

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	3,296,606		7,533,765	
CASH FUNDS				
FEDERAL FUNDS	3,969,934		9,481,119	
OTHER FUNDS				
TOTAL FUNDS	7,266,439		17,014,884	

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

This bill states legislative intent to increase funding by five percent for certain behavioral health rates utilizing data from the multi-year cost model study project conducted by the Division of Behavioral Health.

The five percent cost increases for each year of the biennium for programs under the Supreme Court would be \$661,650 in FY 2019-20 and \$1,356,385 in FY 2020-21. The cost for the five percent increases for the services specified in the Medicaid Program would be \$6,604,789 (\$2,634,855 GF and \$3,969,934 FF) in FY 2019-20 and \$15,658,499 (\$6,177,380 GF and \$9,481,119 FF) in FY 2020-21.

Technical Note: The bill did not show the intent to increase the Children’s Health Insurance Program, however, CHIP and Medicaid cover the same services and pay the same reimbursements to like providers.

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 3-19-19

Phone: (5) 471-6719

	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$2,634,855	\$0	\$6,177,380	\$0
CASH FUNDS				
FEDERAL FUNDS	\$3,969,934		\$9,481,119	
OTHER FUNDS				
TOTAL FUNDS	\$6,604,789	\$0	\$15,658,499	\$0

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

Explanation of Estimate:

LB 327 appropriates funds to Program 348 (Medicaid) to fund a 5 percent increase in rates for a subset of Medicaid behavioral health services. There is no appropriation included in the language of the bill for Program 344 (CHIP) behavioral health services rates. There will be a negligible fiscal impact to the fee for service claims expenditures, since these services are almost entirely delivered under Heritage Health managed care. The fiscal impact would be to the Heritage Health capitation rates. This increase is based upon the PMPM costs (Per member per month) for this group of services capitation rates. The Managed Care Organizations (MCOs) would be informed of the rate increases and the providers would be reimbursed the additional 5 percent PMPM Capitation Rate for services in SFY 2020 and SFY 2021. The Medicaid and Long Term Care (MLTC) actuarial contractor would need to incorporate the 5 percent rate increase for the specified services into the capitation rate development calculations. This could potentially require a separate scope of work under the actuarial services contract if the updates were required outside of the next rate update period (January 2020).

Currently there is no defined appropriation for the 5% increase. Appropriation of funds would be needed to meet the rate increase costs associated for these services. The new appropriation for Program 348 is estimated here to be at approximately \$6.6 million in SFY20 and \$15.7 million in SFY21.

Staff resources from Health Services Policy and MLTC Finance would be needed to work with the actuaries to correctly identify the appropriate subset of behavioral health services. Additional staff resources from MLTC Finance would be required to maintain and update separate fee schedules. The ongoing requirement to submit a detailed report for the Governor and Appropriations Committee annually would be staff resource intensive to develop, and to create.

The proposed changes would have to be absorbed by existing staff, as follows:

	Hourly Wage	Hours	Cost
Administrator I	\$30.821	10	\$308
Reimbursement Analyst	23.744	40	950
Program Specialist RN	25.972	15	390
Budget Analyst	25.015	80	2,001
		Total Raw Labor	\$3,649
		Benefits	\$1,616
		Operations	\$1,825
		Grand Total	\$ 7,090

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2019-2020	2020-2021
	19-20	20-21	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$6,604,789	\$15,658,499
Capital Improvements.....				
TOTAL.....			\$6,604,789	\$15,658,499

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2019

LB⁽¹⁾ 327

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 3/21/19 Phone: ⁽⁵⁾ 1-4138

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

The estimated General Fund fiscal impact of the 5% provider rate increase proposed in LB327 is:

	FY19-20	FY20-21
Adult	292,879	600,402
Juvenile	<u>368,771</u>	<u>755,983</u>
Total	661,650	1,356,385

Note: Adult services are expended from Program 435. Juvenile services are expended from Program 437. LB327 does not refer to Program 437.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2019-20 EXPENDITURES	2020-21 EXPENDITURES
	19-20	20-21		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				