

LEGISLATIVE BILL 904

Approved by the Governor April 15, 2024

Introduced by DeBoer, 10.

A BILL FOR AN ACT relating to public health and welfare; to amend sections 43-536 and 68-996, Revised Statutes Cumulative Supplement, 2022; to change child care reimbursement rates; to create the Intergenerational Care Facility Incentive Grant Program; to provide for grants; to provide powers and duties; to provide an additional use for the Medicaid Managed Care Excess Profit Fund; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 43-536, Revised Statutes Cumulative Supplement, 2022, is amended to read:

43-536 In determining the rate of reimbursement for child care, the Department of Health and Human Services shall assess the conduct a market rates and costs for provision of services rate survey of the child care providers in the state, utilizing an approved methodology in accordance with 45 C.F.R. 98.45, as such section existed on January 1, 2024. The department shall adjust the reimbursement rate for child care every odd-numbered year at a rate not less than the ~~sixtieth percentile and not to exceed the seventy-fifth percentile~~ of the current market rate survey, except that (1) nationally accredited child care providers may be reimbursed at higher rates and, (2) an applicable child care or early childhood education program, as defined in section 71-1954, that is participating in the quality rating and improvement system and has received a rating of step three or higher under the Step Up to Quality Child Care Act may be reimbursed at higher rates based upon the program's quality scale rating under the quality rating and improvement system, and (3) for the fiscal year beginning on July 1, 2017, such rate may not be less than the fiftieth percentile or the rate for the immediately preceding fiscal year and for the fiscal year beginning on July 1, 2018, such rate may not be less than the sixtieth percentile for the last three quarters of the fiscal year or the rate for the fiscal year beginning on July 1, 2016.

Sec. 2. (1) The Intergenerational Care Facility Incentive Grant Program is created. It is the intent of the Legislature to appropriate three hundred thousand dollars from the Medicaid Managed Care Excess Profit Fund for fiscal year 2024-25 to the Department of Health and Human Services to provide grants pursuant to this section.

(2) The Department of Health and Human Services shall develop requirements for eligibility, application, and audits for grants in collaboration with statewide associations representing nursing homes as defined in section 38-2414 and other stakeholders. The department shall meet with such associations prior to October 1, 2024, to identify any statutes, rules, regulations, or other regulatory barriers that impede the development of an intergenerational care facility in which nursing services and child care are provided and develop recommendations to remediate such barriers that do not impact the safety of the staff or recipients of the nursing services and child care or the quality of nursing services and child care.

(3) The grants shall be awarded to facilities that are nursing homes as defined in section 38-2414 or assisted-living facilities as defined in section 71-5903 and that have been certified for participation in medicare or medicaid. The grants shall be used for one-time startup costs to provide for child care in such facilities. A facility may be awarded one grant under this section of up to one hundred thousand dollars. The grants shall be awarded for modification of structures, modification of outside campus space of the nursing facilities, purchase of child care equipment and supplies, or any combination of such purposes. A facility that is applying for or awarded a grant is not required to own or operate the child care services for which the grant is awarded.

(4) The department shall award the grants on the basis of date of application with priority given to rural communities, as defined in section 81-1228, for applications filed on the same date. A facility that was cited for substandard quality of care during its most recent survey is not eligible for a grant under this section. Each grant recipient shall establish a plan to participate in the quality rating and improvement system described in section 71-1956 within three years after the date the grant is awarded.

Sec. 3. Section 68-996, Revised Statutes Cumulative Supplement, 2022, is amended to read:

68-996 The Medicaid Managed Care Excess Profit Fund is created. The fund shall contain money returned to the State Treasurer pursuant to subdivision (3) of section 68-995. The fund shall first be used to offset any losses under subdivision (2) of section 68-995 and then to provide for services addressing the health needs of adults and children under the Medical Assistance Act, including filling service gaps, providing system improvements, ~~and~~ sustaining access to care, and providing grants pursuant to the Intergenerational Care Facility Incentive Grant Program as determined by the Legislature. The fund shall only be used for the purposes described in this section. Any money in the

fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 4. Original sections 43-536 and 68-996, Revised Statutes Cumulative Supplement, 2022, are repealed.