

Revised to include provisions adopted in AM 899 and AM 3007

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
FEDERAL FUNDS	\$28,000,000		\$28,000,000	
OTHER FUNDS				
TOTAL FUNDS	\$48,000,000	\$20,000,000	\$48,000,000	\$20,000,000

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

AM 899 puts into statute the established practice of recent biennial budget cycles with respect to earmarking funding for Medicaid nursing facilities within the Medicaid budget program.

AM 3007 implements an increase to the quality assurance assessment from \$3.50 for each resident day to \$9.00 for each resident day. The quality assurance assessment is imposed on licensed nursing facilities including skilled nursing facilities based on total resident days, including bed-hold days, less Medicare days. The assessment is administered on a quarterly basis and the payments back to the nursing facilities are issued through enhancements to the daily Medicaid resident rate.

The increase from \$3.50 to \$9.00 is estimated to increase the assessment paid by nursing facilities by \$17,227,261, resulting in additional drawdown of approximately \$23,790,027 in federal dollars which will further enhance the nursing facility Medicaid rates. Because the assessment is calculated based on resident day, the calculation may be more or less than the estimate. The Department of Health and Human Service needs to have sufficient cash fund authority to administer the program therefore the fiscal impact is rounded up to \$20 million.

LB (1) 130 AM899
AM3007

FISCAL NOTE

2024

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 3-15-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
FEDERAL FUNDS	\$28,000,000		\$28,000,000	
OTHER FUNDS				
TOTAL FUNDS	\$48,000,000	\$20,000,000	\$48,000,000	\$20,000,000

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

Explanation of Estimate:

AM899 does not have a fiscal impact to the Department of Health and Human Services.

AM3007 includes a fiscal impact to the department related to an increase in the skilled nursing facility quality assurance assessment. AM3007 will increase the assessment from its current amount of \$3.50 per resident day, to \$9.00 per resident day. This assessment is combined with federal Medicaid funds to support nursing facility service rates. The increase in assessment is estimated to be approximately \$17 million in cash funds with applicable federal funds totaling approximately \$24 million.

The department will list cash fund authority necessary as \$20 million and federal authority needed as \$28 million because the estimates are simply projections. The number of resident days can fluctuate, and the department will need the required authority to pay out the total funds in the nursing facility rates. The cash and federal earmarks are in the Medicaid Aid program 348.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2024-2025	2025-2026
		24-25	25-26	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....				\$48,000,000	\$48,000,000
Capital Improvements.....					
TOTAL.....				\$48,000,000	\$48,000,000