

Revised to include an agency fiscal note

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	405,244		491,076	
CASH FUNDS		(13,900)		(15,840)
FEDERAL FUNDS	390,776		464,124	
OTHER FUNDS				
TOTAL FUNDS	796,000	(13,900)	955,200	(15,840)

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

This bill as amended increase the personal needs allowance to a minimum of \$60 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. 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 in a nursing facility would also have an increase in their monthly maintenance payments. The increase would be \$10 per month.

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

	FY 16				
Medicaid	# of Clients	Increase	General	Federal	Total
Long-Term Care Facilities	7,560	10	365,224	390,776	756,000
	FY 17				
	# of Clients	Increase	General	Federal	Total
Long-Term Care Facilities	7,560	10	443,076	464,124	907,200
	FY 16				
AABD	# of Clients	Increase	General	Federal	Total
Cash Grant Clients	400	10	40,000		40,000
	FY 17				
AABD	# of Clients	Increase	General	Federal	Total
Cash Grant Clients	400	10	48,000		48,000
	FY 16		FY 17		
General	405,224		General	491,076	
Federal	390,776		Federal	464,124	
Total	796,000		Total	955,200	

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

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Date Prepared:(4) 3-17-15

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	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$405,224		\$491,076	
CASH FUNDS		-\$13,200		-\$15,840
FEDERAL FUNDS	\$390,776		\$464,124	
OTHER FUNDS				
TOTAL FUNDS	\$796,000	-\$13,200	\$955,200	-\$15,840

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

Explanation of Estimate:

LB 366 AM657 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 sixty 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 \$10 would increase the amount of general funds spent on cash grants \$4,000 per month, or \$40,000 GF for ten months of SFY16 and \$48,000 GF for SFY17 in Program 347.

LB 366 AM657 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 7,560 Aged, Blind, and Disabled clients on Medicaid in an alternative living arrangement in a long-term care facility. The current personal needs allowance is \$50 per month for long-term care facilities, causing an increase in expenditures of \$10 per month per client. Annual increased Medicaid expenditures for Program 348 are estimated at \$738,463 total funds (\$347,687 GF, \$390,776 FF) for ten months of SFY16, and \$885,926 total funds (\$421,802 GF, \$464,124 FF) for SFY17.

The decrease in Social Security Income (SSI) payments to Program 421 will result in a cash reduction of \$13,200 in SFY 16 and \$15,840 in SFY17. Expenditures for Program 421 for clients living at the Beatrice State Developmental Center are estimated at \$6,377 GF for ten months of SFY 16 and \$7,736 GF in SFY17 to replace the reduction of available SSI. Program 424 expenditures for clients living in a private intermediate care facility for the developmentally disabled are approximately \$11,160 GF for ten months of SFY16 and \$13,538 GF in SFY17. (The federal funds for Program 421 and Program 424 expenditures are included in the estimate for Program 348.)

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2015-2016 EXPENDITURES	2016-2017 EXPENDITURES
	15-16	16-17		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$796,000	\$955,200
Capital Improvements.....				
TOTAL.....			\$796,000	\$955,200