

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(0 – 400,000)		(0 – 400,000)
CASH FUNDS				
FEDERAL FUNDS	0 – 519,000		0 – 519,000	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>0 – 519,000</b>	<b>(0 – 400,000)</b>	<b>0 – 519,000</b>	<b>(0 – 400,000)</b>

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

This bill changes the distribution of the ICF-MR Reimbursement Fund. The current distribution is: 1) first, \$55,000 for administration of the fund; 2) second, the amount to reimbursement payment of the tax; 3) \$312,000 for community-based programs for persons with disabilities; 4) fourth, \$600,000 or a lesser amount for rates to non-state operated ICF-MR facilities and 5) fifth, the remainder to the General Fund.

The distribution in the bill is: 1) first, \$55,000 for administration of the fund; 2) second, the amount to reimbursement payment of the tax; 3) third, \$1,000,000 or a lesser amount for rates to non-state operated ICF-MR facilities; 4) fourth, \$312,000 for community-based programs for persons with developmental disabilities and 5) fifth, the remainder to the General Fund.

Currently up to \$600,000 from the fund is used to increase rates for non-state operated ICF-MR facilities. The bill authorizes up to \$1,000,000 for this purpose. The amount the rate can increase is dependent on approval of the Centers for Medicare and Medicaid, so the increased amount used may or may not be the full \$1,000,000. The additional amount authorized in the bill up to \$400,000 would generate a federal match of up to \$519,000 annually.

Since the remaining balance after all the other distributions are made is deposited into the General Fund, this would result in a loss of revenue to the General Fund of up to \$400,000 annually.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
<b>LB: 23</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: DHHS</b>	
<b>REVIEWED BY: Elton Larson</b>		<b>DATE: 1/23/13</b>	<b>PHONE: 471-4173</b>
<p>COMMENTS: LB 23 moves the private ICF/MR's ahead of community based providers in priority for the distribution of available funds from the ICF/MR Reimbursement Protection Fund. The bill also increases the annual maximum benefit to the private ICF/MR's by \$400,000, from \$600,000 to \$1,000,000. The increase in the allocation to the private ICF/MR's results in a decrease in the funds that go to the state General Fund after all priorities established in sec. 68-1804 are met. Further analysis is needed in order to provide a precise comment on the possible fiscal impacts to the entities included in the distribution of the funds contained in the ICF/MR Reimbursement Protection Fund. The fiscal note preparation deadline did not allow sufficient time for the analysis. Analysis of the bill will continue.</p>			

**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) 1-23-13

Phone: (5) 471-8072

	<b>FY 2013-2014</b>		<b>FY 2014-2015</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>		-\$ 400,000		-\$ 400,000
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$ 0	-\$ 400,000	\$ 0	-\$ 400,000

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

**Explanation of Estimate:**

LB 23 will result in a \$400,000 reduction of revenue to the State General Fund, and the need for an increase in payment to the private ICF-MR. In addition, the Department assumes the continuation of funding for our Administration and Community Based Program.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2013-2014 EXPENDITURES	2014-2015 EXPENDITURES
	13-14	14-15		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>			\$ 0	\$ 0