

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	879,849	0	1,070,603	0	1,950,452
FY2027-2028	886,675	0	1,063,777	0	1,950,452
FY2028-2029	886,675	0	1,063,777	0	1,950,452
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 would require Medicaid to reimburse nursing facilities 100% of the costs for individuals receiving hospice services. The Department of Health and Human Services indicates that current practice is for Medicaid to pay 95% of the long-term care facility rate. The bill also requires payments directly to the long-term care (LTC) facility rather than the hospice agency. DHHS notes the provision of where the payment is directed may conflict with federal law, which would jeopardize federal financial participation.

DHHS estimates the total aid cost to increase the reimbursement rate from 95% to 100% is \$1,950,452 annually based on SFY24 claims data. The fund mix assumption is 54.89% in FY27 and 54.54% in FY28 and beyond. DHHS indicates administrative expenses to update systems can be absorbed within the agency appropriation. There is no basis upon which to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	944	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman		DATE:	2-13-2026
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 2-12-2026

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	<u>FY 2026-2027</u>		<u>FY 2027-2028</u>
	EXPENDITURES	REVENUE	EXPENDITURES
GENERAL FUNDS	\$879,849		\$886,675
CASH FUNDS			
FEDERAL FUNDS	\$1,070,603		\$1,063,777
OTHER FUNDS			
TOTAL FUNDS	\$1,950,452		\$1,950,452

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

Explanation of Estimate:

LB944 requires Medicaid to pay 100 percent for room and board nursing facility per diem rate for Medicaid recipients receiving hospice services in a nursing facility (NF) or intermediate care facility. Currently Nebraska Medicaid pays 95 percent of the long-term care facility rate, as allowed by federal law. This bill also requires Medicaid to pay the long-term care (LTC) facility directly, as opposed to the hospice agency. Federal law requires for clients who are dually eligible for Medicaid and Medicare that Medicaid pay the hospice agency. These changes in the bill are effective no later than August 1, 2026.

During State Fiscal Year 2024, a total of 130,445 hospice room-and-board claims were paid at 95 percent of the facility-level-of-care rate. Increasing the reimbursement rate from 95 percent to 100 percent of the resident's facility rate is estimated to increase Medicaid aid expenditures by \$1,950,452 annually in total funds (\$1,070,603 as Federal Funds and \$879,849 as General Funds) in SFY27. The blended FMAP rate of 54.89 percent is applied, and the majority of the clients would be eligible at this FMAP rate for the services.

To implement LB944, Medicaid will need to modify the Medicaid Management Information System (MMIS), including changes to claims-processing edits and, potentially, other system components, to ensure payments are made directly to long-term care facilities as required by the bill. These changes will be completed by existing staff in coordination with the Information Systems and Technology (IS&T) team.

Approval from the Centers for Medicare & Medicaid Services (CMS) will be required through submission of a State Plan Amendment prior to implementation. The department may not be able to implement certain provisions in this bill due to conflicts with federal law or may need to forfeit federal financial participation. The federal law establishing the requirement for Medicaid to pay room and board to the hospice agency, and not the long-term care facility, was enacted as a result of Office of Inspector General audit findings and program integrity concerns around inconsistent and duplicative billing for clients receiving hospice services in long-term care facilities.

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.....	\$1,950,452	\$1,950,452
Capital Improvements.....		
TOTAL.....	\$1,950,452	\$1,950,452