

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	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 would require the Legislature to ensure that sufficient fund are appropriated to cover the cost of the separate program under the federal Children’s Health Insurance Program.

The Children’s Health Insurance Program allows states to establish programs that are 1) expansion programs, meaning the coverage is identical to Medicaid coverage, 2) separate programs that are stand-alone programs and offer coverage different than Medicaid or 3) combination programs which incorporate expansion and separate programs. Nebraska has a combination program. The separate program covers unborn children of undocumented workers.

The Children’s Health Insurance Program was recently reauthorized for six years. All coverage provided by CHIP will continue to receive federal funds although the match rate declines in FFY20. At this time, this bill does not have a fiscal impact.

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

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Date Prepared: 1-16-18

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	<u>FY 2018-2019</u>		<u>FY 2019-2020</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS			\$856,466	
CASH FUNDS				
FEDERAL FUNDS			\$(856,466)	
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

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

Explanation of Estimate:

LB985 requires the legislature to ensure sufficient funds are appropriated for 599 CHIP, if federal funds are no longer available. 599 CHIP is a separate CHIP program (SCHIP) which covers the unborn children of pregnant women who are not Medicaid eligible. SCHIP is reauthorized by congress in January 2018 for six years but at a reduced federal match rate beginning Federal Fiscal Year (FFY) 2020. A further reduction will be made in match rates in FFY 2021.

There is no fiscal impact to the Department of Health and Human Services (DHHS) in SFY19. However, the total cost of serving 599 CHIP population is estimated to be \$9,930,044 in SFY 20, assuming reduction in match rates begins from 10/1/2019 as tied to a new continuing resolution (CR), the expenditures for Program 344 would increase by \$856,466 General Funds (with a corresponding reduction in Federal Funds) in SFY20. While outside the time period covered by this fiscal note, the additional 11.5 percent FMAP reduction results in a need of \$2,328,248 General Funds in SFY21.

If federal funding is no longer available to cover cost of the separate CHIP program or if CHIP allotment is full expended to cover Medicaid expansion CHIP population, DHHS would need an additional \$7,776,218 General Funds in SFY20 to cover 599 CHIP population.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2018-2019	2019-2020
		18-19	19-20	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$0	\$0