

**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	0
FY2026-2027	3,178,765	0	3,867,932	0	7,046,697
FY2027-2028	3,203,428	0	3,843,269	0	7,046,697
FY2028-2029	3,203,428	0	3,843,269	0	7,046,697
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 states legislative intent to appropriate additional funds to the medical assistance program, 348, to increase assisted-living facility (ALF) rates. The bill intends to set the daily rates of both rural and urban assisted-living to \$78.45 in FY27 and references specific amounts of \$7,046,697 total funds in FY27.

The Department of Health and Human Services confirms that to increase the daily rate to \$78.45 for all types would require \$7,046,697 annually. DHHS notes that the fund mix used in the introduced provisions reflect the federal fiscal year (FFY) 2026 FMAP of 55.94%. A more accurate fund mix of 54.89% federal funds is utilized in the agency response that blends FFY26 FMAP of 55.94% with FFY27 FMAP of 54.54%.

For FY26 only, the Legislature dedicated \$1,408,364 Medicaid Managed Care Excess Profit Funds as the state portion to increase the rural ALF rate to the urban rate of \$73.91. These funds are used matched against federal dollars to fund the rate increase. For FY27 onward, there is currently no appropriation to fund these increased rates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	946	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman		DATE:	2-5-2026
COMMENTS: Concur with the Nebraska Department of Health and Human Services' assessment of fiscal impact.				

**LB (1) 946****FISCAL NOTE****2026****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 2-4-2026

Phone: (5) 471-6719

	<u>FY 2026-2027</u>		<u>FY 2027-2028</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$3,178,765		\$3,203,428	
CASH FUNDS				
FEDERAL FUNDS	\$3,867,932		\$3,843,269	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$7,046,697</b>	<b>\$0</b>	<b>\$7,046,697</b>	<b>\$0</b>

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

**Explanation of Estimate:**

LB946 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) Home and Community-Based Services (HCBS) waiver clients living in an ALF from \$73.91 to \$78.45 for fiscal year (FY) 2026-27, for both rural and urban assisted-living waiver days.

Using a blended federal match rate (FMAP) of 54.89%, the amount appropriated for FY26-27 is \$7,046,697 (\$3,178,765 General Funds and \$3,867,932 Federal Funds).

The match rate in LB946 is 55.94%, which is the Nebraska FMAP for federal year 2026. The Nebraska FMAP in federal fiscal year 2027 (beginning October 1, 2026) is 54.54%. This creates a blended rate of 54.89% for state fiscal year 2027, which is the reason this fiscal note differs slightly from the amounts listed in LB946.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS 26-27	27-28	2026-2027	2027-2028
			EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$7,046,697	\$7,046,697
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$7,046,697</b>	<b>\$7,046,697</b>