

**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	5,922,505	0	7,206,523	0	13,129,028
FY2027-2028	5,922,505	0	7,206,523	0	13,129,028
FY2028-2029	5,922,505	0	7,206,523	0	13,129,028
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 states legislative intent for nursing facility rates in the Medicaid program. The Department of Health and Human Services indicates that the amount designated in the bill to be used for Medicaid nursing facility rate calculation, \$462,480,546 for FY27 is a 3% increase compared to the current earmark of \$449,351,518. DHHS applied a fund mix of 54.89% federal funds to the net increase of \$13,129,028 to yield the fiscal impact of \$5.9m state General Funds needed to accomplish the 3% increase to rates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	1122	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman		DATE:	2-4-2026
COMMENTS: Concur with the Nebraska Department of Health and Human Services' assessment of fiscal impact.				

**LB (1) 1122****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 2-4-2026

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	<u>FY 2026-2027</u>		<u>FY 2027-2028</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$5,922,505		\$5,922,505	
CASH FUNDS				
FEDERAL FUNDS	\$7,206,523		\$7,206,523	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$13,129,028</b>		<b>\$13,129,028</b>	

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

**Explanation of Estimate:**

LB1122 includes language that alters the earmark to be used by the department to develop Nursing Facility (NF) rates and filing reports. This bill specifies the earmark amount to appropriate an approximate 3 percent increase to the NF earmark for state Fiscal Year 2027.

LB261 appropriated \$449,351,518 for SFY 2027. LB1122 increases the appropriation to \$462,480,546 representing a 13,129,028 increase in total funds (\$7,206,523 as Federal Funds and \$5,922,505 as General Funds). Assuming July 1, 2026, implementation date, a blended rate of 54.89 percent is applied for SFY 2027.

This earmark increase would become part of the base appropriation and thus would continue in fiscal year 2028 and beyond.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS 26-27	2026-2027 EXPENDITURES	2027-2028 EXPENDITURES
Benefits.....			
Operating.....			
Travel.....			
Capital Outlay.....			
Aid.....		\$13,129,028	\$13,129,028
Capital Improvements.....			
<b>TOTAL.....</b>		<b>\$13,129,028</b>	<b>\$13,129,028</b>