

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	\$1,760,048		\$1,795,249	
CASH FUNDS				
FEDERAL FUNDS	\$3,131,692		\$3,194,326	
OTHER FUNDS				
TOTAL FUNDS	\$4,891,740		\$4,989,575	

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

This bill expands Medicaid coverage for continuous glucose monitors (CGMs) to individuals with gestational diabetes and those who meet local coverage determinations under section 1869(F)(2)(B) of the Social Security Act as it existed on January 1, 2024.

The Department of Health and Human Services (DHHS) estimates the total number of Medicaid recipients that would newly qualify for CGMs is 4,086. DHHS assumes 75%, 3,065, will utilize CGMs. The total cost of the first fiscal year is \$9,193,500 assuming 12 months of use at a cost of \$250 per month. DHHS utilizes October 1, 2024 as the implementation date however the bill modifies existing provisions for CGMs therefore it is more appropriate to assume an implementation date of July 1, 2024.

LB 698 that passed in the 2022 session established Medicaid coverage for continuous individuals with a prescription for those with a prescription and who meet medical necessity criteria. The number of recipients estimated that those provisions would apply to was 977 which corresponds to the number of Type 1 diabetics on Nebraska Medicaid. The [fiscal note](#) for LB 698 notes that Medicaid is allowed to put controls and limits on covered services and supplies. Medicaid is generally one of the lowest payors therefore it is inconsistent to utilize retail prices to estimate the fiscal impact. The estimate for LB 698 also recognized cost savings in utilizing CGMs, particularly supplies for finger stick monitoring.

Using the DHHS estimate of 75% utilization of the 4,086 newly eligible or 3,065, applying the monthly cost of \$158 and corresponding monthly savings of \$25, plus a 2% increase in FY26, the total estimated fiscal impact is \$4,891,740 in FY25 and \$4,989,575 in FY26. The fund mix is 64.02% Federal Funds which represents a blend of regular Federal Medical Assistance Percentage (FMAP), 57.52% Federal Funds, and the Medicaid expansion match percentage, 90% Federal Funds.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	933	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman	DATE:	2-6-2024	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 2-5-2024

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	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$2,481,142		\$3,374,353	
CASH FUNDS				
FEDERAL FUNDS	\$4,413,983		\$6,003,017	
OTHER FUNDS				
TOTAL FUNDS	\$6,895,125	\$0	\$9,377,370	\$0

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

Explanation of Estimate:

LB933 requires coverage of continuous glucose monitors (CGMs) for gestational diabetes and requires the Medicare local coverage determinations (LCDs) define the clinical criteria for all CGM eligibility. Medicaid currently covers CGMs for those with gestational diabetes. However, the LCD requirement broadens the Medicaid patients eligible for CGMs.

With LB933, the number of additional patients to be covered for CGMs is 4,086 based on FY23 counts. This fiscal note assumes 75% utilization of covered individuals and an average cost of \$250/month. With an effective date of October 1, 2024, the total expenses for SFY25 would be \$6,895,125 (\$2,481,142 General Funds and \$4,413,983 Federal Funds). Assuming 2% growth for SFY26, the total expenditures would be \$9,377,370 (\$3,374,353 General Funds and \$6,003,017 Federal Funds).

A blended rate of 64.02% was used for both SFY25 and SFY26 based on the recent trending of enrolled Medicaid counts: 80% at "regular" FMAP of 57.52% and 20% at expansion newly rate of 90.00%.

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.....			\$6,895,125	\$9,377,370
Capital Improvements.....				
TOTAL.....			\$6,895,125	\$9,377,370