

PREPARED BY: Liz Hruska
 DATE PREPARED: February 05, 2021
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LB 411

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

This bill requires on or before September 30, 2021, all health care facilities and all health care payors to participate in the designated health information exchange through sharing of clinical information as determined by policies adopted by the Health Information Technology Board. There would be no cost to health care facilities which establish a connection by July 1, 2021.

Medicaid, Public Health and the institutions currently interface with the designated health information exchange, CyncHealth, formerly called Nebraska Health Information Initiative (NEHII). The Department of Health and Human Services' fiscal note shows they will need additional infrastructure changes. Changes would be covered by CyncHealth with federal funds they have available for connections established by July 1, 2021. It is unclear if the work the department anticipates needing to do would extend beyond the July 1, 2021 date. The work described in the fiscal note ranges from a simple change costing \$58,000 (\$5,800 GF and 52,200 FF) to a more complex one, costing up to \$859,000 (85,900 GF and \$773,510 FF).

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	411	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY:	Ann Linneman	DATE:	2-5-2021	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 2-5-2021

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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>
GENERAL FUNDS	\$85,900		\$0	
CASH FUNDS				
FEDERAL FUNDS	\$773,510		\$0	
OTHER FUNDS				
TOTAL FUNDS	\$859,000	\$0	\$0	\$0

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

Explanation of Estimate:

LB 411 requires, on or before September 30, 2021, each health care facility as defined in section 71-413 and each health care payor as defined in section 25-21,247, shall participate in the designated health information exchange (HIE) through sharing of clinical information as determined by policies adopted by the Health Information Technology (HIT) Board Any connection established by July 1, 2021, between a health care facility and the designated health information exchange to facilitate such participation shall be at no cost to the participating health care facility.

The total cost for the Department of Health and Human Services to participate in the Health Information Exchange for sharing clinical information (to be defined by the HIT board) is unknown.

The bill makes no allowance for Federal restriction on use or distribution of Medicaid data.

There would be costs associated with the Department of Health and Human Services Medicaid and Long Term Care (MLTC) to interface and/or share “clinical information”, specifically for program staff time, information system and technology staff time, and system changes needed for the Medicaid Data Warehouse for data production and sharing. Note: Failure to follow Federal data restrictions could jeopardize both Nebraska’s participation in the Federal Medicaid program and access to Federal funds (the total amount of the Federal Fiscal Year 2021 Medicaid Grant is \$1,937,726,000).

The nature of the data sharing technological requirements and architecture would determine required changes to the Data Warehouse. The expected cost for data sharing could range between **\$56,000** for a simple transaction, to as much as **\$859,000** for a more complex one. The fiscal impact is assumed to be at the higher cost of \$859,000 with Federal Financial Participation (FFP) of 90%, pending approval of federal partners for project funding to implement a significant system enhancement.

No new Department of Health and Human Services Medicaid Long Term Care program staff or IS&T staff would be required as it would be absorbed by current staff. Depending on the complexity, staff time for requirements gathering, design, and testing could range from 80 to several hundred hours, and could impact the prioritization to other projects currently in process at the Department of Health and Human Services.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2021-2022	2022-2023
		21-22	22-23	EXPENDITURES	EXPENDITURES

Benefits.....		
Operating.....	\$859,000	\$0
Travel.....		
Capital Outlay.....		
Aid.....		
Capital Improvements.....		
TOTAL.....	\$859,000	\$0
