

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	1,390,251		1,683,405	
CASH FUNDS		(33,000)		(39,600)
FEDERAL FUNDS	1,227,519		1,457,919	
OTHER FUNDS				
TOTAL FUNDS	2,617,770	(33,000)	3,141,324	(39,600)

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

This bill increase the personal needs allowance to a minimum of \$75 per month for those residing in alternate living arrangements. Alternate living arrangements are defined as a boarding home, a certified adult family home, a licensed assisted-living facility, a licensed residential child-caring agency as defined in section 12 71-1926, a licensed center for the developmentally disabled, and a long-term care facility.

Loss of revenue from clients' payments at the Beatrice State Developmental Center (BSDC) will be offset by increased payments by Medicaid. The net impact to BSDC is zero.

The current personal needs allowance for those residing in a nursing facility is \$50 and \$64 for those in other alternate living arrangements. The personal needs allowance increase would increase costs in the Medicaid and the Assistance to Aged, Blind and Disabled Programs. The personal needs allowance is part of the Standard of Need formula. As the personal needs allowance is increased the Standard of Need is increased by the same amount, therefore, payments to AABD cash grant clients who are not in a nursing facility or alternate living arrangement would also have an increase in their monthly maintenance payments. The increase would be \$25 per month.

The chart on the next page shows the number of clients and the costs by fund source:

	FY 16				
Medicaid	#ofClients	Increase	General	Federal	Total
Other Alternate Living Arrangements	4,407	11	234,192	250,578	484,770
Long-Term Care Facilities	7,560	25	913,059	976,941	1,890,000
Total	11,967		1,147,251	1,227,519	2,374,770
	FY 17				
Long-Term Care Facilities	#ofClients	Increase	General	Federal	Total
Other Alternate Living Arrangements	4,407	11	284,114	297,610	581,724
Other Alternate Living Arrangements	7,560	25	1,107,691	1,160,309	2,268,000
Total	11,967		1,391,805	1,457,919	2,849,724
	FY 16				
AABD	#ofClients	Increase	General	Federal	Total
Other Alternate Living Arrangements	1,300	11	143,000		143,000
Cash Grant Clients	400	25	100,000		100,000
Total	1,700		243,000		243,000
	FY 17				
AABD	#ofClients	Increase	General	Federal	Total
Other Alternate Living Arrangements	1,300	11	171,600		171,600
Cash Grant Clients	400	25	120,000		120,000
Total	1,700		291,600		291,600
	FY 16		FY 17		
General	1,390,251		General	1,683,405	
Federal	1,227,519		Federal	1,457,919	
Total	2,617,770		Total	3,141,324	

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 366	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 2/2/2015	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) 2-2-15

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	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,390,251		\$1,683,405	
CASH FUNDS		-\$33,000		-\$39,600
FEDERAL FUNDS	\$1,227,519		\$1,457,919	
OTHER FUNDS				
TOTAL FUNDS	\$2,617,770	-\$33,000	\$3,141,324	-\$39,600

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

Explanation of Estimate:

LB 366 seeks to increase the standard of need for Assistance to the Aged, Blind, and Disabled clients from at least fifty dollars per month to at least seventy-five dollars per month for a personal needs allowance under Medicaid.

There are approximately 400 Assistance to the Aged, Disabled, and Blind cash grant clients. Increasing the Standard of Need \$25 would increase the amount of general funds spent on cash grants \$10,000 per month, or \$100,000 GF for ten months of SFY16 and \$120,000 GF for SFY17. There are approximately 1,300 cash grant clients in all other alternate living arrangements. The Standard of Need would need to be increased \$11 for these clients as the current personal needs allowance is \$64. This would be an increase of \$14,300 per month, or \$143,000 GF for ten months of SFY16 and \$171,600 GF for SFY17. The total increase in Program 347 would be \$243,000 GF for SFY16 and \$291,600 GF for SFY17.

LB 366 will cause an increase in expenditures to Program 348, Program 421, and Program 424 due to decreased client obligation. Currently, there is an average monthly count of 11,967 Aged, Blind, and Disabled clients on Medicaid in an alternative living arrangement. The current personal needs allowance is \$50 per month for long-term care facilities and \$64 per month for all other alternative living arrangements, causing an increase in expenditures of \$25 and \$11 per month, respectively. Annual Medicaid expenditures for Program 348 are estimated at \$2,330,929 total funds (\$1,103,410 GF, \$1,227,519 FF) for ten months of SFY16, and \$2,796,537 total funds (\$1,338,618 GF, \$1,457,919 FF) for SFY17. The decrease in Social Security Income (SSI) payments to Program 421 will result in a cash reduction of \$33,000 in SFY 16 and \$39,600 in SFY17. Expenditures for Program 421 for clients living at the Beatrice State Developmental Center are estimated at \$15,942 GF for ten months of SFY 16 and \$19,341 GF in SFY17 to replace the reduction of available SSI (the federal portions are included in the estimate for Program 348). Program 424 expenditures for clients living in a private intermediate care facility for the developmentally disabled are approximately \$27,899 GF for ten months of SFY16 and \$33,846 GF in SFY17.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2015-2016 EXPENDITURES	2016-2017 EXPENDITURES
	15-16	16-17		

Benefits.....		
Operating.....		
Travel.....		
Capital Outlay.....		
Aid.....	\$2,617,770	\$3,141,324
Capital Improvements.....		
TOTAL.....	\$2,617,770	\$3,141,324