

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 | | | | |
| 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 the Department of Health and Human Services to provide onsite enrollment for Medicaid at correctional institutions. For those inmates with release dates at least sixty days prior to their release, the department shall process the applications so that eligibility begins on the day of their release. For those with release dates less than sixty days prior to their release, the application is to be processed so eligibility begins on the day of release or as soon as practicable. The department is authorized to contract with third-party enrollment vendors to provide these enrollment services.

The Department of Corrections notifies the Department of Health and Human Services when a person entering a correctional facility is receiving Medicaid, so Medicaid eligibility can be suspended. When an inmate with suspended Medicaid is within 45 days of release, the Department of Health and Human Services is notified. This bill would require onsite enrollment for those inmates who were previously not enrolled.

There are six state correctional facilities in Nebraska and 71 non-state facilities operated by political subdivisions. The Department of Health and Human Services fiscal note estimates an additional social service worker would be required for each institution.

Information was requested on the number of inmates with suspended Medicaid, but has not been received as of the writing of this fiscal note. Those with suspended Medicaid would not add to the current workload of eligibility workers. The number of inmates with suspended Medicaid eligibility was requested but not provided prior to submitting this fiscal note.

For purposes of this fiscal note, it is assumed that each state-run facilities would have the volume of new applicants to assign one or more a full-time social service workers. For the non-state run facilities, many would not have the volume for a full-time social worker. For the low-volume facilities, a social service worker would need to travel to the facility either on an "as needed" basis or at intervals which allow for compliance with the timeframes in the bill. The projected workload is difficult to determine, but 77 new workers seems high, since inmates who were eligible prior to incarceration are in the system as having suspended eligibility. Six full-time social workers would cover the state-run facilities and a range of 10 to 20 additional workers likely would be able to cover the local facilities. It is unknown if there is a contractor that could provide the enrollment function at less than the cost of hiring state employees.

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
|---|-----------------|--|--|
| LB: 952 | AM: | AGENCY/POLT. SUB: Nebraska Department of Health and Human Services | |
| REVIEWED BY: Ann Linneman | DATE: 1-24-2022 | PHONE: (402) 471-4180 | |
| COMMENTS: The Nebraska Department of Health and Human Services' assessment of fiscal impact appears reasonable. | | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
|---|-----------------|--|--|
| LB: 952 | AM: | AGENCY/POLT. SUB: Nebraska Department of Correctional Services | |
| REVIEWED BY: Ann Linneman | DATE: 1-25-2022 | PHONE: (402) 471-4180 | |
| COMMENTS: The Nebraska Department of Correctional Services' assessment of fiscal impact 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) John Meals

Date Prepared 1-21-2022

Phone: (5) 471-6719

| | <u>FY 2022-2023</u> | | <u>FY 2023-2024</u> | |
|----------------------|---------------------|---------|---------------------|---------|
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | \$780,228 | | \$2,140,139 | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | \$2,048,082 | | \$3,803,564 | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$2,828,310 | | \$5,071,419 | |

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

Explanation of Estimate:

LB0952 requires the Department of Health and Human Services (DHHS) to provide onsite Medicaid enrollment assistance by submitting and processing an application for individuals who are inmates of a public institution ahead of their release date. The provisions of this bill primarily affect those who are not already suspended from Medicaid due to their incarceration. The Department of Health and Human Services may contract with certified third-party enrollment assisters to provide the enrollment assistance and application submission required by this subsection.

The proposed bill, if passed, would require additions to existing rules and regulations for eligibility. Title 477 NAC 3-003 and -005 will need to be updated to reflect the exception to the processing timeframes for new applications. The estimated absorbed cost of this minor change is \$645 (see table below)

| Title | Hour(s) | Hourly Cost | Absorbed Cost |
|---------------------------|---------|-------------|---------------|
| <i>Director</i> | 1 | \$ 76 | \$ 76 |
| <i>Deputy Director</i> | 1 | \$ 55 | \$ 55 |
| <i>Administrator I</i> | 1 | \$ 31 | \$ 31 |
| <i>Program Specialist</i> | 2 | \$ 23 | \$ 47 |
| <i>Program Analyst</i> | 4 | \$ 23 | \$ 91 |
| <i>Attorney III</i> | 10 | \$ 35 | \$ 345 |
| Total Costs | | | \$ 645 |

There are seventy-seven public institutions in Nebraska. To provide on-site Medicaid enrollment assistance at least one Full Time Employee (FTE) per facility is needed. The cost to add seventy-seven full time Social Services Workers is \$5,071,419 per year. The estimate assumes that 75% Federal Financial Participation (FFP) is available for the costs associated with providing on-site Medicaid enrollment assistance

There are operational challenges in recruiting and or hiring staff during the Public Health Emergency and this estimate assumes all staff would be hired by January 1, 2023. Therefore, the estimated cost for the first year is reduced by 50% to **\$2,535,710**. The additional cost to recruit, onboard, and train the seventy-seven new FTEs is approximately **\$292,600**.

MAJOR OBJECTS OF EXPENDITURE

| PERSONAL SERVICES: | POSITION TITLE | NUMBER OF POSITIONS | | 2022-2023 | 2023-2024 |
|--------------------|-------------------------------|---------------------|-------|--------------|--------------|
| | | 22-23 | 23-24 | EXPENDITURES | EXPENDITURES |
| | C12172 Social Services Worker | 77 | 77 | \$1,433,672 | \$2,867,344 |

| | | |
|---------------------------|--------------------|--------------------|
| Benefits..... | \$535,047 | \$1,070,093 |
| Operating..... | \$859,591 | \$1,133,982 |
| Travel..... | | |
| Capital Outlay..... | | |
| Aid..... | | |
| Capital Improvements..... | | |
| TOTAL..... | \$2,828,310 | \$5,071,419 |

Please complete ALL (5) blanks in the first three lines.

2022

LB⁽¹⁾ 952

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Correctional Services

Prepared by: ⁽³⁾ Lisa Stanton Date Prepared: ⁽⁴⁾ 01/18/2022 Phone: ⁽⁵⁾ (402)479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2022-23</u> | | <u>FY 2023-24</u> | |
|--------------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | ===== | ===== | ===== | ===== |

Explanation of Estimate:

Federal law requires that all Medicaid applications be processed in secure locations to restrict access to paper file storage and computer equipment. This may require NDCS to provide DHHS with secure office space at each of the agency's facilities. The specific amount of impact is indeterminable.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2022-23</u> | <u>2023-24</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>22-23</u> | <u>23-24</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | _____ |