

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

This bill establishes the Department of Health and Human Services Delivery Improvement and Efficiency Act. This bill requires that for public assistance eligibility the following conditions would apply:

- 1) Documentation is simplified
- 2) Least burdensome and least redundant verification procedures
- 3) Attestation for the Supplemental Nutrition Assistance Program (SNAP) to the greatest extent permitted
- 4) Sharing of client information across programs
- 5) Use the longest eligibility time period allowed under federal law
- 6) Simultaneous renewal for all programs to the greatest possible extent
- 7) Use of outside data bases to the greatest extent possible
- 8) Coordination and simplification of benefit renewals
- 9) Prevention of case closure for reasons other than ineligibility
- 10) Require SNAP eligibility to automatically enroll children in Medicaid and the Children’s Health Insurance Program (CHIP)
- 11) Make reasonable efforts, at a minimum, placing reminder calls or sending reminder letters to families that have not submitted information for benefit renewal

The programs to which all or most of the above conditions shall apply are the following: 1) Aid to Dependent Children (ADC), 2) Child Care Subsidy Program, 3) CHIP, 4) Medicaid Program and 5) SNAP.

The department is required to seek any and all Medicaid state plan amendments or waivers necessary to implement the Act. The department is to collect and analyze certain data and report annually to the Legislature.

The easing of the application and renewal process and extending eligibility time periods to the longest periods allowed by federal law would increase aid costs. The extent to which costs will increase cannot be determined. The programs covered by the provision of this bill have different fund sources or fund mixes, so the impacts would vary by how the programs are funded. The Children’s Health Insurance Program and Medicaid are state/federal matching programs. The Supplemental Nutrition Program is federally funded. The Aid to Dependent Children’s Program is funded under the Temporary Assistance for Needy Families Block Grant. Increased costs could be picked up from the carryover balance. The Child Care Subsidy Program is funded by federal block grants and state general funds. All funding from these block grants are being utilized. Any increases for child care would be from the general fund.

Simplification of the application and renewal process may result in saving of staff time and could result in the reduction of FTE. Reminder calls to those who have not submitted information needed for renewal is estimated to cost \$43,873 and reminder letters would be \$5,765. Half the costs would be paid from general funds and half from federal.

The data collection and reporting requirements are estimated to cost \$11,530 split evenly between general and federal funds.

The Department of Health and Human Service has identified potential conflicts with the Affordable Care Act which will be implemented beginning on January 1, 2014.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 309	AM:	AGENCY/POLT. SUB: HHS
REVIEWED BY: Elton Larson	DATE: 3/13/2013	PHONE: 471-4173
COMMENTS: HHS analysis and estimate of fiscal impact to the agency appear reasonable.		

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Willard Bouwens

Date Prepared:(4) 3-11-13

Phone: (5) 471-8072

	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$29,995		\$24,957	
CASH FUNDS				
FEDERAL FUNDS	\$29,996		\$24,957	
OTHER FUNDS				
TOTAL FUNDS	\$59,991*		\$49,914*	

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

Explanation of Estimate:

Many of the provisions in LB 309 reflect current Medicaid policy. Other provisions conflict with provisions in the Affordable Care Act (ACA), which goes into effect on 1-1-14. The ACA specifies income guidelines and utilization of federal income tax data for initial enrollment and administrative reviews for Medicaid and CHIP. The ACA specifically prohibits sharing federal income tax data with other programs. Nebraska Medicaid must be in compliance with the ACA and other federal laws in order to maintain federal funding.

SNAP and Medicaid are administered by different federal agencies, and have different enrollment guidelines. SNAP eligibility does not necessarily mean that an enrollee meets Medicaid eligibility requirements, and vice versa. A Medicaid application would still be required to determine if a SNAP enrollee was eligible for Medicaid and, if so, under which eligibility category. Renewals would be subject to the eligibility requirements of each program.

For the ADC, Child Care, SSAD, SSCF, and SNAP programs, based on current rates of uncompleted case reviews and printing/ mailing costs, Administration Program 033 expenditures for reminder letters are estimated at \$4,588 (\$2,294 GF, \$2,294 FF) for FY14, and \$4,726 (\$2,363 GF, \$2,363 FF) for FY15.

For the Medicaid/CHIP, AABD, ADC, Child Care, SSAD, SSCF, and SNAP programs, Administration Program 033 expenditures for reminder calls are estimated at \$43,873 (\$21,936 GF, \$21,937 FF) for FY14, and \$45,188 (\$22,594 GF, \$22,594 FF) for FY15.

The additional reports required by the bill are not currently available. Administration Program 033 expenditures for creating the additional reports in Sec. 9 are estimated at \$11,530 (\$5,765 GF, \$5,765 FF) for FY14. Data regarding the length of client interviews and question resolution is not available.

*LB 309 requires the department to simplify documentation requirements by utilizing the least burdensome and redundant verification procedures allowed under federal law. At this time, states do not know what the Federal Exchange will use as their verification procedure. The Medicaid agency does not want to be bound by a federal process that is not yet clearly defined. Also, less stringent verification processes may impact program integrity, and the agency wants to ensure that only those eligible are made eligible.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2013-2014	2014-2015
		13-14	14-15	EXPENDITURES	EXPENDITURES

Benefits.....		
Operating.....	\$59,991	\$49,914
Travel.....		
Capital Outlay.....		
Aid.....		
Capital Improvements.....		
TOTAL.....	\$59,991*	\$49,914*