

Health and Human Services Committee

LB 674

March 3, 2016

**Tony Green, Deputy Director
Division of Children and Family Services
Department of Health and Human Services**

Good afternoon, Senator Campbell, and members of the Health and Human Services Committee. My name is Tony Green (T-O-N-Y G-R-E-E-N) and I am the Deputy Director of the Division of Children and Family Services. I am here to testify in opposition to LB 674.

This bill will expand the Disabled Persons and Family Support (DPFS) Program which provides limited financial support to disabled individuals or families with low income and resources to maintain or obtain employment, maintain independence, or prevent institutionalization. DPFS is a state program supported entirely with general funds. LB 674 significantly changes the nature of the DPFS program and will result in either a large increase in state expenditures or a reduction in the number of persons served.

Under current parameters, eligible individuals may receive funding up to \$300 a month, or \$3,600 annually, for services such as personal care, housekeeping, transportation, special equipment and respite care. The services are intended to supplement, but not replace or duplicate support available through other programs for which the family or disabled person is eligible.

Funding earmarked for this program through the legislative appropriations process is limited to \$910,000 per year and has supported an average of 382 people the past three years. Of those, an average of 163 people, over 40 percent, lived with family each year. If the intent is to cover family members of eligible people with caregiver compensation and family coverage health insurance, the cost of the program would be substantial.

LB 674 expands the DPFS program's eligibility to include individuals where an out-of-home placement has been attempted but failed, and home care is possible; or for whom the cost of care at home is less than the cost to the state for institutional care. Caregivers for these individuals would be compensated at an equal or higher rate than a salaried state employee receives for similar work done at a state facility. The caregiver and his or her family would also be eligible for the same health insurance as a full-time state employee. The bill also removes the current \$300 a month cap for program-eligible persons and families.

The Department estimates that setting caregiver reimbursement at a rate equal to a rate paid to state employees performing comparable work will result in a cost of \$117,403 per caregiver annually, assuming coverage of 24 hours of care per day. With the added extension of healthcare coverage to caregivers and their families, the state will incur costs of \$18,956 per individual for those who elect to participate. Using these assumptions and the current average number of eligible participants, the program would expend over \$22 million per year. As the current bill does not set a cap on the number of eligible persons or families, the cost could be higher.

DHHS has met with Senator Krist and we look forward to assembling a cross divisional team to work with his office to explore possible alternatives to address his concerns. Additionally, DHHS will research and reach out to other States to explore how the issue is addressed around the country.

I'm happy to answer any questions you may have.