

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 454

Introduced by Quick, 35.

Read first time January 21, 2025

Committee: Health and Human Services

- 1 A BILL FOR AN ACT relating to public health and welfare; to amend section
- 2 71-809, Reissue Revised Statutes of Nebraska, and section 71-812,
- 3 Revised Statutes Cumulative Supplement, 2024; to change powers and
- 4 duties for regional behavioral health authorities; and to repeal the
- 5 original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 71-809, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 71-809 (1) Each regional behavioral health authority shall be
4 responsible for the development and coordination of publicly funded
5 behavioral health services within the behavioral health region pursuant
6 to rules and regulations adopted and promulgated by the department,
7 including, but not limited to, (a) administration and management of the
8 regional behavioral health authority, (b) integration and coordination of
9 the public behavioral health system within the behavioral health region,
10 (c) comprehensive planning for the provision of an appropriate array of
11 community-based behavioral health services and continuum of care for the
12 region, (d) submission for approval by the division of an annual budget
13 and a proposed plan for the funding and administration of publicly funded
14 behavioral health services within the region, (e) submission of annual
15 reports and other reports as required by the division, (f) initiation and
16 oversight of contracts for the provision of publicly funded behavioral
17 health services, and (g) coordination with the division in conducting
18 audits of publicly funded behavioral health programs and services.

19 (2) Each regional behavioral health authority shall adopt a policy
20 for use in determining the financial eligibility of all consumers and
21 shall adopt a uniform schedule of fees and copays, based on the policy
22 and schedule developed by the division, to be assessed against consumers
23 utilizing community-based behavioral health services in the region. The
24 methods used to determine the financial eligibility of all consumers
25 shall take into account taxable income, the number of family members
26 dependent on the consumer's income, liabilities, and other factors as
27 determined by the division. The policy and the schedule of fees and
28 copays shall be approved by the regional governing board and included
29 with the budget plan submitted to the division annually. Providers shall
30 charge fees consistent with the schedule of fees and copays in accordance
31 with the financial eligibility of all consumers but not in excess of the

1 actual cost of the service. Each regional behavioral health authority
2 shall assure that its policy and schedule of fees and copays are applied
3 uniformly by the providers in the region.

4 (3) Except for services being provided by a regional behavioral
5 health authority on July 1, 2004, under applicable state law in effect
6 prior to such date, no regional behavioral health authority shall provide
7 behavioral health services funded in whole or in part with revenue
8 received and administered by the division under the Nebraska Behavioral
9 Health Services Act unless:

10 (a) There has been a public competitive bidding process for such
11 services or the process is authorized pursuant to subsection (5) or (6)
12 of this section;

13 (b) There are no qualified and willing providers to provide such
14 services; and

15 (c) The regional behavioral health authority receives written
16 authorization from the director and enters into a contract with the
17 division to provide such services.

18 (4) Each regional behavioral health authority shall comply with all
19 applicable rules and regulations of the department relating to the
20 provision of behavioral health services by such authority, including, but
21 not limited to, rules and regulations which (a) establish definitions of
22 conflicts of interest for regional behavioral health authorities and
23 procedures in the event such conflicts arise, (b) establish uniform and
24 equitable ~~public bidding~~ procedures for such services, and (c) require
25 each regional behavioral health authority to establish and maintain a
26 separate budget and separately account for all revenue and expenditures
27 for the provision of such services.

28 (5) A provider may provide an existing service approved by the
29 department and may contract with a regional behavioral health authority
30 if the currently enrolled network provider meets the required standards,
31 as such standards existed on January 1, 2025. This consideration shall be

1 made on a per-service basis.

2 (6) A pilot project may be conducted for a period of no more than
3 one year with department approval. A pilot project shall not be used for
4 existing services approved by the department. A pilot project shall have
5 outcomes approved by the regional behavioral health authority. A
6 successful pilot project may become a full service.

7 **Sec. 2.** Section 71-812, Revised Statutes Cumulative Supplement,
8 2024, is amended to read:

9 71-812 (1) The Behavioral Health Services Fund is created. The fund
10 shall be administered by the division and shall contain cash funds
11 appropriated by the Legislature or otherwise received by the department
12 for the provision of behavioral health services from any other public or
13 private source and directed by the Legislature for credit to the fund.
14 Transfers may be made from the fund to the General Fund at the direction
15 of the Legislature.

16 (2) The Behavioral Health Services Fund shall be used to encourage
17 and facilitate the statewide development and provision of community-based
18 behavioral health services, including, but not limited to, (a) the
19 provision of grants, loans, and other assistance for such purpose and (b)
20 reimbursement to providers of such services.

21 (3)(a) Money transferred to the fund under section 76-903 shall be
22 used for housing-related assistance for very low-income adults with
23 serious mental illness or substance abuse disorder, except that if the
24 division determines that all housing-related assistance obligations under
25 this subsection have been fully satisfied, the division may distribute
26 any excess, up to twenty percent of such money, to regional behavioral
27 health authorities for acquisition or rehabilitation of housing to assist
28 such persons. The division shall manage and distribute such funds based
29 upon a formula established by the division, in consultation with regional
30 behavioral health authorities and the department, in a manner consistent
31 with and reasonably calculated to promote the purposes of the public

1 behavioral health system enumerated in section 71-803. The division shall
2 contract with each regional behavioral health authority for the provision
3 of such assistance. Each regional behavioral health authority may
4 contract with qualifying public, private, or nonprofit entities for the
5 provision of such assistance.

6 (b) For purposes of this subsection:

7 (i) Adult with serious mental illness means a person eighteen years
8 of age or older who has, or at any time during the immediately preceding
9 twelve months has had, a diagnosable mental, behavioral, or emotional
10 disorder of sufficient duration to meet diagnostic criteria identified in
11 the most recent edition of the Diagnostic and Statistical Manual of
12 Mental Disorders and which has resulted in functional impairment that
13 substantially interferes with or limits one or more major life functions.
14 Serious mental illness does not include DSM V codes, substance abuse
15 disorders, or developmental disabilities unless such conditions exist
16 concurrently with a diagnosable serious mental illness;

17 (ii) Housing-related assistance includes rental payments, utility
18 payments, security and utility deposits, landlord risk mitigation
19 payments, and other related costs and payments;

20 (iii) Landlord risk mitigation payment means a payment provided to a
21 landlord who leases or rents property to a very low-income adult with
22 serious mental illness which may be used to pay for excessive damage to
23 the rental property, any lost rent, any legal fees incurred by the
24 landlord in excess of the security deposit, or any other expenses
25 incurred by the landlord as a result of leasing or renting the property
26 to such individual; and

27 (iv) Very low-income means a household income of fifty percent or
28 less of the applicable median family income estimate as established by
29 the United States Department of Housing and Urban Development.

30 (4) Any money in the fund available for investment shall be invested
31 by the state investment officer pursuant to the Nebraska Capital

1 Expansion Act and the Nebraska State Funds Investment Act.

2 **Sec. 3.** Original section 71-809, Reissue Revised Statutes of
3 Nebraska, and section 71-812, Revised Statutes Cumulative Supplement,
4 2024, are repealed.