

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2016-17</b>		<b>FY 2017-18</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

This bill requires the Department of Health and Human Services on or before May 1, 2017, to submit a plan amendment to the Centers for Medicare and Medicaid to allow coverage of functional family therapy (FFT).

The Department is required to apply for a state plan amendment for multi-systemic family therapy. They have included FFT in the application. It is estimated that FFT services will be covered beginning in January 2017. The costs of covering FFT have been calculated into the current budget.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 697	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 2/26/16	PHONE: 471-4173
COMMENTS: HHS indicates that the agency can accommodate within current appropriations the impact of nearly \$500,000 for FY17 and the \$1,500,000 for FY18 associated with the addition of FFT to the behavioral health benefit package. If base appropriations to Medicaid/CHIP are reduced the ability to finance the increase costs associated with adding FFT services will have to be reevaluated.			

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

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

Prepared by: (3) Pat Weber

Date Prepared:(4) 1-7-16

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	<u>FY 2016-2017</u>		<u>FY 2017-2018</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$0	\$0	\$0	\$0

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

**Explanation of Estimate:**

LB 697 requires DHHS to submit a Medicaid State Plan Amendment (SPA) on or before May 1, 2017, to allow Family Functional Therapy (FFT) for Medicaid and CHIP eligible youth.

The addition of FFT to the behavioral health benefit package is currently included in a SPA scheduled for submission to CMS by May 1, 2016. DHHS decided to add FFT to the SPA to add Multi-Systemic Therapy (MST) mandated by LB 500, passed during the 2015 legislative session.

DHHS will absorb the cost of the addition of FFT to the behavioral health benefits package, under the current appropriations for Medicaid and CHIP.

An implementation of July 2016 was assumed, though in order to accommodate the development of provider qualifications and to allow a network of qualified providers to be built, the fiscal estimate does not assume expenditures for FFT until January 2017. Based upon a gradual growth of providers and capacity, the estimated impact for 6 months of SFY 2017 is \$494,208. Of this amount, program 348 is estimated to incur \$393,884 (\$203,559 FF, \$190,325 GF). Program 344 is estimated to incur \$100,324 (\$89,469 FF, \$10,855 GF).

A full year of continued growth of providers and capacity is estimated to have a fiscal impact for SFY 2018 of \$1,523,808. Of this amount, program 348 is estimated to incur \$1,214,475 (\$629,705 FF, \$584,770 GF). Program 344 is estimated to incur \$309,333 (\$276,234 FF, \$33,099 GF).

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2016-2017	2017-2018
		16-17	17-18	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
<b>TOTAL.....</b>				<b>\$0</b>	<b>\$0</b>

