

PREPARED BY: Liz Hruska  
 DATE PREPARED: February 27, 2019  
 PHONE: 402-471-0053

**LB 633**

Revision: 00

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2019-20</b>		<b>FY 2020-21</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	29,634		39,512	
CASH FUNDS				
FEDERAL FUNDS	88,901		118,535	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>118,535</b>		<b>158,047</b>	

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

This bill would prohibit residential addresses from being made public by the registers of deeds unless a request is made in writing to provide such information.

The Department of Health and Human Services uses the public records to obtain property information needed for Medicaid eligibility for long-term care services. In 2018, the department processed 58,536 applications and renewals that require property information. Modifications to the Asset Verification System to assist staff with making the request would cost \$2.70 per transaction for a total cost of \$118,535 (\$29,634 GF and \$88,901 FF) in FY 20 and \$158,047 (\$39,512 GF and \$118,534 FF) in FY 21.

**ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE**

LB: 633                      AM:                      AGENCY/POLT. SUB: Nebraska Department of Health and Human Services

REVIEWED BY: Lucas Martin                      DATE: 2/27/2019                      PHONE: (402) 471-4181

COMMENTS: No reason to disagree with Nebraska Department of Health and Human Services' assessment of fiscal impact.

**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 Michalski

Date Prepared 1-28-19

Phone: (5) 471-6719

	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>	\$29,634		\$39,512	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$88,901		\$118,535	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$118,535		\$158,047	

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

**Explanation of Estimate:**

LB 633 proposes a change in provisions relating to information available to the public regarding real property owner information. This bill would protect the identity and residential address of any property owner.

LB 633 retains the ability of the register of deeds to keep a book or computerized system for filing records. Asset verification is a major component of eligibility of individuals for Medicaid. This will add an additional step in Medicaid’s process of obtaining real property owner information which is needed for eligibility determinations. This additional step requires a request is made in writing to the register of deeds/county assessor’s office for property information. Property information is necessary in making Medicaid eligibility determinations, and the provisions of LB 633 will increase the length of time it will take our agency to obtain the information due to limiting our ability to access and requiring written requests for information. Additionally, it will change current Medicaid and Long-Term Care (MLTC) eligibility processes and increase staff time for eligibility and renewal of Medicaid applications. Instead of having access to the information online, the agency will now need to reach out to the appropriate office (or offices) in each county (93) via written request and wait for a response. Due to the increase in overall requests that will be received by the assessor’s office, it can be presumed that a delayed response will be received. Additionally, this bill could directly impact the client by inhibiting their ability to provide property information, potentially jeopardizing their eligibility for Medicaid.

Nursing homes could have delays in eligibility determinations. Other issues include individuals sitting in the wrong level of care placement while awaiting an eligibility determination or delays in payment due to waiver not being approved while awaiting eligibility.

If there are additional audit findings or fraud/waste/abuse due to a reduction in information in eligibility determination or case management delays the agency will have to pay back CMS for funds spent. Total Federal Funds spent in Medicaid and Chip in SFY 2018 was \$1,195,842,489.

In 2018, MLTC received 29,487 initial Medicaid applications and 29,049 renewal Medicaid applications for Non-MAGI cases. To submit, follow up, and verify public record requests required by LB 633, it is anticipated that 1 more hour per application would be required. For the 58,536 hours, The Department of Health and Human Services (DHHS) would need to hire an additional 28 Social Service Workers, 3 Social Services Lead Workers, and 3 Socials Services Supervisors. It is assumed that these positions would be hired on October 1, 2019. Administration costs are assumed at a 50/50 General Funds and Federal Funds mix. Total costs would be \$1,776,593 in SFY 2020 and \$2,368,793 in SFY 2021.

One option would be to add the functionality of record look ups to the Divisions Asset Verification System (AVS). If DHHS were to have the property search function added to AVS, staff would need to submit a request for all cases both active (at renewal) and initial applications. There would be a \$2.70 transaction fee per application/request for an estimate of \$158,047 (58,536 x 2.70) each year. It is assumed that applications

beginning in October 2019 (total of 43,902 in SFY 2020) would be subject to the fee. The fee would be paid with 25/75 General Funds and Federal Funds split.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2019-2020	2020-2021
	19-20	20-21	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....			\$118,535	\$158,047
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$118,535</b>	<b>\$158,047</b>