

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$517,244		\$572,991	
CASH FUNDS	See Below	\$100,000	See Below	\$100,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$517,244	\$100,000	\$572,991	\$100,000

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

LB 931 provides intent language to appropriate funds for incentives for assisted-living facilities and for housing-related assistance for adults with serious mental illness. The fiscal impact of the bill is as follows:

Incentives for assisted-living facilities: The bill provides intent language to appropriate \$250,000 for FY2016-17 and FY2017-18 to the Department of Health and Human Services(HHS) to provide incentives for certain assisted-living facilities to be accredited. In order to be eligible for an incentive, an assisted-living facility may not be under disciplinary action by the department and must submit an application showing that at least 25% of its residents, as of December 31st of the prior year, are diagnosed as adults with serious mental illness, other than adults with Alzheimer’s disease or related dementia.

It is assumed \$250,000 of general funds will be appropriated in FY2016-17 and \$250,000 of general funds will be appropriated in FY2017-18 for incentives for assisted-living facilities to be accredited pursuant to the bill.

HHS indicates language in the bill authorizing the use of incentives for crisis management, individualized service plans and therapeutic activities and services is in conflict with the activities that assisted-living facilities are currently permitted to perform pursuant to the Health Care Licensing Act. If the conflict with the act can be resolved, the department projects the need for 3 FTE (2 Facilities Surveyor Consultants, 1 Office Clerk) to provide oversight of the expanded role of assisted-living facilities. The estimated annual general fund cost for the additional employees and related operating expenses is \$167,244 in FY17 and \$222,991 in FY18.

Housing assistance for adults with serious mental illness: LB 931 provides intent language to appropriate \$100,000 annually to the Behavioral Health Services Fund to provide housing-related assistance for very low-income adults with serious mental illness who are transitioning from assisted-living facilities or mental health centers to community-based services.

It is assumed the bill requires \$100,000 of general funds to be appropriated in FY2016-17 and \$100,000 of general funds to be appropriated in FY2017-18 to the Behavioral Health Services Fund for housing-related assistance for a specific population of adults with serious mental illness. The fund is currently allocated to very low income adults with serious mental illness. The bill prioritizes the use of the general fund proceeds for housing-related assistance for very low-income adults in transition from assisted-living facilities or mental health centers.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 931	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 2/4/16	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) 1-15-16

Phone: (5) 471-6351

	<u>FY 2016-2017</u>		<u>FY 2017-2018</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$517,245		\$572,991	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$517,245		\$572,991	

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

Explanation of Estimate:

With LB 931, the Legislature intends to appropriate to DHHS \$250,000 for FY16-17 and FY17-18 to provide incentives for assisted living facilities to be accredited by an accreditation body or public agency for community housing for adults with serious mental illness. The Legislature also intends to appropriate \$100,000 for FY16-17 and FY17-18 provide housing-related assistance for very low-income adults with serious mental illness who are transitioning from assisted-living facilities or mental health centers to community-based services.

LB 931 contains language which conflicts with current sections of the Health Care Licensing Act. LB 931 would allow assisted living facilities to provide treatment, crisis management, individualized service plans, and therapeutic activities and services currently not allowed by facilities with an assisted living facility license.

Assuming reconciliation with the Health Care Licensing Act can be achieved, the Department of Health and Human Services would require 2.0 FTE Facility Surveyor Consultants and 1.0 FTE Office Clerk III to complete the additional oversight and administrative activities related to the expanded role of assisted living facilities. Existing staff would be sufficient to award incentive grants to assisted living facilities and distribute funding for housing related assistance.

Because LB 931 does not have an emergency clause, the Department assumes an implementation date of October 1, 2016.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2016-2017	2017-2018
		16-17	17--18	EXPENDITURES	EXPENDITURES
	Office Clerk III	0.75	1.0	\$19,071	\$25,428
	Facilities Surveyor Consultant	1.50	2.0	\$67,248	\$89,665
	Benefits.....			\$28,075	\$37,432
	Operating.....			\$52,850	\$70,466
	Travel.....				
	Capital Outlay.....				
	Aid.....			\$350,000	\$350,000
	Capital Improvements.....				
	TOTAL.....			\$517,244	\$572,991