

financed mostly by transfers from the Cash Reserve Fund to the Nebraska Capital Construction Fund (NCCF) over the next five years.

The Appropriations Committee proposed budget transfers the first two year amounts, \$115 million, from the General Fund to the NCCF but does not include an accompanying appropriation from the NCCF. In other words, \$115 million is set aside in the NCCF for the purpose of addressing prison overcrowding but at this time **does not** include an accompanying NCCF appropriation until such time as the specific facilities and/or projects are approved by the Legislature.

Health Care Cash Fund

A problem virtually from the time the Health Care Cash Fund was created, is that the use of the fund exceeds the combined contributions and earning on the fund. Currently the amount of spending out of the Health Care Cash Fund (HCCF) exceeds the amount of funds generated by \$11.4 million. The gap is projected to grow to \$15 million by FY2035. To alleviate this drawdown of the fund requires a reduction in the usage of the HCCF. When the HCCF was established in 2001, \$10.1 million was provided for behavioral rate increases. As the HCCF amount remained static the General Fund has been picking up the inflationary costs on this \$10.1 million since that time. The committee proposes shifting funding of this \$10.1 million to General Funds to help keep the fund sustainable. At the same time the committee proposes to reduce the transfer to the HCCF by the same amount so this remains a shift of funding NOT freeing up HCCF funds for use for other things.

Program 38 Behavioral Health	\$2,599,660
Program 348 Medicaid	4,765,896
Program 354 Child Welfare	2,734,444
Total shift to Gen Funds	<u>10,100,000</u>

TEEOSA School Aid

The Committee budget includes funding for state aid to schools at the amount calculated under the current law. The FY2021-22 is based on the calculation prepared by the Dept of Education in January 21 and reflects the certification amount. The FY22-23 estimate is based on Fiscal Office calculations. Overall change in total TEEOSA aid is a \$5.8 million (-0.6%) reduction in FY21-22 in FY2021-22 and a \$24.2 million (3.2%) increase in FY2022-23. The decline in TEEOSA state aid in FY2021-22 can be attributed to the growth in valuation being higher than the growth in school disbursements. In this case growth in valuation means not the overall growth in assessed valuation which only averaged 2.2% but the growth in valuation used in the formula i.e., equalized districts which averaged 4%. This difference can be seen in the two year average growth in residential property (6.5%) versus agricultural land (-3.9%) and growth in disbursements averaging 2.3% over the two years.

Service Provider Rates

A significant issue every biennial budget is the level of rate increases provided for the various providers in the Dept. of Health and Human Services (DHHS) programs and extended to providers for community corrections and juvenile services. The Appropriations Committee included funding equal to a 2% per increase.

<u>Program</u>	<u>FY2021-22</u>	<u>FY2022-23</u>	<u>Two Yr total</u>
38 - Behavioral Health aid	1,707,915	3,449,990	5,157,905
344 - SCHIP	742,840	1,474,202	2,217,042
347 - Public Assistance	1,193,905	2,399,748	3,593,653
348 - Medicaid	18,320,068	37,449,260	55,769,328
354 - Child Welfare	2,255,992	4,994,524	7,250,516
424 - Develop Disabilities	3,174,621	6,362,975	9,537,596
DHHS Provider Rates - aid	27,395,341	56,130,699	83,526,040
435 - Community Corrections	470,000	949,400	1,419,400
437 - Juvenile Services	1,440,000	2,908,800	4,348,800
All Provider Rates	<u>29,305,341</u>	<u>59,988,899</u>	<u>89,294,240</u>

Aid to Individuals/Other

Behavioral Health Aid

This area includes substance abuse and mental health aid. Similar to Public Assistance and Child Welfare, the agency request includes no increase for eligibility or utilization.

Table 19 Behavioral Health Aid

Behavioral Health (General Funds)	Current Biennium		Committee Proposed	
	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Base Year appropriation	71,872,571	71,872,571	72,206,614	72,206,614
Mental Health provider rates	2,893,301	2,893,301	1,707,915	3,449,990
Behaviorial Health Service Gaps	658,835	1,615,706	0	0
Training Contract Reductions	(36,037)	(36,037)	0	0
Medicaid expansion - savings, behavioral health	0	(4,350,000)	0	0
Increased behavioral health housing aid	0	0	1,000,000	1,000,000
Outpatient competency program	0	0	442,527	1,248,947
2020 - LB 1161 Appropriate funds, competency restoration treatment	0	211,073	0	0
Total - New Appropriation	75,388,670	72,206,614	75,357,056	77,905,551
Annual \$ Change	3,516,099	(3,182,056)	3,150,442	2,548,495
Annual % Change	4.9%	-4.2%	4.4%	3.4%

Provider Rates The proposed budget includes an allocation for a 2% increase in rates.

Behavioral Health Housing Aid The Department requested \$1,000,000 per year to be used to leverage additional private or public funds to rehabilitate or acquire additional housing units across the state for low income individuals. Additionally, this request would meet an objective of the state's Olmstead Plan. The Department coordinates with the Nebraska Investment Finance Authority (NIFA), the Nebraska Department of Economic Development (DED) and private investors to construct and/or rehabilitate housing for low income individuals. In FY20, these partnerships were able to provide housing assistance to 1,100 consumers and leveraged 45 housing units onto the market. The additional funding allows NIFA/DED to provide stable housing individuals/families across the state and assist the Division of Behavioral Health to serve clients on the waiting list for housing.

Shift Health Care Cash Fund Items to General Fund Currently the amount of spending out of the Health Care Cash Fund (HCCF) exceeds the amount of funds generated by \$11.4 million. The gap is projected to grow to \$15 million by FY2035. To alleviate this drawdown of the fund requires a reduction in the usage of the HCCF. When the HCCF was established in 2001, \$10.1 million was provided for behavioral rate increases. As the HCCF amount remained static the General Fund has been picking up the inflationary costs on this \$10.1 million since that time. The committee proposes shifting funding of this \$10.1 million to General Funds to help keep the fund sustainable. At the same time the committee proposes to reduce the transfer to the HCCF by the same amount so this remains a shift of funding NOT freeing up HCCF funds for use for other things.

Program 38 Behavioral Health	\$2,599,660
Program 348 Medicaid	\$4,765,896
Program 354 Child Welfare	\$2,734,444

Developmental Disability Aid

The agency request includes several items for additional funding including funding for new graduates transitioning (\$1.2 million FY22, \$2.5 million FY23), reduce the waiting list (\$1.6 million FY22, \$3.3 million FY23) and court ordered custody cases (\$2.5 million each year). These items are all included in the Committee

Preliminary Budget although the committee (and Governor) fund the first year amount by reappropriating unexpended funds from FY21. New appropriations are provided to cover FY23 costs.

The request and projected budget also includes a reduction in General Funds due to the higher FMAP amounting to \$4.9 million in FY22 and \$6.0 million in FY23.

Table 20 Developmental Disability Aid

(General Funds only)	Current Biennium		Committee Proposal	
	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Base Year Appropriation	150,279,443	150,279,443	157,255,751	157,255,751
Provider Rates / Rate Equity & Methodology	5,805,863	5,738,691	3,174,621	6,362,975
Transition	0	0	reapprop	2,432,507
Waiting List	0	0	1,000,000	4,155,366
Federal match rate, Medicaid	(5,005,683)	(10,926,010)	(4,879,000)	(6,009,500)
DD Court ordered custody cases	0	0	reapprop	2,454,755
Financial Case Management System	(198,720)	(198,720)	0	0
Transition to DD HCBS Waiver	0	0	1,083,156	1,083,156
2020 - ICAP assessments, DD waiver services	0	4,943,181	0	0
2020 - Higher DD waiver Sec 83-1216 priority 1 individuals	0	3,689,017	0	0
2020 - LB 827 increase developmental disability provider rate	0	3,730,149	0	0
Total - New Appropriation	150,880,903	157,255,751	157,634,528	167,735,010
Annual \$ Change (exclude deficits)	601,460	6,374,848	378,777	10,100,482
Annual % Change (exclude deficits)	0.4%	4.2%	0.2%	6.4%

Provider Rates The proposed budget includes an allocation for a 2% increase in rates at a cost of \$3,174,621 FY21-22 and \$6,362,975 FY22-23..

Federal Medicaid Match Rate (FMAP) Starting October 1, 2021 (FFY2022) the Federal Medical Assistance Program (FMAP) is increasing from 56.038% to 57.47% and to 57.80% on October 1, 2022. The higher FMAP allows for a reduction in General Fund appropriations of \$4,879,000 in FY21-22 with a fully annualized savings of \$ 6,009,500 in FY22-23.

Court Ordered Custody Cases The developmental disabilities court-ordered custody act (DDCOCA) was passed in 2005 (LB 206) and amended in 2013 (LB293). The Division provides services to entrants to the Medicaid Home and Community-Based Services (HCBS) and state-only, non-Medicaid HCBS services via DDCOCA and is currently providing services to 31 individuals under the act. The Division requested additional funds to serve an additional 135 DDCOCA entrants to Medicaid HCBS and state-only, non-Medicaid HCBS services. The Division is requesting these funds as the cost to serve individuals on DDCOCA as services exceeds funding that has been appropriated since the passage of DDCOCA. This hasn't created a budget deficit for the program in the past; however, serving those individuals who were on the waiting list but have been court ordered to the program is a contributing factor to the growth in the waiting list for Medicaid HCBS services. General Fund costs are \$2,463,087 in FY21-22 and \$2,454,755 in FY22-23. The FY21-22 amount is funded through a reappropriation of unused FY21 funds.

New Graduates The Division of Developmental Disabilities administers the Medicaid Home and Community-Based Services (HCBS) Waivers. State statute 83-1216 specifies funding priorities for these services. The fourth funding priority is designated for serving persons transitioning from the education system upon attaining twenty-one years of age to maintain skills and receive the day services necessary to pursue economic self-sufficiency. The Division anticipates around 130 entrants to HCBS waiver services each year of the FY2021-FY2023 biennium. The estimates regarding the number of entrants and the corresponding cost is based on historical averages of participants that have transitioned to the waiver and the actual service expenditures. General Fund costs are \$1,225,836 in FY21-22 and \$2,432,507 in FY22-23. The FY21-22 amount is funded through a reappropriation of unused FY21 funds.

Waiting List Funding Nebraska DHHS published A Vision for Community Integration Plan in December of 2019. A portion of the Plan describes measurable outcome 1A to "Increase the percentage of state appropriations each fiscal year to fund Medicaid HCBS DD waivers and reduce the waitlist". This amount increases the baseline funding for program 424 by 1% each year to allow Nebraska DHHS to make funding offers to individuals on the waiting list. General Fund costs are \$\$1,582,203 in FY21-22 and \$3,155,366 in FY22-23. The FY21-22 amount is funded through a reappropriation of unused FY21 funds. In addition to this amount which was in the Governors recommendation, the committee proposal adds another \$1 million for each year to extend the number of individuals on the waiting list.

As of November 1, 2020, the waiting list for the comprehensive waiver has 2,964 individuals for the Comprehensive waiver, including those individuals who are already served on a day waiver and on the wait list for a comprehensive waiver. The total cost to provide the waivers and the corresponding service coordination costs to all persons on the waiting list would be \$124,890,033, of which the state cost would be \$54,354,631. The average cost was estimated at \$38,500 per person.

Transition to Developmental Disability HCBS Waiver The Division of Developmental Disabilities administers the Medicaid Home and Community-Based Services Waivers. The Comprehensive (4154) waiver for the developmentally disabled reserves capacity on the waiver to accommodate the transition of participants from other Medicaid 1915 (c) waivers. In SFY2020, approximately 102 individuals served on the 1915 (c) waiver for the Aged and Disabled were assessed and determined to meet Nebraska's ICF/DD level of care criteria and are transitioning to the Comprehensive waiver. The provisions in the 4154 waiver allow for transitions for continuity of care, supporting eligible participant's health and safety needs, choice in waiver, and services that support their residential needs, employment, and community integration under the most appropriate HCBS waiver.

General fund Appropriations for the Aged and Disabled waivers are in Program 348 - Medical Assistance. This request adjusts \$1,083,156 of appropriations to move from Program 348 to Program 424. This request would adjust the base appropriation in the program to reflect the number of transitions from other 1915 (c) waivers to the comprehensive waiver.

Children's Health Insurance (SCHIP)

For the upcoming biennium, the projected budget includes no increase in eligibility and utilization (based on the agency request) and a reduction due to an increase in the basic federal match rate (FMAP). This proposed budget includes a 2.0% per year increase in provider rates.

Table 21 Children's Health Insurance (SCHIP)

SCHIP (General Funds)	Current Biennium		Committee Proposed	
	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Base Year appropriation	6,178,073	6,178,073	23,778,754	23,778,754
Eligibility/utilization/cost increases	0	0	0	0
Fed Medicaid match rate	(1,051,695)	(2,309,631)	(1,245,658)	(1,533,833)
Utilization	0	0	0	0
Cost Increases / Provider Rates	1,087,033	2,477,687	742,840	1,474,202
2013 ACA Implementation (enhanced match)	8,103,686	19,181,115	reapprop	2,714,139
2020 - SCHIP, realign the appropriation level with current spe	0	(2,000,000)	0	0
2020 - LB 1100 Increase certain behavioral health provider r	0	251,510	0	0
Total - New Appropriation	14,317,097	23,778,754	23,275,936	26,433,262
Annual \$ Change (excluding deficits)	8,139,024	9,461,657	(502,818)	3,157,326
Annual % Change (excluding deficits)	131.7%	66.1%	-2.1%	13.6%

Agency 25 Dept of Health & Human Services

	Current Year FY2020-21	Governor FY2021-22	Governor FY2022-23	Committee Proposed FY2021-22	Committee Proposed FY2022-23
<u>Operations</u>					
General	251,533,219	253,501,271	257,141,458	252,535,412	255,563,079
Cash	50,283,823	50,223,982	50,390,863	49,021,844	49,188,823
Federal	344,889,883	350,450,978	352,774,229	347,614,020	350,014,358
Revolving	0	0	0	0	0
Subtotal-Oper	646,706,925	654,176,231	660,306,550	649,171,276	654,766,260
<u>State Aid</u>					
General	1,459,973,197	1,413,780,762	1,456,541,910	1,455,326,392	1,528,322,898
Cash	125,285,828	125,309,497	125,317,387	113,845,299	113,853,189
Federal	2,023,561,111	2,070,147,954	2,108,635,014	2,108,249,835	2,185,159,279
Revolving	0	0	0	0	0
Subtotal-Aid	3,608,820,136	3,609,238,213	3,690,494,311	3,677,421,526	3,827,335,366
<u>Agency Total</u>					
General	1,711,506,416	1,667,282,033	1,713,683,368	1,707,861,804	1,783,885,977
Cash	175,569,651	175,533,479	175,708,250	162,867,143	163,042,012
Federal	2,368,450,994	2,420,598,932	2,461,409,243	2,455,863,855	2,535,173,637
Revolving	0	0	0	0	0
Agency Total	4,255,527,061	4,263,414,444	4,350,800,861	4,326,592,802	4,482,101,626

Operations	FY2021-22	FY2022-23
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* FY22 / FY23 Salary Increases (Prog 0 Agency-wide)	Gen	3,505,617	5,533,576
	Cash	253,579	390,731
	Fed	2,514,967	3,884,166
	Rev	0	0
* FY22 / FY23 Health Insurance Increases (Prog 0 Agency-wide)	Gen	869,232	1,773,234
	Cash	63,924	130,282
	Fed	632,196	1,289,681
	Rev	0	0
* 24-Hour Facilities Inflation (Prog. 250, 365, 870) (Prog 0 Agency-wide) Inflationary increases for food, drugs, medical and clinical services and medical supplies for the institutional facilities.	Gen	638,175	1,305,662
	Cash	0	0
	Fed	27,943	56,209
	Rev	0	0

Operations

FY2021-22 FY2022-23

		FY2021-22	FY2022-23
* Increase in regular federal Medicaid match rate (FMAP) (Prog. 33) (Prog 0 Agency-wide) The FMAP is increasing by 1.33% from 56.47% in FY19 to 57.80 % in FFY 22.	Gen	-680,190	-837,795
	Cash	0	0
	Fed	680,190	837,795
	Rev	0	0
* Annualize LB 570A (Prog. 033) (Prog 33 Administration)	Gen	0	0
	Cash	-7,111	-43,570
	Fed	-42,570	-43,570
	Rev	0	0
* Annualized LB 323A (Prog. 033) (Prog 33 Administration)	Gen	14,873	14,873
	Cash	0	0
	Fed	14,873	14,873
	Rev	0	0
* Eliminate two drinking water specialist (Prog. 033) (Prog 33 Administration) The regulation of drinking water was moved to the Department of Environmental Control. The two agencies have been able to make programmatic changes resulting in two drinking water specialist positions not being needed. The positions are vacant.	Gen	-86,000	-86,000
	Cash	0	0
	Fed	0	0
	Rev	0	0
* Medicaid Expansion Savings (Prog. 033) (Prog 33 Administration)	Gen	-1,073,813	-1,073,813
	Cash	0	0
	Fed	-1,073,813	-1,073,813
	Rev	0	0
* LB148 Transfer environmental safety program from DHHS to DEE. (Prog 33 Administration)	Gen	-1,059,744	-1,059,744
	Cash	-1,206,991	-1,206,991
	Fed	-2,111,271	-2,111,271
	Rev	0	0
* Increase Behavioral Health provider rates by 2% (Prog 38 Behavioral Health)	Gen	1,707,915	3,449,990
	Cash	0	0
	Fed	0	0
	Rev	0	0
* LB 426 Cost analysis, improvement and structural changes, YRTC-Kearney (Health & Human Services) (Prog 250 Juvenile Services) The bill requires the department to contract for the completion of a cost analysis for necessary capital improvements and structural changes to the facilities at the Youth Rehabilitation and Treatment Center - Kearney and report the cost to the Legislature.	Gen	125,000	0
	Cash	0	0
	Fed	0	0
	Rev	0	0
* Intent language for Medicaid nursing facility rate calculation (Prog 348 Medicaid)	Gen	0	0
	Cash	0	0
	Fed	0	0
	Rev	0	0

Operations

FY2021-22 FY2022-23

<p>* Ligature Mitigation Risk Base Adjustment for Lincoln Regional Center (Prog 365 Regional Centers) LB1008 appropriated \$1,600,000 for one-time ligature risk mitigation. This issue removes the funding from the base appropriation.</p>	<p>Gen -1,600,000 -1,600,000 Cash 0 0 Fed 0 0 Rev 0 0</p>
<p>* Additional Cameras at the Regional Centers (Priority 9 of 10, Prog. 365) (Prog 365 Regional Centers) The Department requested to add 44 additional cameras across all the regional center facilities to increase surveillance capabilities in areas that are not currently surveilled. The facilities rely on video surveillance including patient and staff abuse/neglect, addressing grievances and reviewing programmatic operational activities. During the COVID pandemic, the video surveillance was invaluable for contact tracing. Failure to have adequate monitoring and surveillance systems in place poses a risk to patients, staff and the State. Estimates range from \$2,300 to \$5,000 per camera for installation, depending on the model. The Department used an estimate of \$4000 per camera for this request. This is a one-time expense.</p>	<p>Gen 176,000 0 Cash 0 0 Fed 0 0 Rev 0 0</p>
<p>* Upgrade the Radio Systems at the Regional Centers (Priority 8 of 10, Prog. 365) (Prog 365 Regional Centers) The Department requested to upgrade the radio systems at the three regional centers from analog to digital radio systems to improve quality and reliability of communications between staff. The analog radios have limited signal strength and staff currently carry phones as a backup to reach assistance if needed. Repairs on the analog radios have become more frequently needed and the radios are becoming more difficult to replace as newer technology is making these systems obsolete. The system requires base stations which range from \$58,000 to \$66,000, depending on the system. The digital radios are approximately what the analog radios cost at \$350 each. Each of the regional centers would need a base system and a total of 290 replacement radios. This is a one-time expense.</p>	<p>Gen 291,500 0 Cash 0 0 Fed 0 0 Rev 0 0</p>
<p>* BSDC Contract Changes (Prog. 421) (Prog 421 Beatrice Develop Cntr (BSDC)) The Department is requesting a decrease in operations as two contracts ending June 30, 2021 are no longer needed at the Beatrice State Developmental Center.</p>	<p>Gen -74,347 -73,766 Cash 0 0 Fed -100,453 -101,034 Rev 0 0</p>

The resident census has been declining at BSDC and the facility is not admitting new long-term residents.

State Aid

FY2021-22 FY2022-23

* Increase in the regular federal Medicaid match rate (FMAP) (Prog. 38, 344, 347, 348, 354, 421, 424) (Prog 0 Agency-wide) The FMAP is increasing by 1.44% from 56.03% to 57.47% in FY22 and to 57.80 % in FY 23. The Children's Health Insurance match rate in FY 22 is 70.23% and 70.46% in FY 23.

Gen	-33,803,767	-41,696,492
Cash	0	0
Fed	33,803,767	41,696,492
Rev	0	0

* Shift Health Care Cash Fund to Gen Fund, rate increase items (Prog 38 Behavioral Health) Currently the amount of spending out of the Health Care Cash Fund exceeds the amount of funds generated by \$11.4 million. The gap is projected to grow to \$15 million by FY2035. The committee transfers \$10.1 million across three budget programs to the General Fund to keep the fund sustainable. The \$10.1 million was originally provided for behavioral rate increases in 2001 but has been static since. The General Fund has covered the inflationary cost on this part of the base for the past 20 years.

Gen	2,599,660	2,599,660
Cash	-2,599,660	-2,599,660
Fed	0	0
Rev	0	0

* LB 465 Change provisions, Behavioral Health Services Housing Assistance Fund set aside for Housing Assistance, landlord risk mitigation (Bostar) (Prog 38 Behavioral Health)

Gen	0	0
Cash	0	0
Fed	0	0
Rev	0	0

LB 465 authorizes payment from the Behavioral Health Services Housing Assistance Fund for landlord risk mitigation payments. The payments would be utilized to pay for damages, lost rent, legal fees or any other expenses incurred by a landlord, in excess of the security deposit, that result from damage to a property unit by an eligible participant.

* Outpatient Competency Program (Prog. 38) (Prog 38 Behavioral Health)

Gen	442,527	1,248,947
Cash	0	0
Fed	0	0
Rev	0	0

The Department requested additional appropriations to allow for competency restoration in a community based setting rather than placement at a state facility as was enacted in 2019 as part of Neb. Rev. Stat 29-1823. The community program is to be ready to provide outpatient competency treatment by July 1, 2021. LB 1161 provided initial funding for the program services in addition to administration; however, the current appropriation would be insufficient for providing ongoing and increasing services to eligible populations. It is estimated that the cost of community based program would be \$47,491 vs. the inpatient cost of \$82,530 per case. The cost do not account for the amount that jails incur while waiting for admission. With the additional funding request, the Department has estimated that between 30-40 individuals could be served in the next biennium.

State Aid

FY2021-22 FY2022-23

<p>* Increased Behavioral Health Housing Aid (Prog. 38) (Prog 38 Behavioral Health)</p> <p>The Department requested \$1,000,000 per year to be used to leverage additional private or public funds to rehabilitate or acquire additional housing units across the state for low income individuals. Additionally, this request would meet an objective of the state’s Olmstead Plan. The Department coordinates with the Nebraska Investment Finance Authority (NIFA), the Nebraska Department of Economic Development (DED) and private investors to construct and/or rehabilitate housing for low income individuals. In FY20, these partnerships were able to provide housing assistance to 1,100 consumers and leveraged 45 housing units onto the market. The additional funding allows NIFA/DED to provide stable housing individuals/families across the state and assist the Division of Behavioral Health to serve clients on the waiting list for housing.</p> <p>Currently, there is a waiting list for affordable housing of approximately 391 consumers; however, there is a significant lack of affordable housing and other supports for the eligible households. The requested funding is projected to support 60-80 new affordable market rate units.</p>	<table border="0"> <tr> <td>Gen</td> <td style="text-align: right;">1,000,000</td> <td style="text-align: right;">1,000,000</td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Fed</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Rev</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> </table>	Gen	1,000,000	1,000,000	Cash	0	0	Fed	0	0	Rev	0	0
Gen	1,000,000	1,000,000											
Cash	0	0											
Fed	0	0											
Rev	0	0											
<p>* LB 421 Appropriations, repay qualified educational debt, certain health professionals (Stinner) (Prog 175 Med student assist) Committee voted to remove earmark of \$750,000 for providers employed by community health centers.</p>	<table border="0"> <tr> <td>Gen</td> <td style="text-align: right;">1,500,000</td> <td style="text-align: right;">1,500,000</td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Fed</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Rev</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> </table>	Gen	1,500,000	1,500,000	Cash	0	0	Fed	0	0	Rev	0	0
Gen	1,500,000	1,500,000											
Cash	0	0											
Fed	0	0											
Rev	0	0											
<p>* Loss of Enhanced Match (Prog. 344) (Prog 344 Children's Health Insurance) This is a base adjustment due to the expiration of a temporary enhanced federal match rate. The Affordable Care Act included an additional 23%enhanced match rate which was added to the basic match rate through the end of FFY2019. A phased-down extension was passed with an 11.5% enhanced match rate through FFY2020. This issue adjusts the base to remove the one-quarter of the 11.5% enhanced match is in the base for State Fiscal Year 2021.</p>	<table border="0"> <tr> <td>Gen</td> <td style="text-align: right;">0</td> <td style="text-align: right;">2,714,139</td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Fed</td> <td style="text-align: right;">-2,714,139</td> <td style="text-align: right;">-2,714,139</td> </tr> <tr> <td>Rev</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> </table>	Gen	0	2,714,139	Cash	0	0	Fed	-2,714,139	-2,714,139	Rev	0	0
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Fed	-2,714,139	-2,714,139											
Rev	0	0											
<p>* Reappropriate unexpended General Fund balance (\$2,714,139) (Prog 344 Children's Health Insurance)</p>	<table border="0"> <tr> <td>Gen</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Fed</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Rev</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> </table>	Gen	0	0	Cash	0	0	Fed	0	0	Rev	0	0
Gen	0	0											
Cash	0	0											
Fed	0	0											
Rev	0	0											

State Aid

FY2021-22 FY2022-23

* Provider rate increase (2% per yr) - Children's Health Insurance (Prog 344 Children's Health Insurance)	Gen	742,840	1,474,202
	Cash	0	0
	Fed	1,752,424	3,516,327
	Rev	0	0
* Homeless Shelter Assistance cash fund level (Prog 347) (Prog 347 Public assistance) The base for the Homeless Shelter Assistance Program is \$2.8 million. In FY 2021, the Legislature added a one-time cash appropriation of \$1,964,198. This removes the one-time funding, except for \$600,000; establishing a new base of \$3.4 million which is sustainable based on projected revenue.	Gen	0	0
	Cash	-1,364,198	-1,364,198
	Fed	0	0
	Rev	0	0
* Provider rate increase (2% per yr) - Child Care (Prog 347 Public assistance)	Gen	1,193,905	2,399,748
	Cash	0	0
	Fed	850,008	1,708,516
	Rev	0	0
* Shift Health Care Cash Fund to Gen Fund, rate increase items (Prog 348 Medicaid) Currently the amount of spending out of the Health Care Cash Fund exceeds the amount of funds generated by \$11.4 million. The gap is projected to grow to \$15 million by FY2035. The committee transfers \$10.1 million across three budget programs to the General Fund to keep the fund sustainable. The \$10.1 million was originally provided for behavioral rate increases in 2001 but has been static since. The General Fund has covered the inflationary cost on this part of the base for the past 20 years.	Gen	4,765,896	4,765,896
	Cash	-4,765,896	-4,765,896
	Fed	0	0
	Rev	0	0
* Annualization of LB 323A (Prog. 348) (Prog 348 Medicaid)	Gen	116,710	180,948
	Cash	23,669	31,559
	Fed	151,404	275,678
	Rev	0	0
* New Developmental Disabilities Graduates (Prog. 348) (Prog 348 Medicaid) See Program 424	Gen	0	0
	Cash	0	0
	Fed	1,656,281	3,331,727
	Rev	0	0
* Utilization Increases (Prog. 348) (Prog 348 Medicaid) The utilization projection for services covered by managed care is 2.3% and for long-term care services is 1.5%. Projected utilization by eligibility category for each year is: Aged 2.25%; Blind/Disabled .75%; Children 2.3%; and Other Adults 4.45%	Gen	0	38,909,737
	Cash	0	0
	Fed	25,817,443	52,419,705
	Rev	0	0
* Developmental Disabilities Waiting List Funding (Prog. 348) (Prog 348 Medicaid) See Program 424	Gen	0	0
	Cash	0	0
	Fed	2,137,783	4,321,805
	Rev	0	0

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* Developmental Disabilities Court-Ordered Custody Cases (Prog. 348) (Prog 348 Medicaid) See Program 424	Gen	0	0
	Cash	0	0
	Fed	1,440,060	1,448,392
	Rev	0	0
* Health Insurance Provider Fee (Prog. 348) (Prog 348 Medicaid) The ACA mandated a health care provider fee to be paid to the IRS for companies that provide government sponsored health care. Beginning in 2021, the tax is repealed.	Gen	-15,478,738	-15,478,738
	Cash	0	0
	Fed	-18,705,756	-18,705,756
	Rev	0	0
* Transition to Home and Community-Based Waiver (Prog. 348) (Prog 348 Medicaid) See Program 424	Gen	-1,083,156	-1,083,156
	Cash	0	0
	Fed	0	0
	Rev	0	0
* Federal Clawback (Prog. 348) (Prog 348 Medicaid) The clawback is a federal requirement that requires states to reimburse savings in the Medicaid Program that has shifted to Medicare Part D. The amount the state is required to reimburse is based on a formula of those projected state savings.	Gen	-576,159	-576,159
	Cash	0	0
	Fed	0	0
	Rev	0	0
* Reappropriate unexpended General Fund balance (\$19,518,297) (Prog 348 Medicaid)	Gen	0	0
	Cash	0	0
	Fed	0	0
	Rev	0	0
* Provider rate increase (2% per yr) - Medicaid (Prog 348 Medicaid)	Gen	18,320,068	37,449,260
	Cash	0	0
	Fed	34,010,779	69,813,034
	Rev	0	0
* Shift Health Care Cash Fund to Gen Fund, rate increase items (Prog 354 Child Welfare aid) Currently the amount of spending out of the Health Care Cash Fund exceeds the amount of funds generated by \$11.4 million. The gap is projected to grow to \$15 million by FY2035. The committee transfers \$10.1 million across three budget programs to the General Fund to keep the fund sustainable. The \$10.1 million was originally provided for behavioral rate increases in 2001 but has been static since. The General Fund has covered the inflationary cost on this part of the base for the past 20 years.	Gen	2,734,444	2,734,444
	Cash	-2,734,444	-2,734,444
	Fed	0	0
	Rev	0	0
* LB 662 Appropriations to DHHS, domestic violence programs (McDonnell) (Prog 354 Child Welfare aid) An increase of \$480,000 is provided each year. Domestic Violence Program has previously had minor increases in FY 2015 and FY 2002 of less than \$300,000 total.	Gen	480,000	480,000
	Cash	0	0
	Fed	0	0
	Rev	0	0

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* Increased Federal Funding (Prog. 354) (Prog 354 Child Welfare aid) Federal Title IV-E funding is increasing due to increased claiming.

Gen	0	0
Cash	0	0
Fed	3,000,000	3,000,000
Rev	0	0

* Two percent provider rates for child welfare providers outside of the Eastern Service Area (Prog 354 Child Welfare aid)

Gen	2,255,992	4,994,524
Cash	0	0
Fed	495,218	492,936
Rev	0	0

* LB 493 Appropriate funds to DHHS, developmental disability waiting list (Cavanaugh, M.) (Prog 424 Develop Disability aid)

Gen	1,000,000	1,000,000
Cash	0	0
Fed	0	0
Rev	0	0

An appropriation of \$1,000,000 was allotted towards reducing the developmental disability waiting list.

* Transition to Developmental Disability HCBS Waiver (Prog. 424) (Prog 424 Develop Disability aid)

Gen	1,083,156	1,083,156
Cash	0	0
Fed	0	0
Rev	0	0

The Division of Developmental Disabilities administers the Medicaid Home and Community-Based Services Waivers. The Comprehensive (4154) waiver for the developmentally disabled reserves capacity on the waiver to accommodate the transition of participants from other Medicaid 1915 (c) waivers. In SFY2020, approximately 102 individuals served on the 1915 (c) waiver for the Aged and Disabled were assessed and determined to meet Nebraska’s ICF/DD level of care criteria and are transitioning to the Comprehensive waiver. The provisions in the 4154 waiver allow for transitions for continuity of care, supporting eligible participant’s health and safety needs, choice in waiver, and services that support their residential needs, employment, and community integration under the most appropriate HCBS waiver.

General fund Appropriations for the Aged and Disabled waivers are in Program 348 - Medical Assistance. This request adjusts \$1,083,156 of appropriations to move from Program 348 to Program 424. This request would adjust the base appropriation in the program to reflect the number of transitions from other 1915 (c) waivers to the comprehensive waiver. The individuals that transitioned are under the age of 18 so services on the comprehensive waiver are expected to continue for the indefinite future. The Division currently has a waiting list for Medicaid HCBS services. Appropriations used for providing services to individuals transitioning from other 1915 © waivers reduced the funding available for providing services to those on the waiting list. If the funding in this request was not approved, the Division would make fewer offers to individuals waiting to receive Medicaid HCBS services (reference priority 6 from state statute 83-1216).

* Developmental Disability Waiting List Funding (Prog. 424)
(Prog 424 Develop Disability aid)

Gen	0	3,155,366
Cash	0	0
Fed	0	0
Rev	0	0

Nebraska DHHS published A Vision for Community Integration Plan in December of 2019. A portion of the Plan describes measurable outcome 1A to "Increase the percentage of state appropriations each fiscal year to fund Medicaid HCBS DD waivers and reduce the waitlist". This request increases the baseline funding for program 424 by one percent in state fiscal year 2021-22 and an additional one percent in state fiscal year 2022-23 to allow Nebraska DHHS to make funding offers to individuals on the waiting list. In FY 2021-22, the funding has been reappropriated from remaining funds from FY 2020-21 in the amount of \$1,582,203.

As of November 1, 2020, the waiting list for the comprehensive waiver has 2,964 individuals for the Comprehensive waiver, including those individuals who are already served on a day waiver and on the wait list for a comprehensive waiver. The total cost to provide the waivers and the corresponding service coordination costs to all persons on the waiting list would be \$124,890,033, of which the state cost would be \$54,354,631. The average cost was estimated at \$38,500 per person.

* Developmental Disability Court Ordered Custody Cases
(Prog. 424) (Prog 424 Develop Disability aid)

Gen	0	2,454,755
Cash	0	0
Fed	0	0
Rev	0	0

The Developmental Disabilities Court-Ordered Custody Act (DDCOCA) was passed in 2005 (LB 206) and amended in 2013 (LB293). The Division provides services to entrants to the Medicaid Home and Community-Based Services (HCBS) and state-only, non-Medicaid HCBS services via DDCOCA and is currently providing services to 31 individuals under the act. The Division requested additional funds to serve an additional 135 DDCOCA entrants to Medicaid HCBS and state-only, non-Medicaid HCBS services. The Division requested these funds as the cost to serve individuals on DDCOCA as services exceeds funding that has been appropriated since the passage of DDCOCA. This hasn't created a budget deficit for the program in the past; however, serving those individuals who were on the waiting list but have been court ordered to the program is a contributing factor to the growth in the waiting list for Medicaid HCBS services (reference priority 6 from state statute 83-1216). In FY 2021-22, the funding has been reappropriated from remaining funds from FY 2020-21 in the amount of \$2,463,087.

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<p>* Developmental Disability New Graduates (Prog. 424) (Prog 424 Develop Disability aid)</p> <p>The Division of Developmental Disabilities administers the Medicaid Home and Community-Based Services (HCBS) Waivers. State statute 83-1216 specifies funding priorities for these services. The fourth funding priority is designated for serving persons transitioning from the education system upon attaining twenty-one years of age to maintain skills and receive the day services necessary to pursue economic self-sufficiency. The Division anticipates around 130 entrants to HCBS waiver services each year of the FY2021-FY2023 biennium. The estimates regarding the number of entrants and the corresponding cost is based on historical averages of participants that have transitioned to the waiver and the actual service expenditures. In FY 2021-22, the funding has been reappropriated from remaining funds from FY 2020-21 in the amount of \$1,225,836.</p> <p>The Division currently has a waiting list for Medicaid HCBS services. Appropriations used for serving persons transitioning from the education system reduces the amount available for providing services to those on the waiting list. The funding thus resulted in the ability to provide more offers to individuals waiting to receive Medicaid HCBS services (reference priority 6 from state statute 83-1216). FMAP estimated at 57.06% for SFY2022 & SFY2023.</p>	<table border="0"> <tr> <td>Gen</td> <td style="text-align: right;">0</td> <td style="text-align: right;">2,432,507</td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Fed</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Rev</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> </table>	Gen	0	2,432,507	Cash	0	0	Fed	0	0	Rev	0	0
Gen	0	2,432,507											
Cash	0	0											
Fed	0	0											
Rev	0	0											
<p>* Reappropriate unexpended General Fund balance (\$5,271,126) (Prog 424 Develop Disability aid)</p> <p>The unexpended General Fund Balances has been reappropriated to the Developmental Disability Court Ordered Cases, Developmental Disability New Graduates, and Developmental Disability Wait List Funding.</p>	<table border="0"> <tr> <td>Gen</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Fed</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Rev</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> </table>	Gen	0	0	Cash	0	0	Fed	0	0	Rev	0	0
Gen	0	0											
Cash	0	0											
Fed	0	0											
Rev	0	0											
<p>* LB 585 Appropriate funds, local public health departments (Vargas) (Prog 502 Public Health grants) This bill appropriates additional funding for public health departments. In the first year, an equal amount will be provided to each of the 18 public health departments. In FY 2022-23, the \$1.5 million equal distribution is continued and the remaining \$1.5 million will be a distributed proportionately based on population.</p>	<table border="0"> <tr> <td>Gen</td> <td style="text-align: right;">1,500,000</td> <td style="text-align: right;">3,000,000</td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Fed</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Rev</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> </table>	Gen	1,500,000	3,000,000	Cash	0	0	Fed	0	0	Rev	0	0
Gen	1,500,000	3,000,000											
Cash	0	0											
Fed	0	0											
Rev	0	0											
<p>* Annualize LB 963 (Prog. 514) (Prog 514 Health aid)</p>	<table border="0"> <tr> <td>Gen</td> <td style="text-align: right;">442,500</td> <td style="text-align: right;">442,500</td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Fed</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Rev</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> </table>	Gen	442,500	442,500	Cash	0	0	Fed	0	0	Rev	0	0
Gen	442,500	442,500											
Cash	0	0											
Fed	0	0											
Rev	0	0											

State Aid

FY2021-22 FY2022-23

* Increase for Citizen Advocacy (Prog 514 Health aid) The Citizen Advocacy Program has not been increased since 2014. A 9% inflationary increase is provided based on the CPI since 2014 and a 5.5% increase for programmatic increases.	Gen	70,289	70,289
	Cash	0	0
	Fed	0	0
	Rev	0	0