

PREPARED BY: Liz Hruska
 DATE PREPARED: February 14, 2018
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LB 1131

Revision: 00

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	(\$36,995)		(\$36,995)	
CASH FUNDS				
FEDERAL FUNDS	(\$41,005)		(\$41,005)	
OTHER FUNDS				
TOTAL FUNDS	(\$78,000)		(\$78,000)	

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

This bill defines a minor child in dissolution of marriage actions as a child who has not reached the age of majority or a child of any age who is dependent on one or more parties because of mental or physical incapacity which began or was diagnosed before the age of majority.

Additional child support collections could be made for individuals with developmental disabilities under the definition provided in this bill. The Department of Health and Human Services estimates this would result in Medicaid savings for an average of 51 dependent adult children. The annual savings would be \$78,000 (\$36,995 GF and \$41,005) FF in FY 2019 and FY 2020.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1131	AM:	AGENCY/POLT. SUB: Department of Health and Human Services (025)	
REVIEWED BY: Joe Wilcox	DATE: 02/13/2018	PHONE: (402) 471-4178	
COMMENTS: No basis to dispute the Nebraska Department of Health and Human Services estimate of potential fiscal impact to the Agency from LB 1131.			

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 1-22-18

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	<u>FY 2018-2019</u>		<u>FY 2019-2020</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(\$36,995)		(\$36,988)	
CASH FUNDS				
FEDERAL FUNDS	(\$41,005)		(\$41,012)	
OTHER FUNDS				
TOTAL FUNDS	(\$78,000)		(\$78,000)	

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

Explanation of Estimate:

LB1131 defines minor child to include dependent children with mental or physical incapacity, regardless of age, for the purposes of child support collection. The Department of Health and Human Services (DHHS) covers the medical expenses of developmentally disabled (DD) individuals who are also eligible for Medicaid. As such, LB1131 would allow DHHS to collect child support in cases where the parents of a Medicaid-eligible dependent adult are divorced.

In January 2018, DHHS served 4,488 Medicaid eligible adults with DD. The US Census shows that between 2001 and 2010 approximately 13% of adults with DD ages 25-44 and 5% of adults with DD ages 45-64 live with their parents. Of the 4,488, 2,941 Medicaid adults with DD are under 45 years old and 1,547 are 45 and over. It is estimated that 460 Medicaid adults with DD live with their parents. As of 2014, the divorce rate in Nebraska is approximately 11%. LB1131 has the potential to impact 51 dependent adult children.

Approximately 50% of divorce cases result in child support collections. The average amount of child support collected totals \$250/month. The state would yield \$78,000 annually in child support from parents of 26 adult DD individuals. Revenue would be attributed to Program 348, Medical Assistance, at the relevant Federal Medical Assistance Percentages (52.57% in FY2019 and 52.58% in FY2020). Child support posts as a reduction in Aid costs.

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.....				(\$78,000)	(\$78,000)
Capital Improvements.....					
TOTAL.....				(\$78,000)	(\$78,000)