

Revised to include new information.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

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

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 bill also amends the definition of net revenue to include state appropriations.

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.

In the chart at the end of this fiscal note, the estimated revenue for FY 13 is shown applying the current statutory distribution compared to proposed distribution in LB 23, if it was in effect in FY 13. Because current law requires the balance to be deposited into the General Fund after all the other distributions, the increase from “up to \$600,000” to “up to \$1,000,000” for additional rates for non-state operated ICF-MRs would result in a loss of up to \$400,000 for the General Fund.

The increased payments to the non-state operated ICF-MRs would generate up to an additional \$509,000 in federal funds. However, the the Department of Health and Human Services has interpreted the language to mean the amount for the non-state operated ICF-MRs is a lump sum payment, not a payment source for rates. If it a payment source for rates the additional federal funds will be generated. Language clarifying this issue is being drafted for consideration by the Legislature.

The provision of the bill that redefines revenue to include state appropriations does not have any impact. State appropriations which are paid from Medicaid to the Beatrice State Developmental Center are already subject to the provider tax. State appropriations used to pay for services at the Beatrice State Developmental Center that are not paid by Medicaid don't have a federal match, so no additional revenue is generated. Including state appropriations in the definition of revenue would require the non-Medicaid match General Funds into the fund and transferred in an equal amount out of the fund.

	Current Law			
FY 13				
	Mosaic	1,800,000	est	
	BSCE	2,630,762	est	
	Total Revenue	4,430,762		
		Cash Fund	General Funds	Total
33	Administration	55,000		55,000
	Repayment of the tax:			
348	Non-State ICF-MR	792,000	1,008,000	1,800,000
421	BSDC	1,157,535	1,473,227	2,630,762
348	Additional Rate Increase	600,000	763,636	1,363,636
421	Community-Based	312,000		312,000
	Subtotal Expenditures	2,916,535	3,244,863	6,161,398
	Balance to the General Fund	1,514,227	3,244,863	
	Change in LB 23			
FY 13				
	Mosaic	1,800,000	est	
	BSCE	2,630,762	est	
	Total Revenue	4,430,762		
		Cash Fund	General Funds	Total
33	Administration	55,000		55,000
	Repayment of the tax:			
348	Non-State ICF-MR	792,000	1,008,000	1,800,000
421	BSDC	1,157,535	1,473,227	2,630,762
348	Additional Rate Increase	1,000,000	1,272,727	2,272,727
421	Community-Based	312,000		312,000
	Subtotal Expenditures	3,316,535	3,753,954	7,070,489
	Balance to the General Fund	1,114,227	3,753,954	
	Loss to General Fund	(400,000)		
	Increase in Federal Funds	(509,091)		