

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB493 appropriates \$17,000,000 in both FY22 and FY23 to the Department of Health and Human Services to provide funding to serve persons on the waiting list for the developmental disability services waiver (program 424). The general fund appropriation would generate an additional \$22,775,386 in federal funds for Medical Assistance (program 348). These funds would be restricted to such use and cannot be utilized for payment of salaries and per diems for permanent or temporary state employees.

The language in the bill states that the appropriation would fund all persons on the wait list for the developmental disability services waiver; however, it should be noted that DHHS estimates that \$17,000,000 would only be able to serve approximately 31% of all individuals currently on the waiting list in FY22 and FY23

DHHS further estimates that 29.25 additional FTE would be needed for FY 22 and 39 additional FTE would be needed in FY 23 for case coordination to those that would be provided waivers in addition to the \$17,000,000 in aid to program 424. The staff positions included are:

- 23.25 service coordinators in FY22 and 31 Service Coordinators for FY 23
- 3 Service Coordinator Supervisors in FY 22 and 4 Service Coordinator Supervisors in FY 23
- 3 Community Coordinator Coordinators in FY22 and 4 Community Coordinator Coordinators in FY23.

The total cost for the additional staff with benefits and operating costs would be \$2,082,979. Of which, \$890,265 would be General Funds and \$1,192,714 would be Federal Funds in program 033.

There is no basis to disagree with the estimates. Per analysis by the Fiscal Office, the FTE and personal costs align with the current DHHS caseloads for providing Developmental Disability services.

NOTE: As of 11/1/20, there was a total of 2,964 individuals on the waiting list. The total cost would be approximately \$124,890,033, of which \$54,364,631 in General Funds and \$70,525,402 in Federal Funds to provide waivers to all persons on the waiting list. This total does not include additional staffing for case coordination.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	493	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services
REVIEWED BY:	Ann Linneman	DATE:	2-17-2021
		PHONE:	(402) 471-4180
COMMENTS: The Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department appears reasonable.			

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 2-17-2021

Phone: (5) 471-6719

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$17,890,265		\$18,187,020	
CASH FUNDS				
FEDERAL FUNDS	\$23,968,100		\$24,365,672	
OTHER FUNDS				
TOTAL FUNDS	\$41,858,365		\$42,552,692	

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

LB 493 appropriates funds to the Department of Health and Human Services to fund all persons on the wait list for the developmental disabilities services waiver. This bill is seeking two appropriations from the General Fund in the amounts of \$17,000,000 in FY2021-22 and \$17,000,000 in FY2022-23. The additional General Funds would generate an additional \$22,775,386 in Federal Funds for Program 348. Additional federal Medicaid funding would be earned at the FMAP rate. The estimated FMAP rate for Federal Fiscal Year 2022 is 57.26%.

The Department estimates it would only be able to serve approximately 31% of the clients on the waiting list with \$17,000,000 in general fund. In addition, 39 FTE would also be required for case coordination in order to maintain target caseload levels. This fiscal note assumes an effective date of October 1, 2021.

The Department notes that, as of 11/1/2020, there was a total of 2,964 individuals on the waiting list. The total cost to provide service to all persons on the waiting list would be approximately \$124,890,033 (\$54,364,631 state funds, \$70,525,402 federal funds).

The Department also notes that this estimate differs significantly from the fiscal note written for similar legislation in 2020. LB 1215 (2020) also appropriated \$17,000,000 from the General Fund to serve individuals on the waiting list for developmental disabilities comprehensive waiver. The Department produced a different estimate in 2020 due to a difference in how the estimated cost of services for each individual on the waiting list was calculated. For LB 1215 (2020), the cost was estimated based on the average annual cost of service for an individual on the comprehensive waiver in state fiscal year 2018-19. This method was revised for this fiscal note to estimate based off the actual cost of waiting list offers that were made in FY2017-18 and FY2018-19. The Department believes that this change in method will give a more accurate reflection of the number that can be served from the waiting list with this appropriation.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2021-2022	2022-2023
	21-22	22-23	EXPENDITURES	EXPENDITURES
C72831 DD Service Coordinator	23.25	31	\$865,789	\$1,154,385
V72832 DD Service Coordination Supervisor	3	4	\$140,843	\$187,791
C72841 DD Community Coord Specialist	3	4	\$120,089	\$160,118
Benefits.....			\$444,153	\$592,205
Operating.....			\$512,105	\$682,807
Travel.....				
Capital Outlay.....				
Aid.....			39,775,386	\$39,775,386
Capital Improvements.....				
TOTAL.....			\$41,858,365	\$42,552,692