

Revised for 2022 session to reflect changes in operating and Medicaid costs

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$3,813,323		\$7,449,282	
CASH FUNDS				
FEDERAL FUNDS	\$5,054,870		\$10,287,104	
OTHER FUNDS				
TOTAL FUNDS	\$8,868,193		\$17,736,386	

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

LB 376, as amended by AM 1307, 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.

This fiscal note assumes January 1st, 2023 as the implementation date due to the time needed to apply for and receive approval for the waiver from CMS, thus reducing the first year expenditures to 6 months for FY2022-23. The waiver would be limited to 3 years.

The proposed waiver program would provide waiver services to 850 children, including 399 children who are not currently eligible for Medicaid that are currently on the Developmental Disability waiting list. DHHS used an estimate of 500 for determining the number of children currently ineligible for Medicaid; however, DHHS data reflects an actual number of 399.

Costs other than the \$10,000 per child cap for waiver services, other costs include Service Coordination Costs, a rate of \$83.79 for each waiver participant for the case management software (Therap), and Medicaid for children who are not currently eligible due to parental income.

See the following for cost component breakdown:

Cost Component	Newly Eligible	Cost per Person or FTE	Cost FY 22-23	Cost FY 2023-24
1915 c waiver services	850	\$10,000	\$4,250,000	\$8,500,000
Services Coordination/Benefits	850	see total columns	\$1,368,293	\$2,736,586
Operating/Indirect Costs		see total columns	\$394,157	\$788,315
Case Management Software	850	\$83.79	\$35,611	\$71,222
Heritage Health Costs	399	\$14,136	\$2,820,132	\$5,640,264
		Total	\$8,868,193	\$17,736,386
		General Funds	\$3,813,323	\$7,449,282
		Federal Funds	\$5,054,870	\$10,287,104

**LB⁽¹⁾ Revised 376
AM1307**

FISCAL NOTE

2022

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 1-10-2022

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	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$4,045,546		\$ 8,091,092	
CASH FUNDS				
FEDERAL FUNDS	\$5,536,515		\$11,073,030	
OTHER FUNDS				
TOTAL FUNDS	\$9,582,061		\$19,164,122	

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, 2023 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 as part of operating costs.

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 \$3,534,000 in the first year, and \$7,068,000 in the second year (500 x \$14,136 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		2022-2023	2023-2024
	22-23	23-24	EXPENDITURES	EXPENDITURES
C72831 Developmental Disabilities Service Coordinator	17.0	34.0	\$753,628	\$ 1,507,256
V72832 Developmental Disabilities Service Coordinator Supervisor	2.5	5.0	\$117,369	\$234,738
G78601 Developmental Disabilities Services District Administrator	.5	1.0	\$31,350	\$62,700
C73210 DHHS Program Specialist	.5	1.0	\$23,770	\$47,540
K19850 DHHS Fiscal Project Analyst	1.0	2.0	\$52,031	\$104,062
C72180 Program Accuracy Specialist	1.0	2.0	\$44,221	\$88,442
Benefits.....			\$345,924	\$691,848
Operating.....			\$429,768	\$859,536
Travel.....				
Capital Outlay.....				
Aid.....			\$7,784,000	\$15,568,000
Capital Improvements.....				
TOTAL.....			\$9,582,061	\$19,164,122