

PREPARED BY: Nikki Swope
 DATE PREPARED: February 15, 2022
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LB 1243

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB 1243 relates to the Developmental Disabilities Services Act. The bill revises the State statute regarding the fourth funding priority of the Act. The statute for this priority currently provides services for individuals with developmental disabilities transitioning from the education system until attaining twenty one years of age. The bill seeks to provide for the needs of persons with developmental disabilities for those who are thirteen years of age to maintain skills and receive the day services necessary to ensure opportunities for increased independence and ensure families can maintain employment.

Currently, there are 931 individuals in the age group of 13-21 who are currently on the registry/wait list that would be eligible for additional services provided by the Developmental Disabilities Adult Day (DDAD) waiver. It is unclear as to how many of these youth would opt into the waiver or request all eligible specialized services provided by the waiver. The utilization of certain services that are available under the waiver would shift to meet the needs of youth, rather than adults which the waiver currently serves, which would modify the overall services costs.

If all youth who are on the DD registry/waiting list opt into the DDAD waiver and participate in all available services, the Department of Health and Human Services anticipates that the General Fund cost would be \$9,599,604 for FY 2022-23 and \$9,636,742 for FY 2023-24. Other administrative costs would be absorbed.

NOTE: Providing for youth between ages 13-21 to transfer to the Developmental Disabilities Adult Day (DDAD) waiver could result in families leaving the school system early which would shift financial responsibility from the State Department of Education to the Department of Health and Human Services.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	1243	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY:	Ann Linneman	DATE:	2-15-2022	PHONE: (402) 471-4180
COMMENTS: No basis to disagree with the 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) John Meals

Date Prepared 2-14-2022

Phone: (5) 471-6719

	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$9,599,604		\$9,636,742	
CASH FUNDS				
FEDERAL FUNDS	\$13,071,757		\$13,237,083	
OTHER FUNDS				
TOTAL FUNDS	\$22,671,361	\$0	\$22,873,825	\$0

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

Explanation of Estimate:

This bill relates to the Developmental Disabilities Services Act and seeks to amend sections 83-1216 and 83-1216.02 of the Revised Statutes Cumulative Supplement, 2020 and to change a funding priority. Section 83-1216 (4)(d) is revised so that the fourth funding priority of the State in responding to the needs of persons with developmental disabilities shall be for serving persons upon attaining thirteen years of age to maintain skills and receive the day services necessary to ensure opportunities for increased independence and ensure families can maintain employment.

Typically youth under the age of 21 receiving services on the Comprehensive Developmental Disabilities (CDD) Waiver will apply and transition to the Developmental Disabilities Adult Day (DDAD) Waiver at age 21. The bill changes the funding priorities for Medicaid HCBS DD waivers from supporting 21 year olds as they transition from school to supporting persons starting at age 13.

Currently the DHHS Division of Developmental Disabilities (DDD) has 931 individuals (who would fall into this age group) on their registry/wait list. If there are not funds available to provide the needed service(s) for the individual, the service they requested is recorded as a service request (the individual is placed on a waiting list). Of the 931 individuals, 296 do not have active Medicaid and would need to apply; 105 have an active Aged and Disabled (AD) Waiver; and 173 only have Developmental Disability Service Coordination (DDSC). All 931 individuals referred for or receiving Developmental Disabilities services will be registered in a DDSC case. The table below shows the number of individuals by service provided, in addition to the associated cost.

Based in the language of the bill it is unclear if the intent is for all 931 individuals to become eligible. If the bill does not entitle all 13 to 21 year olds, then the estimate would be lower. Allowing children prior to 21 yrs. of age to access the Developmental Disabilities Adult Day (DDAD) Waiver, could result in students/families "choosing" to leave the school system early. This may shift the financial responsibility from the State's public education system (as it relates to IDEA 34 C.F.R 300.101 and 92 NAC (Rule 51)) to the Department of Health and Human Services.

The estimate below is based on the assumption that all 931 individuals would become eligible and includes costs of various services for this population, which was presented to the Legislature's Health and Human Services Committee as part of LR239. The estimate includes State appropriations and approval by Centers for Medicare and Medicaid Services (CMS) for the additional 296 slots to have full Federal Financial Participation (FFP).

Service Amounts used for calculations below:	2023	2024
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Service	Medicaid	\$19,536	\$20,220
	Service Coordination	\$4,139	\$4,139
	A&D Waiver	\$9,089	\$9,089
	DDAD Waiver	\$16,173	\$16,173
	Costs based on Service Amounts listed above:		
296	Adding: Medicaid, SC & DDAD Waiver	\$11,795,008	\$11,997,472
357	Adding: SC & DDAD Waiver	\$7,251,384	\$7,251,384
173	Adding: DDAD Waiver (for those already with Medicaid & SC)	\$2,797,929	\$2,797,929
105	Changing: AD Waiver to DDAD Waiver (difference b/w AD & DDAD)	\$743,820	\$743,820
931	Total Cost for 931 persons currently on the registry.	\$22,588,141	\$22,790,605

This bill requires a change in the Rules and Regulations; requires a change in the language of the waivers; and requires an amendment to align with the rules and regulations changes. Due to the required updates in the Waivers and Rules and Regulations, the DDD policy manual would also need to be updated. DHHS will incur costs as part of the existing budget associated with these changes. The cost estimate to make major changes to change the Rules and Regulations is \$2,231:

Title	Hour(s)	Hourly Cost	Absorbed Cost
Director	4	\$ 76	\$ 303
Deputy Director	4	\$ 55	\$ 218
Administrator I	4	\$ 31	\$ 126
Program Specialist	8	\$ 23	\$ 186
Program Analyst	16	\$ 23	\$ 363
Attorney III	30	\$ 35	\$ 1,035
Total Costs			\$ 2,231

If all 931 individuals were to become eligible, the DHHS Division of Developmental Disabilities would need to add one Program Specialist at a cost of \$83,220 per year.

Summary of Expenditures	FY2023 FTE	FY2024 FTE	FY2023	FY2024
PERSONNEL SERVICES:				
K73210 DHHS Program Specialist	1.0	1.0	\$47,540	\$47,540
BENEFITS:			\$17,072	\$17,072
OPERATIONS			\$18,608	\$18,608
TOTAL			\$83,220	\$83,220

AJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2022-2023	2023-2024
	22-23	23-24	EXPENDITURES	EXPENDITURES
K73210 DHHS Program Specialist	1	1	\$47,540	\$47,540

Benefits.....	\$17,072	\$17,072
Operating.....	\$18,608	\$18,608
Travel.....		
Capital Outlay.....		
Aid.....	\$22,588,141	\$22,790,605
Capital Improvements.....		
TOTAL.....	\$22,671,361	\$22,873,825