

PREPARED BY: Liz Hruska  
 DATE PREPARED: January 18, 2020  
 PHONE: 402-471-0053

**LB 836**

Revision: 00

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
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.**

Under this bill, contracts for Medicaid at-risk managed care would require that contractors that fail to meet the minimum medical loss ratio return the excess funds to the State. The same applies to unearned incentive funds. The funds would be deposited into the Nebraska Health Care Cash Fund.

Existing law requires the reinvestment of funds not meeting the medical loss ratio as well as unearned incentive funds. The original Medicaid managed care contracts, allowed the managed care organizations which did not meet the minimum medical loss ratio to retain the General fund amount and use them on reinvestments approved by the Department of Health and Human Services. Federal funds are required to be returned to the State. One contractor retained \$20 million in General Funds. The contracts have been since been amended, so future General Funds would be returned to the State to use for additional health care services. Under this bill the funds would be deposited into the Health Care Cash Fund. The amount of any additional revenue to the Health Care Cash Fund is unknown, but is likely to be far less than the \$20 million the contractor was allowed to retain.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 836	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 1-16-20	PHONE: (402) 471-4180	
COMMENTS: Concur with the Nebraska Department of Health and Human Services' estimate of no 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 1-10-2020

Phone: (5) 471-6719

	<u>FY 2020-2021</u>		<u>FY 2021-2022</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:**

There is no fiscal impact to the Department of Health and Human Services.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2020-2021 EXPENDITURES	2021-2022 EXPENDITURES
		20-21	21-22		
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
<b>TOTAL.....</b>				\$0	\$0