

Revised to include provisions adopted in AM 2766

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			\$305,401	
FEDERAL FUNDS			\$921,746	
OTHER FUNDS				
TOTAL FUNDS			\$1,227,147	

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

This bill would require the Department of Health and Human Services (DHHS) to submit either a waiver or state plan amendment to the Centers for Medicare and Medicaid Services (CMS) no later than October 1, 2025 for the purpose of designating two medical respite facilities to reimburse for services to qualifying individuals. One of the respite facilities is required to be in a city of the metropolitan class and the other in a city of the primary class. Once the submission is approved, DHHS is required to submit a report to the Health and Human Services Committee of the Legislature on or before November 30 of each year detailing the number of people experiencing homelessness served at each facility, the cost of the program, and the amount of reduction in health care costs due to implementation.

Assuming an implementation date of January 1, 2026, utilization by 500 individuals experiencing homelessness per year for a total of 30 days each at a rate of \$200 per day, the total aid cost is estimated to be \$3,000,000 for a full year, and \$1,500,000 for the first 6 months. Applying ER savings proportional to the population assumption, 23.9% of both the population served and ER savings compared to the DHHS estimate, plus the agency’s estimate of administrative expenses of 2 FTE Program Specialists and \$250,000 per year for a contract to monitor the program, the total estimate is \$1,227,147 in FY26 and \$2,026,892 in FY27. Additional information on the assumption used in this calculation can be found in the earlier fiscal note for [LB 905](#). Aid expenses utilize a fund mix of 88.8% Federal Funds and 11.2% State funds in the form of Medicaid Managed Care Excess Profit Cash Funds whereas administrative expenses require 50% Federal Funds and 50% state fund contribution.

This new program depends on the availability of funds in the Medicaid Managed Care Excess Profit Cash Fund. If the cash fund lacks sufficient funding, DHHS may need to submit future deficit requests for General Funds to the legislature or reduce the amount awarded to the two respite facilities to implement required provisions of this bill.