

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	SEE BELOW	0	0	0	SEE BELOW
FY2027-2028	SEE BELOW	0	0	0	SEE BELOW
FY2028-2029	SEE BELOW	0	0	0	SEE BELOW
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 to submit a Medicaid State Plan Amendment by October 1, 2026 to seek federal approval to include early literacy support within the Early and Periodic Screening, Diagnosis, and Treatment benefit. As written, DHHS lacks clarity on if the provisions would 1) require additional coding or 2) if the proposed services would be incorporated into current codes.

In the first scenario DHHS offers a range of fiscal estimate of between \$2.5m and \$5.8m total funds. Both estimates assume 128,504 child well-care exams based on FY25 figures. The range varies based on the cost of service, the low end uses an estimate of \$20/unit and the high end uses an estimate of \$45/unit. DHHS utilizes a fund mix of 63.24% federal funds for these estimates based on a blended rate of regular Medicaid and enhanced CHIP matching rate.

In the second scenario where the literacy support is expected to be performed by providers within current rates, there is no fiscal impact to the agency. As the provisions appear to be novel, it is unclear if providers can provide such supports with no correspondent compensation.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 970 AM: AGENCY/POLT. SUB: Nebraska Department of Health & Human Services

REVIEWED BY: Ann Linneman DATE: 2-18-2026 PHONE: (402) 471-4180

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 2-18-2026

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	<u>FY 2026-2027</u>		<u>FY 2027-2028</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

Explanation of Estimate:

LB970 requires Medicaid and Long-Term Care (MLTC) to file a State Plan Amendment (SPA) by October 1, 2026, seeking approval for federal matching funds to expand services under the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit to include an early literacy support program for children through age five.

It is unclear whether this bill would require the department to establish a new code and charge it as a new service. If so, there would be a fiscal impact to MLTC due to increased Medicaid and Children’s Health Insurance Program expenditures. Alternatively, if providers are expected to perform the activities described in the bill under existing billing codes, early literacy supports would likely be incorporated into current EPSDT rates as an additional required component of certain well-child visit codes, with no additional fiscal impact anticipated.

To Nebraska Medicaid’s knowledge, no other state’s Medicaid program currently covers this specific service. The closest service code would be 97535 (self-care/home management training) or 99401 (preventive medicine counselling). Nebraska Medicaid does not currently reimburse for either of these codes but the average national reimbursement range for similar services is \$20-\$45 per 15-minute unit. The total number of claims for child well-care exams for children under age 5 in state fiscal year 2025 was 128,504. Assuming one 15-minute add-on per visit would create a total share fiscal impact on the low end of \$2,570,080 (\$944,761 state general fund and \$1,625,319 federal funds) and on the high end \$5,782,680 (\$2,125,713 state general funds and \$3,656,967 federal funds). This bill would affect both Medicaid and CHIP eligibles so a blended FMAP of 63.24% is used.

Additionally, to implement this bill, MLTC would determine an appropriate effective date, prepare and submit the SPA, develop clinical guidelines for providers, assess any necessary updates to fee schedules, and notify and educate pediatricians and other providers who deliver well-child visits under the EPSDT benefit. MLTC would also provide ongoing guidance and technical assistance to providers regarding the new literacy support.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2026-2027 EXPENDITURES	2027-2028 EXPENDITURES
	26-27	27-28		
Benefits.....				
Operating.....				

Travel.....
Capital Outlay.....
Aid.....
Capital Improvements.....
TOTAL.....
