

PREPARED BY: Mikayla Findlay  
 DATE PREPARED: December 14, 2023  
 PHONE: 402-471-0062

**LB 130**

Revision: 001

Revised for the 2024 Session

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$69,846		\$46,440	
CASH FUNDS				
FEDERAL FUNDS	\$143,196		\$46,440	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$213,042</b>		<b>\$92,880</b>	

**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 \$66,342 for FY25 and \$92,880 for FY26. There is no basis to disagree with this estimate.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB:	130	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services
REVIEWED BY:	Ann Linneman	DATE:	12-13-2023
		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 12-13-23

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$69,846		\$46,440	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$143,196		\$46,440	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$213,042		\$92,880	

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 2025. 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, 2024, at a cost of \$66,342, for FY25 and \$92,880 for FY26. Administration costs are assumed at 50/50 general funds and federal funds.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2024-2025	2025-2026
		24-25	25-26	EXPENDITURES	EXPENDITURES
Budget Analyst		.75	1.0	\$41,028	\$57,440
				\$14,360	\$20,104
				\$157,654	\$15,336
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
<b>TOTAL.....</b>				<b>\$213,042</b>	<b>\$92,880</b>