

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	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 additional funds to the medical assistance program, 348, to increase assisted-living facility (ALF) rates. The bill intends to raise the daily rates of both rural and urban assisted-living to \$88.24 in FY26 and \$91.78 in FY27 and references specific amounts of \$7,926,576 in FY26 and \$8,243,639 in FY27.

The Department of Health and Human Services cites current ALF rates which range from \$45.73 for rural multi-occupancy up to \$73.91 for urban single occupancy. The average daily rate in SFY24 was \$67.9854 for a total of 670,628 billable ALF days.

To increase the rate to \$88.24 for all types would be a \$20.255 increase, approximately 30%, amounts to \$13,583,301 additional total funds (56.34% federally funded) than what is currently expended.

To increase the rate to \$91.78 would be an additional \$3.54 or 4% increase from FY26 (\$23.79 or 35% more than the current rate) amounts to \$2,374,023. The combined total for FY27 is \$15,957,325 more total funds (55.94% federally funded) than what is currently expended.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	57	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services
REVIEWED BY:	Ann Linneman	DATE:	3-7-2025
		PHONE:	(402) 471-4180
COMMENTS: Concur with the Nebraska Department of Health and Human Services' assessment of fiscal impact.			
<u>Technical Note:</u> The current appropriation language is not sufficient to create an appropriation. The fiscal impact assessment assumes an accompanying A-bill articulating appropriation in accordance with §49-804.			

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 3-7-25

Phone: (5) 471-6719

	<u>FY 2025-2026</u>		<u>FY 2026-2027</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$5,930,469		\$7,030,797	
CASH FUNDS				
FEDERAL FUNDS	\$7,652,832		\$8,926,527	
OTHER FUNDS				
TOTAL FUNDS	\$13,583,301	\$0	\$15,957,324	\$0

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

Explanation of Estimate:

LB57 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, 2025. 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. LB57 increases the daily rate to \$88.24 for SFY 2026 and to \$91.78 for SFY 2027 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).

Although this bill appropriates specific dollar amounts, \$7,926,576 for SFY 2026 and \$8,243,639 for SFY 2027, based on the number of ALF days in SFY 2024 and the new per diem rates in LB57, the actual increase in expenditures will be significantly higher than those appropriated dollars. Total SFY 2024 ALF days was 670,628 with a weighted daily rate of approximately \$67.99. With the proposed increases in per diem rates in LB57, the weighted daily rate would be \$88.24 for SFY 2026, which is a 29.8% increase compared to the current weighted daily rate. The resulting increase in aid expenditures for SFY 2026 is \$13,583,301 Total Funds (\$7,652,832 Federal Funds and \$5,930,469 General Funds).

The weighted daily rate would be \$91.78 for SFY 2027, which is a 35.0% increase compared to the current weighted daily rate. The resulting increase in aid expenditures for SFY 2027 is \$15,957,324 Total Funds (\$8,926,527 Federal Funds and \$7,030,797 General Funds).

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2025-2026	2026-2027
	POSITION TITLE	26-26	26-27	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$13,583,301	\$15,957,324
Capital Improvements.....				
TOTAL.....			\$13,583,301	\$15,957,324