

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	152,140		(196,647)	
CASH FUNDS	132,818		152,425	
FEDERAL FUNDS	152,140		(228,647)	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>437,099</b>		<b>(272,868)</b>	

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

This bill makes changes to the notification relating to decedents estates and inheritance tax and changes to the recording of death certificates.

The Department of Health and Human Services used estimates for staffing based on a similar recovery unit in Iowa. In FY 18, staffing and operating costs would be \$304,280 (\$152,140 GF and FF). In FY 19, the cost of the unit would be \$374,708 (\$187,354 GF and FF). Vital statistics would need a supervisor and two staff assistants to handle the additional recording of death certificates and respond to inquiries as a result the new provisions. The staffing costs would be \$127,818 in FY 18 and \$152,425 in FY 19. Automation of the process would be a one-time cost of \$5,000 in FY 18. Vital statistics is cash funded. As this is a cost relating solely to recovery, the state may be able to claim 50% in federal funds with a 50% state match. Additional research would need to be done to determine if this cost is eligible for federal matching funds.

Current recoveries are \$4 million a year. Recoveries are expected to increase by 20% or \$800,000. Recoveries offset the cost of the Medicaid Program and are shared with the federal government at the match rate. In FY 18 it is assumed that there would be minimal to no recoveries. In FY 19 the savings would increase to \$800,000 (\$384,000 GF and \$416,000 FF).

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 268	AM:	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY: Elton Larson	DATE: 1/30/2017	PHONE: (402) 471-4173	
COMMENTS: Court estimate of no fiscal impact to the agency appears reasonable.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 268	AM:	AGENCY/POLT. SUB: Department of Health and Human Services (DHHS)	
REVIEWED BY: Elton Larson	DATE: 1/30/2017	PHONE: (402) 471-4173	
COMMENTS: DHHS analysis and estimate of fiscal impact to the department appears 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) 1-12-17

Phone: (5) 471-6351

	<u>FY 2017-2018</u>		<u>FY 2018-2019</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$170,683		-\$73,355	
<b>CASH FUNDS</b>	\$139,290		\$179,054	
<b>FEDERAL FUNDS</b>	\$170,683		-\$105,699	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$480,656		\$0	

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

**Explanation of Estimate:**

LB 268 would increase the ability of Medicaid to seek reimbursement of taxpayer money after the death of a person who has received Medicaid and if passed could result in an increase of recovered Medicaid funds.

The staffing increase for Medicaid and DHHS Legal is based on a similar program administered by the Iowa Department of Human Services. Iowa was contacted because it is known as a particularly aggressive state for estate recovery and shares similar demographics with Nebraska. Staffing needs are calculated based on Iowa's program size adjusting for Nebraska's program size.

The Iowa estate recovery program has approximately nine to twelve FTEs. The unit has a head attorney, an assistant, and a clerical assistant to handle probate matters. In addition, three to four FTEs handle letters and phone calls. There is one FTE who deposits checks and researches problems with receiving funds and one FTE who deals with small estates, administrations, and communications with the state treasurer. The Iowa Department of Human Services collects approximately \$12 million in asset recoveries a year.

To implement a similar program in Nebraska, Medicaid (Program 263) would need to hire 3 FTE Staff Assistants at a cost of \$129,542 total funds (\$64,771 GF, \$64,771 FF) in SFY18 and \$172,724 (\$86,362 GF, \$86,362 FF) in SFY19. Under operations, DDHS Legal (Program 261) would add 1 FTE Attorney III and 1 FTE Office Clerk II at cost of \$211,824 total funds (\$105,912 GF, \$105,912 FF) in SFY18 and \$282,430 total funds (\$141,215 GF, \$141,215 FF) in SFY19.

LB 268 would also require Vital Statistics to take additional steps prior to issuing death certificates. In order to meet the requirements of LB 268, Vital Statistics would add 2 FTE Staff Assistant I and 1 FTE Statistics Supervisor. The Department estimates an expense of \$5,000 to establish an automated system for reporting death certificates that are not completed within 21 days. Staffing increases would cost Vital Statistics (Program 262) approximately \$139,290 in SFY18 and \$179,054 in SFY19 and make use of records fee cash funds.

Estate recoveries are reimbursements to the Department for previous Medicaid expenditures and a reduction of expenses, not revenue. Due to the time required to implement the program, recoveries are not expected until the second year. Recoveries are expected to cover the cost of the program. The Medicaid estate recovery program collects approximately \$4 million dollars per year. Based upon the experience of other states, recoveries are expected to increase at least 20% due to the law's provisions. Expenditures related to LB 268 are within Program 033, and the expenditure reductions will be in Program 348.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2017-2018	2018-2019
	17-18	18--19	EXPENDITURES	EXPENDITURES
Staff Assistant I	1.50	2.00	\$47,617	\$63,490
Vital Statistics Supervisor	0.75	1.00	\$27,514	\$36,685
Staff Assistant I	2.25	3.00	\$71,426	\$95,235
Attorney III	1.50	2.00	\$104,486	\$139,314
Office Clerk II	0.75	1.00	\$16,899	\$22,533
Benefits.....			\$89,157	\$118,875
Operating.....			\$123,557	\$158,076
Travel.....				
Capital Outlay.....				
Aid.....				-\$634,208
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$480,656</b>	<b>\$0</b>

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**2017**

**LB<sup>(1)</sup> 268**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Supreme Court

Prepared by: <sup>(3)</sup> Eric Asboe Date Prepared: <sup>(4)</sup> 1/30/17 Phone: <sup>(5)</sup> 1-4138

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

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____