

PREPARED BY: Keisha Patent
 DATE PREPARED: February 22, 2024
 PHONE: 402-471-0059

LB 1194

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				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 1194 requires Legislative approval of the Medicaid state plan and any state plan amendment or waiver prior to implementation. The bill also requires Legislative approval of any state plan amendments for the Temporary Assistance to Needy Families program.

Both programs are administered by Department of Health and Human Services (DHHS). DHHS indicates no specific fiscal impact, but does indicate requiring Legislative approval could cause significant delays, which could lead to individuals waiting for services and a loss of federal funds in some instances.

The Legislative Council indicates no fiscal impact.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	1194	AM:	AGENCY/POLT. SUB: Nebraska Legislature	
REVIEWED BY:	Ann Linneman	DATE:	1-17-2023	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Legislature's assessment of no fiscal impact.				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	1194	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman	DATE:	2-20-2024	PHONE: (402) 471-4180
COMMENTS: Concur with the Nebraska Department of Health & Human Services' assessment of fiscal impact.				

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2024

LB⁽¹⁾ 1194

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Legislature – Agency 03

Prepared by: ⁽³⁾ Shelley Reed Date Prepared: ⁽⁴⁾ 01/17/2024 Phone: ⁽⁵⁾ 402-471-2226

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB 1194 implements Legislative approval. At this time there would be no fiscal impact directly on the Legislature.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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 2-20-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

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

Explanation of Estimate:

LB 1194 mandates the Legislature to approve Nebraska’s State Plan Amendments (SPA) relating to Medicaid and the Temporary Assistance for Needy Families (TANF) prior to implementation. It limits the Department of Health of Human Services (DHHS)’ ability to implement programs or services that would be federally allowable if the Legislature did not approve of the program or service.

Impact on Medicaid & Long-Term Care (MLTC)

State Plan Amendments:

Federal law requires that SPAs are effective no earlier than the first day of the quarter it was submitted. Requiring the Legislature to approve SPAs could cause significant delays and impact the effective date of the SPA, and the state’s ability to draw down federal funds.

Additionally, tribal notice, and in some cases public notice, must occur before an SPA can be submitted to the Centers for Medicaid & Medicaid Services (CMS). In Nebraska, the tribal notice period is 30 days, and federal regulations for public notice timeframes are dependent on the type of SPA submitted.

Waivers:

Federal law requires that 1915 (b and c) waivers (initial and renewals) are submitted to CMS at least 90 calendar days prior to the proposed waiver effective date. Requiring the Legislature to approve waivers could cause significant delays in submitting these waivers to CMS, which risks putting Nebraska out of compliance federal law therefore causing potential loss of federal funds.

In addition, only 1115 demonstration waivers are only approved prospectively by CMS. The concerns expressed above about 1915 (b and c) waivers also apply to these 1115 waivers. Moreover, the lack of retroactivity could jeopardize federal funding in the event of legislative delays.

Impact on Economic Assistance (OEA)

The Workforce Innovation and Opportunity Act (WIOA) Combined State Plan is a federally required plan that aligns the state’s most extensive workforce programs by connecting businesses with more qualified workers. The TANF State Plan is part of the WIOA Combined State Plan.

LB1194 would require Legislative approval for state plan amendments to the WIOA plan as well as each individual TANF State Plan Amendment. This could duplicate the approval process for the amendments, as they would be submitted for the initial change and then again after they are added to the WIOA plan.

Due to the Legislative approval requirement, DHHS would be at risk of not being able to amend the plan on time when a WIOA Combined State Plan renewal is due. The TANF State Plan is also required to be posted

for public comment for a 45-day period prior to submission which allows for constituents to provide feedback on the State Plan prior to submission.

DHHS would be required to take all potential services that could benefit low-income families to the Legislature before any services could start. As a result, critical services that families need would be at stake. In addition, this bill may also cause the TANF carry-over balance to increase due to the length of time it may take for the Legislature to approve the plan and DHHS to expend the funds on needed services for families.

Impact on Developmental Disabilities (DD)

Under this bill, DD may see delays in submitting the waivers to CMS which could result in the loss of federal funding that ensures the necessary services are provided to vulnerable populations served by each of the waivers.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2024-2025	2025-2026
	24-25	25-26	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0