

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

This bill creates the Health Care Homes for Medically Underserved. The bill states 25% of Medicaid fraud settlement funds will be appropriated to the fund each year. The funds shall be distributed proportionately based on the unduplicated number of patients served in the previous fiscal year to the federally qualified health centers (FQHC).

Deposits to the fund are variable. The following chart shows the deposits since 2011 and 25% of the amount:

	Deposits	25%
FY 11	3,189,530	797,383
FY12	4,520,100	1,130,025
FY 13	7,063,208	1,765,802
FY 14	3,655,595	913,899
FY 15 YTD	369,282	92,321

The use of the funds in the Medicaid Fraud Settlement Fund is directed by the Legislature. Examples of past uses of the fund have been to offset General Fund costs of Medicaid and to fund medical student loans and loan repayments in the Rural Health Professional Incentive Fund.

Technical Note: The bill states 25% of the settlement funds accruing to the fund shall be appropriated to the Health Care Homes Underserved Fund. Settlement funds would be transferred into the Health Care Home for the Medically Underserved Fund. The Legislature would appropriate the funds.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 125	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 3/05/2015	PHONE: 471-4173
COMMENTS: The bill does not provide a mechanism for federal Medicaid fraud settlement funds to be transferred or deposited to the newly created Medically Underserved Fund. An appropriation from a fund with no source of funds has no fiscal impact.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) Mike Mason

Date Prepared:(4) 1-12-15

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	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

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

25% of the federal Medicaid fraud settlement funds shall be appropriated to the Medically Underserved Fund for distribution to federally qualified health centers in Nebraska based on an unduplicated number of patients served in the previous year as reported to the uniform data system of the Health Resources Administration (HRSA).

Funds shall be used for: hiring, training, certifying and maintaining staff dedicated to patient-centered chronic disease management; interpretive services; transportation services; social work assistance; capital improvements; medication management; information technology; and, reimbursement to health care providers.

Department Health and Human Services staff would need to determine the amount of funds to be transferred from the Federal Medicaid settlement funds to the Medically Underserved Fund. There is no appropriation to expend the transferred funds from the Medically Underserved Fund. Amounts listed as part of Medicaid fraud settlements are identified by the Medicaid Fraud Control Unit and fall in to several categories:

- Restitution – amounts to reimburse the state and federal loss for the actual claims.
- Penalties – a fine levied that goes to the school fund as legislated
- Additional Damages – double and treble claims payments that goes to Department Health and Human Services. (currently goes to the General Fund)
- Costs – investigation and attorney costs that goes to the Medicaid Fraud Control Unit to support their activities.

There is a possibility that the federal share of those funds may need to be returned to the federal government.

Because LB125 does not address the method for distributing funds to the Medically Underserved Fund, the Fiscal Impact cannot be determined.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2015-2016 EXPENDITURES	2016-2017 EXPENDITURES
	POSITION TITLE	15-16		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0