

January 23, 2014

Senator Kathy Campbell, Chair
Health and Human Services Committee
P.O. Box 94604
Lincoln, NE 68509-4604

RE: LB 690

Dear Senator Campbell and members of the Health and Human Services Committee:

The Division of Medicaid and Long-Term Care has reviewed LB 690 and offers the following technical information on the bill.

According to the statement of intent for LB 690, the bill would require application for a federal grant under the State Balancing Incentive Payment Program (BIPP). The Balancing Incentive Program authorizes grants to states to increase access to non-institutional long-term services and supports (LTSS) as of October 1, 2011. Total funding over the four-year (October 2011 – September 2015) program can't exceed \$3 billion in Federal enhanced matching payments.

The CMS application for the BIPP grant directs that applications will be accepted on an ongoing basis through August 1, 2014, or until the full provision of the \$3 billion has been projected to be expended, whichever date is earlier. The bill requires the Department to apply by September 1, 2014. If the Department were to submit an application for the BIPP grant on September 1, 2014, in accordance with the language in the bill, the Department would miss the CMS mandated application deadline by at least one month.

The Department's primary concern is if the grant is approved, the grant funds will end September 30, 2015, or when the \$3 billion allocated funds are expended, whichever is earlier. There will be significant costs associated with the application and development to comply with the bill and meet the CMS requirements of the grant. When the BIPP grant ends (September 30, 2015, at the latest) the estimated Federal funds being received from the increased match would need to be replaced annually by General funds.

The Department has a Money Follows the Person (MFP) program, which is approved through March 2016. The MFP program is designed to rebalance the long-term care system. Additionally, the Department is developing a Managed Long-Term Services and

Supports (MLTSS) program, which will be designed to transform the long-term care system by offering care management and improving quality measurement and oversight to meet the needs of this population. Clients enrolled in the MLTSS will be provided an integrated, standardized needs assessment, and conflict-free case management.

Please feel free to contact me for discussion that you would deem necessary on this matter.

Sincerely,

Courtney Miller, Deputy Director
Division of Medicaid and Long-Term Care
Department of Health and Human Services

cc. Senator Kate Bolz