

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	16,579			
CASH FUNDS				
FEDERAL FUNDS	16,579			
OTHER FUNDS				
TOTAL FUNDS	33,158		See below	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill requires the Department of Health and Human Services to apply for a waiver or an amendment to an existing waiver for the purpose of providing medical assistance for family planning services for persons whose family earned income is at or below 185% of the federal poverty level.

A half-time program specialist would be needed to develop the waiver. The costs would be \$33,158 (\$16,579 GF and FF) in FY 10 and \$13,726 (\$6,863 GF and FF) in FY 11.

The Department of Health and Human Services estimates that it could take up to 15 months from the effective date of the bill to receive federal waiver approval and implementation begins. The department also estimates based on the U. S. Census statistics that approximately 24,725 women who currently do not qualify would become eligible for family planning services at 185% of the federal poverty level. The approximate cost per recipient is \$184. The state match for family planning services is 10% with 90% paid by the federal government. Assuming an implementation date of December 2010, for seven months in FY 11, the cost of family planning services is estimated to be \$2,653,817 (\$265,382 GF and \$2,388,435 FF).

Eligibility would be based on income only. The department estimates that one eligibility worker is needed per 1,000 applicants. The cost would be \$817,946 (\$408,973 GF and FF) in FY 11. Under the current eligibility determination process, this number of workers would be needed. The department is transitioning to a new application process called ACCESSNebraska. This will be an on-line and phone application process with all records filed and stored electronically. Currently, online application is available and by FY 12, the process will be fully automated with the option to apply over the phone. The number of eligibility workers is projected to decrease every year starting in FY 10 with the largest decline in FY 12. With the implementation of the waiver estimated to be December 2010 along with the phased-in implementation of ACCESSNebraska, it is likely fewer than 24 additional workers may be required.

An evaluation of other states family planning waivers was conducted by the CNA Corporation under contract with the federal Centers for Medicare and Medicaid (CMS). The report published in 2003 showed family planning waivers saved millions of dollars in all six state programs that were evaluated. The states were Alabama, Arkansas, California, New Mexico, Oregon and South Carolina. In calculating the potential savings in Nebraska, the department assumes 4% of the women receiving services would have otherwise have had a birth that would be covered by Medicaid. Using this assumption, the savings would be \$11,210,315 (\$4,484,126 GF and \$6,726,189 FF) in FY 12. This is based on the cost of prenatal care and delivery at \$9,360 and medical services for an infant up to one year of age at \$1,975. Prenatal care, delivery and medical care for a newborn is matched at 60% from the federal government with 40% paid by the state. .

The net minimum annual savings in FY 12 and beyond is estimated to be \$5,842,969 (\$3,620,213 GF and \$2,222,756 FF).