

Revised based on new information

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(777,925)		(1,503,681)	
CASH FUNDS				
FEDERAL FUNDS	1,295,961		2,452,577	
OTHER FUNDS				
TOTAL FUNDS	518,036		948,896	

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

This bill as amended requires the Department of Health and Human Services to submit a state plan amendment or waiver no later than July 1, 2009, to provide coverage under the Medicaid Program for community-based secure residential and subacute behavioral health services regardless of whether the recipient has been ordered to receive such services by a mental health board under the Nebraska Mental Health Commitment Act.

The state currently has a Medicaid Rehabilitation Option, so a state plan amendment would be the likely approach. A program specialist would be needed. The costs will be \$66,376 (\$33,188 GF and FF) in FY 10 and \$61,532 (\$30,766 GF and FF) in FY 11.

Secure residential services are provided through the Behavioral Health Regions with approximately \$4.2 million of state general funds. It has been estimated that 70% of current clients are Medicaid eligible. Once the state plan amendment is approved for secure residential as a Medicaid service by the Centers for Medicare and Medicaid, a portion of the current general funds will be used to generate additional federal funds, resulting in general fund savings. In FY 10, assuming a half year of implementation, the general fund savings will be \$977,697 in FY 10. Full year savings in FY 11 will be \$1,871,604. Federal funds will increase by the amount general funds are decreasing.

The Medicaid-eligible clients in secure residential would be entitled to a personal needs allowance of \$60 a month. The cost would be \$23,040 GF in FY 10 and FY 11.

Currently Medicaid pays for subacute services in a hospital setting for voluntary and involuntary patients. The agency sent a notice to the legislature in December stating that only involuntary patients will be covered under Medicaid beginning July 1, 2009. No funding adjustment has been made to the department's budget due to this proposed policy change. By maintaining subacute services for all Medicaid eligible clients; this allows the Medicaid Program to continue to pay for services for Medicaid-eligible individuals without going through the commitment process. The amendment would also cover subacute in non-hospital settings, currently not paid for by Medicaid. The estimated cost is \$428,620 (\$143,544 GF and \$285,076 FF) in FY 10 and \$864,324 (\$314,117 GF and \$550,207 FF) in FY 11.