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LB 468

Revision: 04

Revised to include an agency response

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
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 as amended prohibits the Department of Health and Human Services from adding long-term care services to managed care until July 1, 2021. The bill as amended requires the Department on Health and Human Services and the Department of Insurance to notify the chairpersons and members of the respective Legislative committees prior to submitting waivers under Sections 1115 and 1332. The committees are required to hold public hearings on the waiver applications.

The moratorium on adding long-term care to managed care until July 1, 2021, does not have a fiscal impact. The department needs to create a certifiable claims broker system. The moratorium ends at the end of FY 2021 and the certifiable system will be completed in FY 2021. Since the prohibition ends as the new system will be coming online, there is not fiscal impact.

There is no fiscal impact for the notification requirement.

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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	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB 468, as amended, will require the Division of Medicaid and Long-Term Care (MLTC) to not add Long-Term Care (LTC) services and supports to the Medicaid managed care program prior to July 1, 2021. If Medicaid is guaranteed to carve in LTC into the managed care program after July 1, 2021, then there is no fiscal impact to MLTC. If the moratorium is extended beyond June 30, 2021, MLTC would need to create a new Centers for Medicaid and Medicare (CMS) Certifiable claims broker system (CBS) to process the LTC claims. A recent bid for the design, development, and implementation (DDI) of a CMS Certifiable CBS was \$22.6 million. It is assumed that the cost for the new system would be 5% higher than the most current bid for an estimated total of \$23.73 million. Federal funding for the DDI would be approximately \$21 million while general funds would be used for the remaining \$2.73 million. The CBS needs to be CMS Certified in order to receive the 90% federal funding. If it is not certified, the state would pay a higher percentage of the CBS costs (75% FF / 25% GF split rather than 90/10 of a certified system). The project is estimated to be completed in SFY 2021. To manage a CBS project and monitor the functionality of the CBS, MLTC would need to hire a Program Manager. Total costs (including salary, benefits, and operating) would be \$109,811 per year. All administration costs would be 50/50 General and Federal Funds. The new staff would need to be hired on July 1, 2019.

After the project is complete, there is an ongoing maintenance cost of approximately \$10 million per year. Total Federal Funds per year would be \$7.5 million with General Funds paying the remaining \$2.5 million, for a certified system.

MLTC is also required to notify the Health and Human Services Committee of the Legislature prior to submitting any 1115 Waiver requests to CMS. This provision will be handled by existing staff.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2019-2020	2020-2021
	POSITION TITLE	19-20	20-21	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....				