

**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>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

**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 submit a Medicaid state plan amendment or waiver for home and community-based services for children with serious emotional disturbance who have been deinstitutionalized or diverted from a psychiatric hospital level of care. Services shall include but not be limited to attendant care, independent living and skills building, short-term respite care and facilitation of wrap-around services. Wrap-around services mean strength-based, individualized community-based services for a family with a child with a serious emotional disturbance.

The language in this bill is modeled after an approved waiver that Kansas has received. The intent of the bill is to offer lower-levels of services to children who otherwise would be placed in a psychiatric hospital or are being deinstitutionalized. In order for a home and community-based waiver to be approved by the Centers for Medicare and Medicaid, it must be cost neutral. Also, the services offered under the waiver can be limited to only the specific population covered by the waiver.

The report prepared by Hornby Zeller Associates, Inc., the "Assessment of Child Welfare Services in Nebraska," showed that 79 percent of children who experienced at least one residential placement were there in part due to behavioral reasons. The length of stay ranged from 3 days to over 13 months with the most frequent being less than one month. Because the length of stay is on the shorter end, the report states that: "Almost certainly, many of these children could have been accommodated in a less restrictive setting." This is an indication that if services were available, comprehensive and appropriate community-based services could have met the children's needs. The Medicaid waiver required in this bill could provide the funding to pay for that comprehensive array of services.

Although Hornby Zeller report contains much data analysis, further data analysis is needed to project the fiscal impact of this bill.