

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	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.

This bill states legislative intent to appropriate an undetermined amount funding for rebasing rates using the most recent audited Medicare cost report for Medicaid inpatient per diem rates for psychiatric residential facilities as well as for rehabilitative facilities and hospital-based rehabilitative units. The Department of Health and Human Services (DHHS) indicates the bill will have an impact on expenditures in Program 33 in Medicaid Division operations as well as Programs 348 Medical Assistance aid and Program 349 Medicaid Expansion aid. There would be an additional, less substantial, increase in expenditures in Program 354 Child Welfare within the Division of Children and Family Services.

DHHS indicates annual rebasing would add a significant amount of work which would necessitate contracting with a consultant at a cost of approximately \$400,000 annually and hiring an additional Reimbursement Analyst at a cost of \$86,812 in FY24 and \$91,152 in FY25. The total estimated administrative cost is \$486,812 in FY24 and \$491,152 in FY25.

The impact on aid expenditures depends on the results of the rebasing findings which is unknown at this time.

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

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Date Prepared 3-21-2023

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	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	\$0	See Below	\$0

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

Explanation of Estimate:

LB 149 seeks to appropriate funds for annual rebasing of Medicaid rates for inpatient psychiatric facility rates, hospital-based psychiatric unit rates, psychiatric residential treatment facility rates (PRTF), rehab facility rates, and hospital-based rehabilitative unit rates. LB 149 will have an impact on the Medicaid division operations, as well as an unknown aid fiscal impact for program 348 and 349. The fiscal impact is indeterminable at this time and would not be known until after the rebasing activities are completed. There would also be a smaller fiscal impact to Child and Family Services (CFS), which is also indeterminable at this time.

Annual rebasing will add a significant amount of work for the Department of Health and Human Services (DHHS). DHHS will likely need to procure a contractor/consultant to perform the work. An estimated \$400,000 per year will be needed for this consultant work.

To accommodate the increased reporting and other requirements, DHHS will need to hire one additional Reimbursement Analyst starting on July 1, 2023 at a cost of \$86,812 in SFY 2024 and \$91,152 in SFY 2025. Administration costs are assumed at 50% Federal Fund and 50% General Fund.

In addition to the new position, there will be absorbed costs and time associated with this bill in the form of procuring a consultant and performing oversight of the consultant. The estimated absorbed cost for the time listed below is \$5,788 in year one and \$3,812 in year two and beyond.

Procure and contract with a consultant (one-time):

- 20 hours for Rates and Reimbursement Administrator and 15 hours for DHHS Procurement Buyer

Annual Rebasing Coordination and Management (annually):

- Stakeholder Engagement: 5 hours each for Finance Deputy and Rates and Reimbursement Administrator
- Consultant Management/Meetings: 40 hours for Rates and Reimbursement Administrator and 10 hours for Finance Deputy

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2023-2024	2024-2025
		23-24	24-25	EXPENDITURES	EXPENDITURES
	Reimbursement Analyst	1.0	1.0	\$53,687	\$56,371
	Benefits.....			\$18,790	\$19,730

Operating.....	\$414,334	\$415,051
Travel.....		
Capital Outlay.....		
Aid.....	Unknown	Unknown
Capital Improvements.....		
TOTAL.....	See Above	See Above