

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2016-17</b>		<b>FY 2017-18</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	439,561		879,122	
CASH FUNDS				
FEDERAL FUNDS	473,338		946,676	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>912,899</b>		<b>1,825,798</b>	

**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 apply for a Medicaid state plan amendment or waiver to cover high-quality, cost-efficient treatment of opioid abuse.

Some components of opioid treatment are currently covered by Medicaid. Additional treatment options under this bill are for medication assistance treatment and peer support services. Current medication assistance treatment is limited to treatment of pain only and not addiction. Additional non-emergency transportation costs would also increase for visits to clinics in Omaha and Lincoln. Assuming and implementation date of January 1, 2017, the costs would be \$912,899 (\$439,561 GF and \$473,338 FF) in FY 17 and \$1,825,798 (\$879,122 GF and \$946,676 FF) in FY 18.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 696	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 2/5/16	PHONE: 471-4173
COMMENTS: HHS analysis and estimate of fiscal impact 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) Pat Weber

Date Prepared:(4) 1-7-16

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	<u>FY 2016-2017</u>		<u>FY 2017-2018</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$439,561		\$879,122	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$473,338		\$946,676	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$912,899		\$1,825,798	

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

**Explanation of Estimate:**

LB 696 mandates the Department of Health and Human Services (DHHS) to submit a Medicaid State Plan Amendment (SPA) or an application for a demonstration waiver to the Centers for Medicare and Medicaid Services (CMS) to allow Medicaid eligible persons access to treatment for opioid abuse.

Most components of opioid dependence treatment are currently covered under Nebraska Medicaid. Because components of treatment of opioid abuse are currently covered and the additional components could be covered under the State Plan, a demonstration project would not be necessary.

There are three components for the treatment of opioid abuse. The first component is medication assisted treatment (MAT) which includes administration of Methadone, Buprenorphine/Naloxone, or injectable Naltrexone (i.e. Vivitrol). Currently, Nebraska Medicaid only provides coverage of methadone for the treatment of pain and not for the treatment of opioid addiction. Medicaid does provide coverage for injectable Naltrexone and Buprenorphine/Naloxone in conjunction with substance abuse counseling.

The second component for the treatment of opioid abuse is substance use disorder counseling. These services are currently available to Nebraska Medicaid clients enrolled in behavioral health managed care.

The third component is peer support services. A state plan amendment would be required to provide for the full coverage of MAT and peer support services.

The estimated cost of covering Methadone treatment in Program 348 is estimated to be \$747,086 in SFY 2017 (\$387,364 FF, \$359,722 GF). This amount would be for six months of coverage, beginning January 1, 2017. This allows time for the submission and approval of a SPA as well as amending contracts with the managed care organizations. The estimated cost in Program 348 for the full 12 months of SFY 2018 would be \$1,494,171 (\$774,728 FF, \$719,443 GF).

Additionally, Medicaid non-emergency transportation services would be necessary for some individuals in order to receive the daily treatment required involved with outpatient methadone treatment. Assuming approximately 20 percent of the annual estimated days include one-way or round trip transportation within Omaha (2 clinics) or Lincoln (1 clinic), the estimated cost to Program 348 in SFY 2017 is \$165,813 (\$85,974 FF, \$79,839 GF). The estimated cost in Program 348 for SFY 2018 would be \$331,626 (\$171,948 FF, \$159,678 GF).

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2016-2017	2017-2018
	15-16	16-17	EXPENDITURES	EXPENDITURES
POSITION TITLE				

Benefits.....		
Operating.....		
Travel.....		
Capital Outlay.....		
Aid.....	\$912,899	\$1,825,798
Capital Improvements.....		
<b>TOTAL.....</b>	<b>\$912,899</b>	<b>\$1,825,798</b>