

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	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.

LB 864 provides there is \$5,399,138 of general funds included in the FY2017-18 appropriation to the Department of Health and Human Services (HHS) for Program 424 – Developmental Disability Aid as state aid for services rendered on or after October 1, 2017* for which no federal funds were used in the rates paid to providers.

Background: A discrepancy in definitions and billing rates was found during the process of revising the federal Medicaid waivers. There was duplicated billing for day programming beyond 35 hours per week. After the billing errors were identified, the Centers for Medicare and Medicaid indicated the unallowable payments needed to cease and desist and all previous claims for these services were to be reviewed for overpayments. So, beginning October 1, 2016, the payments to providers of developmental disability services from HHS only included the state share of funding for over 35 hours per week of service.

In response to the federal ruling, the Legislature provided an additional \$4,663,144 of general funds in LB 22 (2017) plus an estimated \$1,636,856 of unobligated reappropriated general funds from FY16 to reimburse providers for federal funds which were lost due to the billing errors. The funds were to cover the federal funds lost for a five month period from October through February. It was assumed the Medicaid waivers would be approved by March 1, 2017 and federal funding would be restored to the providers at that time. However, the approval of the Medicaid waivers did not occur until May 1st, so providers incurred an additional loss of \$5,399,138 of federal funds.

Fiscal Impact: The bill as written provides that \$5,399,138 of funds are included in the FY2017-18 appropriation to HHS to reimburse providers for federal funds that were not received. The department indicates it does not have sufficient general funds in FY2017-18 to provide \$5,399,138 to providers in addition to paying for authorized services for persons with developmental disabilities.

*Technical Note: The reference date should be 2016.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 864	AM:	AGENCY/POLT. SUB: City of Lincoln
REVIEWED BY: Elton Larson	DATE: 1/22/18	PHONE: (402) 471-4173
COMMENTS: City estimate of no fiscal impact to the city appears 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) Mike Michalski

Date Prepared: 2-7-18

Phone: (5) 471-5046

	<u>FY 2018-2019</u>		<u>FY 2019-2020</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

Explanation of Estimate:

LB 864 has a fiscal impact on the Department of Health and Human Services – Division of Developmental Disabilities (DDD). The bill mandates that DDD pay \$5,399,138 to providers for “services rendered on or after October 1, 2017, and for which no federal funds were used in the rates paid to providers”. It is referring to payments made to residential service providers under the NFOCUS billing code 5606 (SUPPLEMENTAL PAYMENT FOR DAY HAB ON WEEKENDS, HOLIDAYS OR SICK DAYS).

DDD stopped authorizing this service on September 30, 2017. Therefore, no such payments were made for this service rendered on or after October 1, 2017. However, because LB 864 earmarks 5,399,138 of current fiscal year (FY 2017-18) appropriation, DDD would require this amount in additional appropriation in Program 424 to meet other obligations.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2018-2019	2019-2020
		18-19	19-20	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....					

Please complete ALL (5) blanks in the first three lines.

2018

LB⁽¹⁾ 864

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Lincoln

Prepared by: ⁽³⁾ James Van Bruggen Date Prepared: ⁽⁴⁾ 1/10/18 Phone: ⁽⁵⁾ 402-4418325

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2018-19 EXPENDITURES	2019-20 EXPENDITURES
	18-19	19-20		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____