

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
	FY2025-2026	0	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

This bill requires the Department of Health and Human Services (DHHS) to establish a program that provides behavioral health services for individuals under the age of 21 years old. The bill lists a series of services that the program must provide and specifies that care coordination shall be provided by the Regional Behavioral Health Authorities (Regions). The bill permits DHHS to promulgate rules and, if necessary, submit a Medicaid state plan amendment.

The bill lacks specificity that would aid in the calculation of fiscal impact. However, estimates are provided by DHHS. Six care coordinators for each of the Regions starting in January 2027 would necessitate \$759,522 annually. Using internal statistics of 2,455 children in Nebraska currently receiving mental health treatment and an average monthly cost of \$100 for an average of 9 months (assuming treatment ranges from 6 to 12 months), DHHS estimates annual aid cost of \$2,209,500 of which 57.35% would be federal funded. There is no reason to disagree with this estimate given ambiguities in the proposed legislation.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	860	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman		DATE:	1-27-2026
COMMENTS: Concur 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 1-17-2026

Phone: (5) 471-6719

	<u>FY 2026-2027</u>		<u>FY 2027-2028</u>
	EXPENDITURES	REVENUE	EXPENDITURES
GENERAL FUNDS	\$1,333,731		\$1,764,213
CASH FUNDS			
FEDERAL FUNDS	\$1,267,116		\$1,267,116
OTHER FUNDS			
TOTAL FUNDS	\$2,600,847		\$3,031,329

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

Explanation of Estimate:

LB860 would require the Department of Health and Human Services (DHHS) to establish a program prior to January 1, 2027, that provides access and services for individuals under twenty-one years of age who are experiencing complex behavioral health needs. The bill does not specify which youth would be eligible for care coordination services. As drafted, eligibility could extend to any youth receiving behavioral health services, which creates the potential for significantly expanded utilization and inflated costs beyond the currently identified population.

Care coordination is currently provided to Medicaid youth twenty and younger through the managed care organizations (MCO). However, the bill requires that care coordination be provided by the behavior health regions. One FTE for a Program Coordinator will be necessary for the department. Also, an allocation of \$347,391 for state fiscal year (SFY) 2026 and \$729,522 for SFY 2027 for six care coordinators within the BH regions will be required. This will also require Medicaid to develop a new standalone payable service of care coordination that behavioral health (BH) regions will need to enroll with as billable providers in order to be reimbursed for providing the service.

Under the Certified Community Behavioral Health Clinics (CCBHC) act, the CCBHC clinics provide care coordination as a part of their prospective payments system (PPS) rate. It is unclear if this bill requires the department to transition that responsibility from the CCBHC to the BH regions and if the cost of providing care coordination can be pulled out of the CCBHC PPS rate in order to transition the funding to the BH regions. In addition, if this bill requires the CCBHCs to add psychiatric residential treatment facility (PRTF) services, there would be significant added cost to adjust the PPS rate for CCBHCs, and it is doubtful that providers would be able to build or add residential facilities by January 1, 2027.

This fiscal note assumes that a youth receiving care coordination services would do so for an average duration of six to twelve months at an estimated cost of \$100 a month. Currently, approximately 2,455 children are currently receiving mental health treatment. Based on these assumptions, the estimated fiscal impact is \$2,209,500 annually. For SFY 26 and SFY 27, the estimated cost includes \$1,267,116 in federal funds and \$942,384 in general funds. These estimates reflect expected utilization based on current data. Actual costs could be higher depending on how broadly care coordination eligibility is applied under the bill.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2026-2027 EXPENDITURES	2027-2028 EXPENDITURES
	26-27	27-28		
C73260 – DHHS Program Coordinator	0.75	1	\$27,184	\$57,085

Benefits.....	\$9,514	\$19,980
Operating.....	\$354,649	\$744,764
Travel.....		
Capital Outlay.....		
Aid.....	\$2,209,500	\$2,209,500
Capital Improvements.....		
TOTAL.....	\$2,600,847	\$3,031,329