

PREPARED BY: Mikayla Findlay
 DATE PREPARED: January 04, 2024
 PHONE: 402-471-0062

LB 935

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	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 appropriates \$6,000,000 in General Funds to Program 348 Medical Assistance Program within the Department of Health and Human Services in FY25 for the purpose of increasing provider rates for dental services with the specification that the funding may only be used for aid.

Based on the fiscal note for LB358 introduced in 2023 and updated for the 2024 Legislative Session, \$6,000,000 in General Funds would fund an increase in provider rates for Medicaid dental services of approximately 20%.

The corresponding increase in Federal Funding is estimated to be \$11,063,384 making the total increased funding \$17,063,384 as General Funds are matched by the Federal Medical Assistance Percentage, effectively 35% General Funds and 65% Federal Funds.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	935	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman	DATE:	2-9-2024	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Department of Health & Human Services' assessment 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) John Meals

Date Prepared 2-9-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$6,000,000		\$6,000,000	
CASH FUNDS				
FEDERAL FUNDS	\$10,774,771		\$10,774,771	
OTHER FUNDS				
TOTAL FUNDS	\$16,774,771	\$0	\$16,774,771	\$0

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

Explanation of Estimate:

LB935 appropriates \$6,000,000 in general funds (GF) to program 348 (Medicaid) to increase provider reimbursement rates for dental services under the Medical Assistance Act. This would include program 349, Medicaid expansion, which is a subprogram within the umbrella program of 348. If the intent of LB935 is to only increase rates for program 348, using a blended federal match rate of 64.23% for FY24-25, the total increase in expenditures would be \$16,774,771 (\$10,774,771 Federal Funds and \$6,000,000 General Funds).

However, Medicaid cannot increase provider reimbursement rates for dental services in program 348 without also increasing rates in programs 344 (CHIP). If the intent of LB935 was to only account for program 348, a separate appropriation needs to be made for program 344. Program 344 is not part of the 348 umbrella and would need a separate appropriation.

Program	% of Total Member Counts	Fed Rate	State Rate	Weighted State Rate	Total Funds	Federal Funds	General Funds
348	80%	57.79%	42.21%	33.77%	13,419,817	7,755,312	5,664,505
349	20%	90.00%	10.00%	2.00%	3,354,954	3,019,459	335,495
Total				35.77%	16,774,771	10,774,771	6,000,000
% of Total						64.23%	35.77%

If the intent of LB935 is to increase rates for all dental services in programs 344, 348, and 349, then the total expenditures for FY24-25 would be \$17,390,296 (\$11,390,296 Federal Funds and \$6,000,000 General Funds).

This is calculated using a weighted federal match rate of 65.50% based on the proportion of member counts in each program. No additional appropriation would be needed in this scenario.

Program	% of Total Member Counts	Fed Rate	State Rate	Weighted State Rate	Total Funds	Federal Funds	General Funds
344	10%	70.45%	29.55%	2.96%	1,739,030	1,225,146	513,883
348	70%	57.79%	42.21%	29.55%	12,173,207	7,034,897	5,138,311
349	20%	90.00%	10.00%	2.00%	3,478,059	3,130,253	347,806
Total				34.50%	17,390,296	11,390,296	6,000,000
% of Total						65.50%	34.50%

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES: POSITION TITLE	NUMBER OF POSITIONS		2024-2025 EXPENDITURES	2025-2026 EXPENDITURES
	24-25	25-26		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$16,774,771	\$16,774,771
Capital Improvements.....				
TOTAL.....			\$16,774,771	\$16,774,771