

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				
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 202 provides that the FY2018-19 appropriation to the Department of Health and Human Services for Program 424 – Developmental Disability Aid includes \$2,699,569 General Funds for state aid for services rendered on or after October 1, 2018 for which no federal funds were used in the rates paid to providers.

Background: In the process of revising the federal Medicaid waivers a discrepancy in definitions and billing rates was found. There was duplicated billing for day programming beyond 35 hours per week for residential service providers. The Centers for Medicare and Medicaid Services (CMS) indicated the unallowable payments needed to cease and desist and all previous claims for these services should be reviewed for overpayments. The amount of overbilling had to be paid back to CMS.

Beginning October 1, 2016, in response to the directive by CMS, the payments to developmental disability providers for these services only included the state share of funding for over 35 hours per week of service. The Legislature provided funding in 2017 to replace the federal funds that were not received by providers for a five month period from October 2016 through February 2017. An additional \$4,663,144 plus an unobligated balance of \$1,636,856 was appropriated in LB 22 (2017).

However, a delay in approving the federal Medicaid waiver meant funds were lost through April 2017. The Legislature appropriated \$2.7 million of general funds in FY2017-18 to reimburse providers for about 50% of the \$5,399,138 that was not for received for FY2016-17 services. The remaining \$2,699,569 has not been reimbursed to providers.

Fiscal Impact: The bill does not increase the appropriation to Program 424 for developmental disability aid. It provides for the existing appropriation to be used to reimburse providers for lost federal funds. In order to provide the reimbursement required by the bill, HHS will need a like increase in its general fund appropriation or the program will be in a deficit situation unless some funds remain unobligated in the current fiscal year. So, it is assumed the bill has a fiscal impact of \$2,699,569 in FY2018-19.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 202 AM:	AGENCY/POLT. SUB: Dept. of Health and Human Services (DHHS)	
REVIEWED BY: Elton Larson	DATE: 1 /18/2019	PHONE: (402) 471-4173
COMMENTS: No basis to disagree with DHHS analysis and estimate of 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 Michalski

Date Prepared 1-16-19

Phone: (5) 471-6719

	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
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 202 identifies in the current FY2018-19 appropriation to the Department of Health and Human Services, Program 424, \$2,699,569 in general funds for state aid for services rendered on or after October 1, 2018, and for which no federal funds were used in the rates paid to providers. This refers to payments made to residential services providers under the NFOCUS billing code 5608 (SUPPLEMENTAL PAYMENTS FOR DAY HAB ON WEEKENDS, HOLIDAYS OR SICK DAYS)

The Division of Developmental Disabilities stopped authorizing this service on September 30, 2017. Therefore, this bill would set aside \$2,699,569 from the current appropriation that could not be spent. As a result, Program 424 would need an additional appropriation of \$2,699,569 in the fiscal year beginning July 1, 2018 to maintain its current level of obligations.

There is no fiscal impact to the Department of Health and Human Services for the Biennium beginning July 1, 2019.

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.....					
Capital Improvements.....					
TOTAL.....					