

PREPARED BY: Mikayla Findlay
 DATE PREPARED: January 04, 2024
 PHONE: 402-471-0062

LB 941

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	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.

This bill states legislative intent to appropriate \$7,046,697 total funds (\$2,917,333 General Funds and \$4,129,364 Federal Funds) for FY25 to be used to increase rates for assisted-living facilities to \$78.45 per day per bed, creating parity between the rate for urban and rural assisted-living rates. The current daily rate for rural assisted-living is \$62.73 (increase of \$15.72/day or 25%) and the current rate for urban assisted living is \$73.91 (increase of \$4.54/day or 6%).

The Department of Health and Human Services notes that to enact this change would be slightly higher in General Funds due to slight difference in the Federal Medical Assistance Percentage (FMAP) therefore the breakdown would need to be \$2,974,411 in General Funds rather than \$2,917,333 and a corresponding \$4,072,286 in Federal Funds rather than \$4,129,364.

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 2-8-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$2,974,411		\$2,974,411	
CASH FUNDS				
FEDERAL FUNDS	\$4,072,286		\$4,072,286	
OTHER FUNDS				
TOTAL FUNDS	\$7,046,697	\$0	\$7,046,697	\$0

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

Explanation of Estimate:

LB941 intends to appropriate funds to increase the Medicaid paid share (non-room and board) per diem rates paid to assisted living facilities (ALFs) for 1915(c) waiver clients living in an ALF effective July 1, 2024. Currently, per diems are paid at different rates based on two combinations of criteria, creating four levels of care that range from \$45.73 per day for rural multiple occupancy to \$73.91 for urban single occupancy. LB941 increases the daily rate to \$78.45 for all combinations. In addition to the increase in per diem, the bill effectively removes the rate differential for these two factors (urban vs rural and single occupancy vs multiple occupancy).

Using a federal match rate (FMAP) of 57.79%, the amount appropriated for FY24-25 is \$7,046,697 (\$2,974,411 General Funds and \$4,072,286 Federal Funds).

The match rate in LB941 is 58.6%, which is the Nebraska FMAP for federal fiscal year 2024. The Nebraska FMAP in federal fiscal year 2025 (beginning October 1, 2024) is 57.52%. This creates a blended rate of 57.79% for state fiscal year 2025, which is the reason this fiscal note differs slightly from the amounts listed in LB941.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2024-2025 EXPENDITURES	2025-2026 EXPENDITURES
	24-25	25-26		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$7,046,697	\$7,046,697
Capital Improvements.....				
TOTAL.....			\$7,046,697	\$7,046,697