

PREPARED BY: Liz Hruska
 DATE PREPARED: February 25, 2015
 PHONE: 471-0053

LB 346

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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 to cover day health services.

Currently this service is provided through and Aged and Disabled Waiver. There are only two centers which provide day health services. By changing the service to a state plan amendment more children would qualify for the service, but access and capacity would limit the number of children who could use it. Over time capacity may increase beyond the two current programs. The Department's fiscal note assumed all eligible children would have access and utilize the service. Additional information is needed to determine the fiscal impact.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 346	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 2/25/2015	PHONE: 471-4173
COMMENTS: HHS analysis and estimate of fiscal impact appear reasonable.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Mike Mason

Date Prepared:(4) 2-23-15

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	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$5,968,343		\$11,920,937	
CASH FUNDS				
FEDERAL FUNDS	\$6,250,584		\$12,485,416	
OTHER FUNDS				
TOTAL FUNDS	\$12,218,927		\$24,406,353	

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

Explanation of Estimate:

The cost to cover Children’s Day Health Service (CDHS) is estimated to be approximately \$27,234,480 annually. This is based on the 406 current enrolled children that would be eligible for the service, using a daily rate of \$258 and an average five days per week. Using the same methodology, there are 10 children receiving home health services that would also be eligible for the new CDHS at an estimated \$670,800. Additionally, service authorizations would need to be completed every 60 days, using the current review rate of \$30.92 per review, the annual cost will be approximately \$75,321. The final cost would be for adding a new service to the managed care health plan. The one-time cost for adding a new service to the capitation rate is \$15,750 in SFY16 Program 033.

LB0346 requires that CDHS be covered as a State Plan service, therefore it will not be a HCBS waiver service. Currently the service is provided under the HCBS A & D Waiver to children with disabilities at an annual cost of \$3,541,720. The service is also provided under home health care at a cost of \$32,529. These costs have been offset from the CDHS estimated expense.

Assuming all deadlines are met and submissions are approved, it is further assumed services would begin January 1, 2016. The total fiscal impact to the Department of Health and Human Services in SFY16 will be \$12,218,927 (\$5,968,343 GF/ \$6,250,584 FF) and in SFY17 \$24,406,353 (\$11,920,937 GF / \$12,485,416 FF.)

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2015-2016	2016-2017
		15-16	16-17	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....				\$53,411	\$75,321
Travel.....					
Capital Outlay.....					
Aid.....				\$12,165,516	\$24,331,032
Capital Improvements.....					
TOTAL.....				\$12,218,927	\$24,406,353

