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DATE PREPARED: February 07, 2012  
PHONE: 471-0053

**LB 1063**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

This bill establishes the Children's Health and Treatment Act. The bill requires the Department of Health and Human Services to provide for necessary health care as allowed by federal regulation for children up to age 21. After January 1, 2013, the department is prohibited from applying clinical criteria or guidelines, medical necessity criteria or other similar criteria to determine medical necessity that is inconsistent with the Act. The Children's Health and Treatment Act shall reasonably and broadly be construed in favor of providing treatment and services rather than excluding or denying treatment or services.

Children are covered under the Children's Health Insurance Program up to age 21, but under Medicaid coverage is to age 19. This bill would expand Medicaid coverage to 19 and 20 year olds who are either single or married without children. Until 2003, the state covered these young adults under the optional Medicaid coverage known as the Ribicoff Program. The savings at the time were \$7.8 million total funds. Applying medical inflation, the cost in FY 2013 would be \$7.8 million (\$3.4 million GF and \$4.4 million FF) for three quarters of FY 13 and \$5.2 (\$2.3 million GF and \$2.9 million FF) for a half year in FY 14. These young adults will be covered under federal health care reform beginning on January 1, 2014. Counties would experience reduced indigent care costs. Those savings would vary from county to county.

The provision of the bill that prohibits the department from applying any criteria, guidelines or medical necessity criteria to services provided to children would increase costs. The fiscal impact of those increased costs cannot be determined without an in-depth analysis of the current controls and limits on each service and the extent to which those services could be expanded and still be in compliance with federal regulation.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Elton Larson	DATE	2/7/12	PHONE	471-2526
COMMENTS					
DEPARTMENT OF HEALTH AND HUMAN SERVICES: Concur.					

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LEGISLATIVE FISCAL

LB<sup>(1)</sup> 1063

# FISCAL NOTE

## ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Willard Bouwens

Date Prepared:(4) 1-30-12

Phone: (5) 471-8072

### FY 2012-2013

### FY 2013-2014

	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

### Explanation of Estimate:

Since potential liability is virtually unlimited, the fiscal impact cannot be calculated. If services were provided that were not allowed under federal Medicaid, state funds would have to be used to pay the entire cost.

### MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2012-2013 EXPENDITURES	2013-2014 EXPENDITURES
	12-13	13-14		
POSITION TITLE				
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			See above	See above