

PREPARED BY:
DATE PREPARED:
EMAIL:

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January 30, 2026
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LB 724

Revision: 00

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	250,000	0	250,000	0	500,000
FY2027-2028	0	0	0	0	0
FY2028-2029	0	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 directs the Department of Health and Human Services' Division of Behavioral Health to conduct a cost study of behavioral health rates and complete a report by September 1, 2026 and submitted to the Legislature by December 1, 2026. DHHS estimates needing \$500,000 to complete such a study, 50% of which would qualify for federal funds. There is no basis upon which to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE
LB: 724 AM: AGENCY/POLT. SUB: Nebraska Department of Health & Human Services
REVIEWED BY: Ann Linneman DATE: 1-30-2026 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 1-30-26

Phone: (5) 471-6719

	FY 2026-2027		FY 2027-2028	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$250,000			
CASH FUNDS				
FEDERAL FUNDS	\$250,000			
OTHER FUNDS				
TOTAL FUNDS	\$500,000	\$0	\$0	\$0

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

Explanation of Estimate:

LB724 requires the Division of Behavioral Health (DBH) and the Division of Medicaid and Long-Term Care (MLTC) to conduct a one-time behavioral health provider cost study to compare behavioral health service rates paid by Medicaid. This bill requires that the study be completed by September 1, 2026, and a final report submitted to the Clerk of the Legislature no later than December 1, 2026.

MLTC and DBH would need to amend an existing contract with an existing Medicaid vendor to support the department in completing the cost study and rate comparison. The Department of Health and Human Services (DHHS) would incur an administrative expense from an existing vendor to support the department, estimated at \$500,000. This cost would be eligible for 50% federal match in Medicaid administrative grant funds.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2026-2027	2027-2028
	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....			\$500,000	
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$500,000	\$0