

Revised based on amendments adopted through May 19, 2009.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(274,943)		(539,188)	
CASH FUNDS	215,000		215,000	
FEDERAL FUNDS	(241,421)		(465,939)	
OTHER FUNDS				
TOTAL FUNDS	(301,364)		(790,127)	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill as amended makes several technical changes and incorporates LB371, LB 599, LB 462, LB 390 and LB 173. None of these bills have a fiscal impact.

The bill also incorporates LB 172. These provisions create the State Medicaid Fraud Control Unit Cash Fund in the Attorney General's Office and transfers funding from Health and Human Services into the fund. Future revenue to the fund will be from recoveries received under the False Medicaid Claim Act. The fund would be used for the salaries and related expenses of the Department of Justice for the state's Medicaid Fraud Unit. On July 9, 2009, \$215,000 will be transferred from the Health and Human Services Cash Fund to the State Medicaid Fraud Control Unit Cash Fund.

When the bill creating the Medicaid Fraud Control Unit was passed in the 2004 session, it was the intent that recovery of attorney fees and costs relating to recovery of Medicaid fraud would be used for the state match for the Medicaid Fraud Control Unit. However, there was no mechanism for the Attorney General's Office to obtain the funding. The Attorney General did not receive any additional appropriations for the unit. This bill makes the technical changes needed for the Attorney General to use the recovered funds to pay for the costs of the Medicaid Fraud Control Unit. The one-time transfer of \$215,000 will be from a settlement expected to be received in June 2009.

LB 199, with the committee amendment, was also amended into this bill. As amended the bill makes several changes to child and medical support requirements. This bill also expands the definition of employer for purposes of the New Hire Reporting Act to include independent contractors.

The medical support changes would likely result in more children covered by private insurance and not receiving Medicaid assistance. It is anticipated that approximately 25 children with modified medical support would not need Medicaid assistance due to the provisions in the bill. The estimated costs savings would be \$55,200 (\$21,909 GF and \$33,291 FF) in FY 10 and \$82,800 (\$33,120 GF and \$49,680 FF) in FY 11.

The requirement that independent contractors must report employment to the New Hire Registry is anticipated to increase collections by over \$6 million annually for families. The savings to state public assistance programs would be \$116,064 in FY 10 and \$232,128 in FY 11. Savings to the Medicaid Program would be \$345,100 (\$136,970 GF and \$208,130 FF) in FY 10 and \$690,199 (\$273,940 GF and \$416,259 FF) in FY 11.

The changes in Section 43-512.07, regarding assignment of support, would put the state in compliance with the federal Deficit Reduction Act of 2005. States must be in compliance by October 1, 2009, or be subjected to penalties.