

PREPARED BY: Liz Hruska  
 DATE PREPARED: February 19, 2021  
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**LB 340**

Revision: 00

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	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 directs that the appropriation for nursing facility services in the Medicaid Program be in a separate budget program.

The appropriation for nursing facility services is currently earmarked in Program 348. Under this bill the earmarked appropriation would be in a separate budget program. Additionally, in the monthly Medicaid Monthly Statistical Report, nursing facility services expenditures are reported separately. The agency's fiscal note requiring a full-time budget analyst and major reprogramming of computer systems to change a budget program number is not reasonable. There is no fiscal impact.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 340	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 2-22-2021	PHONE: (402) 471-4180	
COMMENTS: The Nebraska Department of Health and Human Services' 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) Mike Michalski

Date Prepared 1-15-2021

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	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$81,465	\$0	\$44,790	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$154,815		\$44,790	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$ 236,280	\$0	\$89,580	\$0

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

LB 340 creates a separate and distinct budget program in the Department of Health and Human Services nursing facility services with the intent to segregate appropriations for nursing facilities from the general Medicaid appropriations budget (Section 1, page 2, lines 1-6).

There are new and additional administrative costs associated with creating the additional program. It would be reasonable to assume that this would be the sole focus of a budget analyst from MLTC Finance or Operations to do the work to identify all system/reporting changes and work with IST partners to plan/test/implement the changes. These costs would be absorbed.

Computing systems, NFOCUS and MMIS, would need updates, as well as internal and external reporting documents that would need to be updated prior to the programs being separated. The estimated costs for MMIS updates would be **\$73,350** in total funds in one time charges in SFY 2021. Technology updates would qualify for a 75% Federal Funds (FF) and 25% General Funds (GF) match rate.

There would also be a change order cost for the data warehouse to implement this change in the Health Interactive system. This estimated cost is not available at this time, but is assumed to be at a minimum commensurate with the MMIS costs anticipated of **\$73,350**.

To accommodate the increased reporting and other requirements of having a new program and/or sub-programs, the Department of Health and Human Services will need to hire one additional Budget Analyst starting on July 1, 2021 at a cost of **\$89,580** per year. Administration costs are assumed at 50/50 FF and GF.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2021-2022	2022-2023
		21-22	22-23	EXPENDITURES	EXPENDITURES
	K19330 Budget Analyst	1.0	1.0	\$52,031	\$52,031
	Benefits.....			\$17,519	\$17,519
	Operating.....			\$166,730	\$20,030
	Travel.....				
	Capital Outlay.....				
	Aid.....				
	Capital Improvements.....				
	<b>TOTAL.....</b>			<b>\$236,280</b>	<b>\$89,580</b>