

**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	7,250,203	0	12,471,435	0	19,721,638
FY2027-2028	9,660,438	0	16,609,080	0	26,269,518
FY2028-2029	9,660,438	0	16,609,080	0	26,269,518
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 amends the Medical Assistance Act to require emergency services provided to Medicaid recipients to be reimbursed at a rate no less than the Department's fee-for-service rate and bars the Department or the Medicaid Managed Care Organization (MCOs) from reducing or denying reimbursement for such services based on the the ultimate determination of medical need.

Currently claims are reduced or denied based on determinations arrived at during the examination or at a later date. The federal Emergency Medical Treatment & Labor Act (EMTALA) requires Medicare-participating hospitals that offer emergency services to provide a medical screening examination when a request is made for examination or treatment for an emergency medical condition regardless of an individual's ability to pay. Hospitals are then required to provide stabilizing treatment or seek sufficient treatment if unable to provide such treatment. The fiscal impact of the prohibition on reducing emergent medical claims calculated by the MCOs who pay most Medicaid claims is estimated to be \$22.5m annually, approximately 0.4% of total FY25 expenditures in the Medicaid Program 348. There is no basis upon which to disagree with this estimate.

Nebraska's Emergency Medical Services Assistance (EMSA) Regulation, Title 477 Medicaid Eligibility Chapter 27 subsection 9, states "Emergency medical services may be provided to certain individuals who do not have a qualified non-citizen status for Medicaid. The individual must be eligible for a category of Medicaid assistance except for citizenship or a qualified non-citizen status. Only coverage for emergency services will be authorized." DHHS indicates there were 608 denied EMSA claims in calendar year 2025 at an average cost of around \$6,200. The estimated annual fiscal impact of allowing these claims is \$3,769,518.

DHHS assumes implementation on October 1, 2026, 75% of FY27, and would require \$19,500 one-time costs to update the IT system. The fund mix for the IT update is 75% federal funds and the fund mix for the aid is a blended FMAP (expansion and regular) of 63.23% in each year. The total fiscal impact in FY27 is \$19,721,638 and total in FY28 is \$26,269,518.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	942	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services
REVIEWED BY:	Ann Linneman	DATE:	1-30-2026
COMMENTS: Concur with the Nebraska Department of Health and Human Services' assessment of fiscal impact.			

**LB (1) 942****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 1-30-2026

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	<u>FY 2026-2027</u>		<u>FY 2027-2028</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$7,250,203		\$9,660,438	
CASH FUNDS				
FEDERAL FUNDS	\$12,471,435		\$16,609,080	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$19,721,638</b>		<b>\$26,269,518</b>	

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

**Explanation of Estimate:**

LB942 would significantly alter Medicaid reimbursement for emergency department services by basing payment on the patient's perceived need for emergency care at presentation, rather than on medical necessity determinations or on the emergent services actually provided. As a result, Medicaid may be required to approve and pay for emergency department services that are currently denied or limited.

The fiscal impact is estimated at \$22.5 million annually in increased managed care capitation payments, based on estimates from managed care entities. In addition, LB942 would require payment for Emergency Medical Services Assistance (EMSA) individuals who do not otherwise qualify for full Medicaid coverage. Historical data indicate 608 EMSA-rejected cases in calendar year 2025, with an average billed amount of \$6,199.87 per claim, resulting in an estimated additional fee-for-service cost of \$3,769,518. A one-time update to the IT system would also be required, with an estimated cost of \$19,500.

Assuming an Oct 1, 2026, implementation date, a blended federal rate of 63.23% for SFY 27 and SFY 28 was applied based on the mix of eligibility groups for the underlying services, as determined by the client's eligibility (Expansion, CHIP, Regular Medicaid, etc.).

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS 26-27	27-28	2026-2027 EXPENDITURES	2027-2028 EXPENDITURES
Benefits.....				
Operating.....			\$19,500	
Travel.....				
Capital Outlay.....				
Aid.....			\$19,702,139	\$26,269,518
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$19,721,639</b>	<b>\$26,269,518</b>