFR Part 440, Subparts A and B. Currently, there are no mandatory or optional medical service for the treatment of dyslexia and related reading disorders. CMS would unlikely approve without an identified evidence based medical service, therefore there is no fiscal impact to the Department of Health and Human Services. Any evidenced based non-medical service for the treatment of dyslexia and related reading disorders would be funded exclusively through state general funds.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2015-2016	2016-2017
		15-16	16-17	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
<b>TOTAL.....</b>				\$0	\$0