

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	854,132		1,553,052	
CASH FUNDS				
FEDERAL FUNDS	829,629		1,543,746	
OTHER FUNDS				
TOTAL FUNDS	1,683,761		3,096,798	

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

This bill makes changes to the Bridge to Independent Program. It expands coverage of the Bridge to Independence Program to include youth who entered into a state-funded or kinship guardianship agreement at age 16. They may choose to participate in the Bridge Program in lieu of an extended guardianship subsidy. The bill also extends Medicaid coverage for a child under a subsidized guardianship or adoption agreement up to 21.

It is assumed 20 young adults would shift from the subsidized guardianship program to Bridge to Independence. The Bridge payment are higher than the subsidy under guardianships; \$442 a month compared to \$760. The annual increase would be \$76,320 General Funds. Two additional Child and Family Services Specialist would also be needed at a cost of \$131,904 (65,952 GF and FF).

Medicaid coverage would also be extended to those between 18 and 21 who are under a guardianship or adoption agreement. In FY 14, there were three youths who were age 18 with Title IV-E subsidized guardianships and 374 young adults under an adoption agreement who were 18 years of age. Assuming half utilized Medicaid, the cost would be \$1,444,287 (\$697,735 GF and \$746,552 FF) \$2,888,574 (\$1,410,780 GF and \$1,477,794 FF) in FY 17. An actuarial study is required for managed care when coverages change. The contract cost for the study would be \$28,500 (\$14,125 GF and FF).

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 441	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 2/12/2015	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) 2-13-15

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	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$854,132		\$1,553,052	
CASH FUNDS				
FEDERAL FUNDS	\$826,629		\$1,543,746	
OTHER FUNDS				
TOTAL FUNDS	\$1,680,761		\$3,096,798	

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

Explanation of Estimate:

LB 441 affects the Division of Children and Family Services. The bill changes the eligibility requirements for the Bridge to Independence program to include young adults (ages 19-21) who entered into a state funded or kinship guardianship assistance agreement at age 16 or older. At age 19, these young adults are eligible for an extension of state funded guardianship subsidy until 21. Based on the current number of 18 year olds receiving this guardianship subsidy, it is estimated that the average enrollment in the Bridge to Independence program will increase by 20 and the number of guardianship subsidies extended would decrease by 20.

This shift of 20 young adults from state funded guardianship subsidies to the Bridge to Independence program will increase costs. The current average monthly aid payments are \$442 for guardianship subsidy and \$760 for Bridge to Independence. This will result in an estimated cost increase of \$76,320 (\$76,320 GF, \$0 FF) in SFY16 and SFY17. In addition to these increased aid costs, the Bridge to Independence program would require two additional Child and Family Services Specialist positions. This will result in a cost increase of \$131,904 (\$65,952 GF, \$65,952 FF) in SFY16 and SFY17.

LB 441 also affects the Division of Medicaid & Long-Term Care as Program 348 currently provides Medicaid coverage for a Title IV-E child under a subsidized guardianship agreement through the age of 18. LB 441 would extend Medicaid coverage for an additional 3 years to ages 19-21 for eligible clients. A Title IV-E child under a subsidized adoption agreement is also currently provided Medicaid through the age of 18 and would have their service extended through ages 19-21 under this bill.

In SFY14, there was an average of 377 clients at the age of 18 with a paid Medicaid claim under either a Title IV-E subsidized adoption or a Title IV-E subsidized guardianship. At an average cost of \$2,554 per client, if half of the eligibles ages 19-21 utilized the available Medicaid service in SFY16 and full utilization is reached in SFY17, the additional years of coverage would cost Program 348 approximately \$1,444,287 total funds (\$697,735 GF, \$746,552 FF) in SFY16 and \$2,888,574 total funds (\$1,410,780 GF, \$1,477,794 FF) in SFY17. An actuarial contractor fee to update the physical health and behavioral health capitation rates would cost \$28,250 total funds (\$14,125 GF, \$14,125 FF) in SFY16.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2015-2016	2016-2017
		15-16	16-17	EXPENDITURES	EXPENDITURES
	Child and Family Services Specialist	2	2	\$74,589	\$74,589

Benefits.....	\$15,633	\$15,633
Operating.....	\$69,932	\$41,682
Travel.....		
Capital Outlay.....		
Aid.....	\$1,520,607	\$2,964,894
Capital Improvements.....		
TOTAL.....	\$1,680,761	\$3,096,798