

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	930,384		(3,523,972)	
CASH FUNDS				
FEDERAL FUNDS	1,789,376		(2,303,188)	
OTHER FUNDS				
TOTAL FUNDS	2,719,759		(5,827,161)	

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

This bill requires the Department of Health and Human Services by September 1, 2016 to submit a plan amendment for the purpose of providing medical assistance for family planning services for persons whose family earned income is at or below 185% of the federal poverty level. The bill also states intent to appropriate \$500,000 annually for the Every Woman Matters Program.

The department estimates are based on the U. S. Census statistics that approximately 17,984 men and women who currently do not qualify would become eligible for family planning services at 185% of the federal poverty level. The approximate cost per recipient is \$143. The state match for family planning services is 10% with 90% paid by the federal government. Annually the cost would be \$1,607,320 (\$160,732 GF and \$1,446,588 FF) in FY 17 and \$2,623,146 (\$262,315 GF and \$2,360,831 FF).

The bill has the emergency clause. The state plan amendment is a check off form. The amendment could be submitted and approved for implementation on July 1, 2017.

Eligibility would be based on income only. One eligibility worker is needed per 2,000 applicants. Additionally, the Department would need a Program Specialist. The cost for eight social service workers and a program specialist would be \$521,019 (\$260,510 GF and FF) and \$493,019 (\$246,510 GF and FF) in FY 18. One-time changes to MMIS are estimated to be \$91,420 (\$9,142 GF and \$82,278 FF) in FY 17. The managed care capitation rates would need to be adjusted to integrate the new coverage. The cost is \$10,000 (\$5,000 GF and FF) in FY 17

Two studies on the impact of family planning coverage showed \$4.00 in savings for every \$1 spent. One study was an evaluation of other states' optional family planning coverage conducted by the CNA Corporation under contract with the federal Centers for Medicare and Medicaid (CMS). The report published in 2003 showed family planning waivers saved millions of dollars in all six state programs that were evaluated. The other was a study in 2004 of the impact of publicly funded family planning clinics on unintended pregnancies by the Guttmacher Institute. Estimated savings in FY 18 would be \$9,443,326 (\$4,532,796 GF and \$4,910,529 FF).

The bill states the intent to appropriate \$500,000 General Funds each year for Every Woman Matters (EWM). EWM provides breast examinations, pap smears, mammograms and colposcopy for women ages 40 through 74.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 782	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 2/17/16	PHONE: 471-4173
COMMENTS: Agency analysis and estimate of fiscal impact appear reasonable.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Pat Weber

Date Prepared:(4) 1-14-16

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	FY 2016-2017		FY 2017-2018	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,002,375		\$1,089,816	
CASH FUNDS				
FEDERAL FUNDS	\$1,861,368		\$2,688,333	
OTHER FUNDS				
TOTAL FUNDS	\$2,863,743		\$3,778,149	

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

Explanation of Estimate:

LB 782 would require the Division of Medicaid and Long-Term Care (MLTC) to expand family planning coverage for individuals with a family earned income at or below 185% of the federal poverty level. This bill would require a new category of eligibility. The administration and funding of this program would be the responsibility of MLTC. Adding the family planning eligibility category would cause an increase in aid expenditures, additional staffing needs, and one-time systems changes to implement.

Family planning services apply to both males and females regardless of age as long as they are not pregnant, have income that does not exceed the income standard established by the state, and are not Medicaid eligible under another Medicaid category. Based on United States Census figures, if one in three uninsured Nebraska women and men under 185% of the federal poverty level who qualify choose to utilize the new family planning program, there would be an estimated population of 17,984 new family planning enrollees. The federal funds match rate for family planning is 90% federal funds (FF) and 10% general funds (GF). At an estimated annual average cost for the more limited family planning benefit of \$143 per recipient with a gradual increase of new enrollment within the first year and a 2% annual price increase, Medicaid expenditures would increase for Program 348 by \$1,607,320 total funds (\$160,732 GF, \$1,446,588 FF) in SFY17 and \$2,623,146 total funds (\$262,315 GF, \$2,360,831 FF) in SFY18.

A 2008 study published in the *Journal of Health Care for the Poor and Underserved* of family planning demonstration waivers indicated that for every \$1 spent on family planning, there is an estimated \$4 in Medicaid savings. Nebraska Medicaid spends approximately \$12.6 million in general funds annually on the pregnant women eligibility category and would realize a savings in the second year of family planning implementation. Specific savings for pregnancy-related eligibility claims for Nebraska Medicaid is anticipated but cannot be determined.

Additional staffing would require one (1) Program Specialist and eight (8) Social Services Workers (roughly one social services/eligibility worker per 2,000 clients). Staffing increases would cost Program 263 approximately \$655,003 total funds (\$327,501 GF, \$327,502 FF) annually. One-time systems changes required to implement the new family planning category are estimated at \$91,420 total funds (\$9,142 GF, \$82,278 FF) in SFY17 for Program 263. Updating the managed care capitation rates to add a new category for physical health and the new integrated structure would cost Program 263 approximately \$10,000 total funds (\$5,000 GF, \$5,000 FF) in SFY17.

LB 782 appropriates health aid to Public Health for the reimbursement of a range of services through the EWM program. Under LB 782, Program 514 is appropriated \$500,000 GF in SFY17 and \$500,000 GF in SFY18.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2016-2017	2017-2018
	16-17	17-18	EXPENDITURES	EXPENDITURES
Social Services Worker	8	8	\$283,779	\$283,779
DHHS Program Specialist	1	1	\$45,288	\$45,288

Benefits.....			\$118,952	\$118,952
Operating.....			\$308,405	\$206,985
Travel.....				
Capital Outlay.....				
Aid.....			\$2,107,320	\$3,123,146
Capital Improvements.....				
TOTAL.....			\$2,863,743	\$3,778,149