

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 file a state plan amendment (SPA) to the Medicaid program to include coverage of long-acting injectable and extended-release medications for individuals with a serious mental illness or a substance use disorder in inpatient settings including state psychiatric facilities.

Medicaid generally does not pay for care in "institutions for mental diseases" (IMDs)—psychiatric facilities with more than 16 beds—for adults aged 21 to 64, a rule known as the IMD exclusion. Medicaid covers mental health services for children under 21, seniors over 65, and through community-based, smaller, or specialized waiver programs, such as for substance use disorders. As such, DHHS notes this service is likely not to be approved by CMS. If the SPA is approved the state would likely realize savings in expenditures as the drugs are currently paid for with General Funds.

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

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Date Prepared 2-10-2026

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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:

LB1132 requires the Department of Health and Human Services to submit a state plan amendment (SPA) to the Centers of Medicare & Medicaid Services (CMS) by October 1, 2026 to provide coverage for long-acting injectable and extended-release medications approved by the Food and Drug Administration (FDA) that are administered to an individual for a serious mental illness or a substance use disorder in any hospital, emergency department, or inpatient setting, including a state hospital or state psychiatric facility.

Nebraska Medicaid covers these services within the Medicaid state plan. CMS has a prohibition on coverage for these injectables in state hospitals or state psychiatric facilities. The SPA submission would include coverage for these injectables in the state facilities.

If CMS were to approve the SPA, this could result in a reduction to the Mental Health Operations general fund budget and an increase in the Medicaid and Long-Term Care federal fund budget. Any potential reduction is indeterminable at this time.

As CMS historically has not approved these types of requests, the department would recommend that any budget impact is not recognized until after approval from CMS is obtained.

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.....			\$0	\$0