

PREPARED BY: Liz Hruska  
 DATE PREPARED: January 25, 2020  
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**LB 851**

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	See below		See below	
CASH FUNDS				
FEDERAL FUNDS	See below		See below	
OTHER FUNDS				
TOTAL FUNDS				

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

This bill requires Medicaid benefits to be provided on a continuous basis without review for children under the age of nineteen regardless of changes to resources or income until the earlier of: 1) the anniversary date of the child’s eligibility or the child’s nineteenth birthday. The bill also requires the Department of Health and Human Services to apply for waiver to provide twelve-month eligibility to the persons qualifying under the following programs: Subsidized Adoption, Guardianship Assistance, Parent-Caretaker Relatives, Heritage Health Adult and those residing in an Institution for Mental Diseases.

Based on individuals who received services for less than 12 months in FY 2019, the department estimates the cost would be \$221,074,112 (\$82,874,576 GF and \$138,088,536 FF) in FY2021 and \$231,884,845 (\$ 85,127,406 GF and \$146,757,439 FF) in FY 2022. Federal law allows for continuous coverage for children. For the adult populations, if the waiver is not approved the costs would be substantially less.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 851	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 1-27-20	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Health and Human Services’ 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 1-10-2020

Phone: (5) 471-6719

	<u>FY 2020-2021</u>		<u>FY 2021-2022</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$82,985,576		\$85,127,406	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$138,088,536		\$146,757,439	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$221,074,112		\$231,884,845	

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

LB 851 mandates the agency to implement continuous eligibility for certain Medicaid beneficiaries through two different authorities; State Plan and waiver (1115).

For adults it is unclear, as written, if this period would be provided without additional review by the department and regardless of changes in income or resources and whether or not the period is only from the date of initial eligibility. If the expectation for adults is the same as children and eligibility must be provided without additional review by the department and regardless of changes in income, many adults could remain eligible for Medicaid or eligible in one of the identified Medicaid categories incorrectly until the 12-month period ends.

The estimated impact is based on the Medicaid eligible population who received services during State Fiscal Year 2019 and whose eligibility was for less than 12 months. The average cost per member per month was then extended to 12 periods or the number of months remaining in the fiscal year. The corresponding federal matching percentage was applied to the various eligibility groups.

The allocation of expenditures in the upper section assumes the extended period of coverage for adults would qualify for Federal funding. If the extended period does not qualify for federal funding the entire estimated expenditure of \$221.1 million would be paid with General Funds.

There may be an eligibility system impact for the adult population because functionality does not currently exist to allow for continuous eligibility for any adult, including adults in the identified eligibility groups. The estimated cost to make these information system changes for determining eligibility is unknown.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2020-2021	2021-2022
	POSITION TITLE	20-21	21-22	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$221,074,112	\$231,884,845
Capital Improvements.....				
<b>TOTAL.....</b>			\$221,074,112	\$221,074,112