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DATE PREPARED: February 24, 2026
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LB 958

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	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 legislative approval of certain changes to the 1915(c) waiver for Home and Community Based Services (HCBS) provided by the Department of Health and Human Services within the Medicaid program. The bill also defines "nursing facility level of care" (NF LOC) as need for assistance with at least two activities of daily living. Current regulation for NF LOC require needing assistance with at least three activities of daily living and a qualifying factor related to medical, cognitive, or risk-related need. Reducing the threshold for NF LOC would result in an increase of number of individuals who qualify for HCBS services and increase program costs however the amount is indeterminable. DHHS also notes this provision would create inconsistencies between assistance programs concerning level of care. There is no basis upon which to disagree with this analysis.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB:	958	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services		
REVIEWED BY:	Ann Linneman	DATE:	2-24-2026	PHONE: (402) 471-4180	
COMMENTS: Concur with the Nebraska Department of Health and Human Services' assessment of fiscal impact.					

LB (1) 958 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 2-24-2026 | Phone: (5) 471-6719

	FY 2026-2027		FY 2027-2028	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See Below	See below	See below

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

LB958 requires legislative approval before the Department of Health and Human Services (DHHS) may submit or amend a Medicaid 1915(c) waiver if the change introduces cost limits, reduces aggregate service hours, or narrows eligibility. The bill also prohibits amendments that reduce the "aggregate number of service hours" without defining that term, creating uncertainty about whether it applies to statewide utilization, specific services, or indirect policy changes. This ambiguity may further restrict the Department's ability to manage expenditure and meet federal cost-neutrality standards. Requiring legislative approval could delay necessary updates for federal compliance, participant needs, and provider capacity, and reduce administrative flexibility.

This bill also establishes a waiver-specific nursing facility (NF) Level of Care (LOC) standard based solely on the need for assistance with two or more activities of daily living (ADLs). Current regulations (471 NAC 44.003) require limitations in at least three ADLs plus an additional qualifying factor such as medical, cognitive, or risk-related needs. Lowering the threshold to two ADLs would likely increase the number of individuals eligible for home and community-based services (HCBS) waivers, driving higher enrollment and waiver-related expenditures.

The proposed LOC standard does not align with Managed Long-Term Care (MLTC) NF criteria and would create inconsistent eligibility systems within Medicaid. Individuals could qualify for waiver services but not MLTC, increasing administrative complexity and complicating transitions. The bill also does not distinguish between adult and pediatric standards, which could substantially expand eligibility across age groups. Changes to the Level of Care standard for the Aged and Disabled (AD) and Traumatic Brain Injury (TBI) waivers would require approval from the Centers for Medicare & Medicaid Services (CMS).

Although the bill does not mandate immediate waiver amendments, it limits the Department's ability to manage future program growth. Lowering the LOC threshold would likely increase enrollment and waiver costs. While the precise fiscal impact cannot be projected, a significant increase in eligible individuals is anticipated. Increased enrollment would also require additional service coordination and supervisory staff.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

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

Benefits		
Operating		
Travel		
Capital Outlay		
Aid		
Capital Improvements		
TOTAL	$0	$0