

To clarify fiscal impact

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$3,871,399		\$7,742,887	
CASH FUNDS				
FEDERAL FUNDS	\$5,332,998		\$10,666,086	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$9,204,398</b>		<b>\$18,408,795</b>	

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

LB 376 proposes that the Department of Health and Human Services (DHHS) apply for a waiver to administer a home and community-based services family support program for children with developmental disabilities who are currently on the DHHS Developmental Disability waiting list. If the bill were enacted, the program would be developed by the Advisory Committee on Developmental Disabilities and be administered by the Division of Developmental Disabilities of DHHS. The program would offer an annual capped budget of \$10,000 for long-term services and supports. The bill also provides a pathway for Medicaid eligibility for disabled children regardless of parental income. DHHS would be tasked with submitting an annual report regarding the status of the program annually to the Legislature.

The proposed waiver program would provide waiver services to 850 children, including 400 children who are not currently eligible for Medicaid.

Costs other than the \$10,000 per child cap for waiver services includes staffing costs, a rate of \$84 for each waiver participant for the contracted case management software, and expenditures for children not eligible for Medicaid.

It is assumed that the application for the waiver will take approximately 6 months for approval by CMS thus reducing the first year expenditures.

See the following for cost component breakdown:

Cost Component	Newly Eligible	Cost per Person or FTE	Cost FY 22	Cost FY 23
1915 c waiver services	850	\$10,000	\$4,250,000	\$8,500,000
Services Coordination	850	39.67	\$1,351,587	\$2,703,173
Case Management Software	850	\$84	\$35,611	\$71,222
Heritage Health Costs	400	\$17,836	\$3,567,200	\$7,134,400
<b>General Funds</b>			<b>\$3,871,399</b>	<b>\$7,742,887</b>
<b>Federal Funds</b>			<b>\$5,332,998</b>	<b>\$10,666,086</b>

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 376	AM: 1307	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 5-12-2021	PHONE: (402) 471-4180	
COMMENTS: The Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department appears 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 Michalski

Date Prepared 5-11-2021

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	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>	\$4,448,152		\$8,696,303	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$5,950,644		\$11,901,290	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$10,298,796		\$20,597,593	

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

**Explanation of Estimate:**

LB 376 as amended by AM1307 would require the development and implementation of a family support waiver, which would be offered to minors with disabilities to prevent institutionalization and allow children to remain in their family homes. This offers services needed by families and a pathway to Medicaid eligibility.

The bill requires the Department to apply for a new 1915(c) waiver that would need to be approved first in order to implement this and other changes proposed in this bill. The waiver would be limited to 3 years.

This fiscal note assumes January 1st, 2022 as the implementation date due to the time needed to apply for and receive approval for the waiver.

The number of participants is capped at 850. Using the current Service Coordination workload ratios, 34 FTE Services Coordinators, 5 FTE SC Supervisors, and 1 FTE Service District Administrator will be needed. There will also be a need for 1 FTE for the policy team (program specialist), 2 FTE for the Quality team (2 Program Accuracy Specialists), and 2 FTE for the financial and data management team (2 Fiscal Project Analysts).

There would be additional costs for the Therap case management system to add the new waiver and all components of case management for this new waiver population. The contract for case management is structured on a per member rate of \$83.79/year. The additional cost of adding 850 participants is estimated at \$35,700 the first year, and \$71,400 for the second year.

The waiver would have a limited budget of up to \$10,000 per participant. This would require \$4,250,000 in the first year, and \$8,500,000 in the second year.

Additional Medicaid expenditures would be incurred due to the pathway to Medicaid eligibility required in this bill. Based on 500 additional cases added to the Heritage Health per month per member capitation payments, the overall impact to Medicaid would be \$4,459,200 in the first year, and \$8,918,400 in the second year (500 x \$17,836 per member per year).

Some of the general fund expenditures in this fiscal note may be offset by additional federal funding received by DHHS in accordance with the American Recovery Plan Act (ARPA). The Centers for Medicare and Medicaid Services (CMS) has not advised states on whether all of the costs included in this legislation are eligible. Therefore, the amount of this offset is unknown.

**MAJOR OBJECTS OF EXPENDITURE**

**PERSONAL SERVICES:**

POSITION TITLE	NUMBER OF POSITIONS		2021-2022	2022-2023
	21-22	22-23	EXPENDITURES	EXPENDITURES
C72831 Developmental Disabilities Service Coordinator	17.0	34.0	\$633,050	\$1,266,100

V72832 Developmental Disabilities Service Coordination Supervisor	2.5	5.0	\$117,369	\$234,738
G78601 Developmental Disabilities Service District Administrator	0.5	1.0	\$31,350	\$62,700
C73210 DHHS Program Specialist	0.5	1.0	\$23,770	\$47,540
C72180 Program Accuracy Specialist	1.0	2.0	\$52,031	\$104,062
K19850 DHHS Fiscal Project Analyst	1.0	2.0	\$44,221	\$88,442
Benefits.....			\$304,650	\$609,301
Operating.....			\$383,155	\$766,310
Travel.....				
Capital Outlay.....				
Aid.....			\$8,709,200	\$17,418,400
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$10,298,769</b>	<b>\$20,597,593</b>