

LB 1028 - Testimony
Health and Human Services Committee
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Good afternoon, Senator Campbell and members of the Health and Human Services Committee. My name is Vivianne Chaumont (V-I-V-I-A-N-N-E C-H-A-U-M-O-N-T), Director of the Division of Medicaid and Long-Term Care with the Nebraska Department of Health and Human Services. I am here to testify in opposition of LB 1028.

LB 1028 directs the Department to apply for a federal grant under the Balancing Incentives Payment Program, also called BIPP, by September 1, 2012.

BIPP would require Nebraska Medicaid to make substantial changes in three areas. We must implement a single entry point for Medicaid clients wanting to access community based long-term services and create a new standardized assessment to determine if the client qualifies for the service requested. In addition, we would need to provide conflict free case management to all the clients who are approved for community based long-term services.

In return for making these structural changes to the program, Medicaid would be eligible for an additional 2% match for certain long term services and supports. Our estimates are that this would result in an additional \$5.9M in federal funds. The enhanced match would be available through September 2015.

Although this sounds good, BIPP actually results in a Medicaid expansion and is projected to increase expenditures by nearly \$42 million through fiscal year 2014. First, the enhanced match must be spent to add new services or increase existing services. It cannot be used to reduce Nebraska's cost of existing services. Second, it is CMS' expectation that the additional services and the structural changes continue after the increased match is no longer available. Third, the enhanced match cannot be used to pay for any of the state's administrative expenses in implementing the program and cannot be used to pay for the costs associated with the required case management, the single entry point or the assessment.

Nebraska's Medicaid program already offers a robust set of community based long-term care services through the State Plan and through home and community-based waivers. Because of that, Nebraska has the services available to reduce nursing home placements. What would be more useful to

Nebraska are programs that manage clients who are in need of long-term services by managing their total health care in order to keep them healthier longer in the community. We have evaluated the BIPP grant and do not believe this is the most effective tool to accomplish those goals.

Thank you for the opportunity to testify. I would be happy to answer any questions you have.
Thank you.