

PREPARED BY: Mikayla Findlay
 DATE PREPARED: January 09, 2023
 PHONE: 402-471-0062

LB 130

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$68,880		\$45,087	
CASH FUNDS				
FEDERAL FUNDS	\$142,230		\$45,087	
OTHER FUNDS				
TOTAL FUNDS	\$211,110		\$90,174	

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

This bill creates a new distinct budget program within the Department of Health and Human Services (DHHS) for the purpose of separating funds used for Medicaid nursing facility services. Current practice is to earmark funding for nursing facilities and this bill would isolate nursing facility funding into a new budget program.

DHHS indicates the cost to update systems amounts to \$73,350, eligible for 75% Federal Funds and 25% General Fund match rate. DHHS would also need an additional Budget Analyst starting in October 2023, funded at the administrative match rate of 50/50 GF and FF, at a cost of \$64,410 for FY24 and \$90,174 for FY25. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	130	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman	DATE:	3-21-2023	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department.				

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 3-21-2023

Phone: (5) 471-6719

	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$68,880		\$45,087	
CASH FUNDS				
FEDERAL FUNDS	\$142,230		\$45,087	
OTHER FUNDS				
TOTAL FUNDS	\$211,110	\$0	\$90,174	\$0

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

Explanation of Estimate:

LB 130 creates a separate and distinct budget program in the Department of Health and Human Services (DHHS) nursing facility services with the intent to segregate appropriations for nursing facilities from the general Medicaid appropriations budget.

Computing systems, N-FOCUS and MMIS, would need updates, as well as internal and external reporting documents that would need to be updated prior to the programs being separated. The estimated costs for MMIS updates would be \$73,350 in total funds in one-time charges in SFY 2024. Technology updates would qualify for a 75% Federal Funds (FF) and 25% General Funds (GF) match rate.

There would also be a change order cost for the data warehouse to implement this change in the Health Interactive system. This estimated cost is assumed to be commensurate with the MMIS costs of \$73,350 and would be matched at the same 75% federal funds.

DHHS anticipates significant fiscal impacts for changes related to the system, reporting, and business operations to implement this bill. To accommodate the increased requirements, DHHS will need to hire one additional Budget Analyst starting on October 1, 2023 at a cost of \$64,410 for FY24 and \$90,174 for FY25. Administration costs are assumed at 50/50 general funds and federal funds.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2023-2024	2024-2025
		23-24	24-25	EXPENDITURES	EXPENDITURES
Budget Analyst		0.75	1.0	\$39,833	\$55,766
Benefits.....				\$13,942	\$19,518
Operating.....				\$157,335	\$14,890
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$211,110	\$90,174