

Health and Human Services Committee

LB 346

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Good afternoon, Senator Campbell and members of the Health and Human Services Committee, my name is Courtney Miller (C-O-U-R-T-N-E-Y-M-I-L-L-E-R), Deputy Director of the Division of Medicaid and Long-Term Care for the Department of Health and Human Services. I am here to testify in opposition to LB 346.

LB 346 will increase Nebraska Medicaid expenditures by adding children's day health services as a service category. Our state is currently dealing with a General Fund impact in the Medicaid program due to the federal government's change in our state's federal match rate or "FMAP". Nebraska Medicaid already covers many of the services provided by children's day health service providers. For instance, Medicaid covers skilled nursing, behavioral health services, rehabilitation services, and other State Plan services listed in the licensing regulations for this type of provider. Expansion of this service to all Medicaid eligible children as a State Plan benefit will increase the number of children utilizing the service. The consequence is higher Medicaid spending.

There are also children who meet nursing facility level of care and participate in the Aged and Disabled Waiver, or AD Waiver, program. These children can receive the Extra Care for Children with Disabilities service, or Extra Care, which provides for the medically necessary portion of assistance related to the physical, medical, or personal care need required by a child while his/her parent or guardian works, seeks employment, or attends school. The AD waiver program can only offer services which are not available as mandatory or optional under the State Plan. LB 346 would cause roughly 300 children to lose access to this specialized care and treatment, as many of these children receive the service in an in-home or licensed daycare setting. Providing children's day health services as a state plan service would require Nebraska Medicaid to amend the AD Waiver and eliminate the Extra Care service to remain in compliance with federal law. Additionally, federal law requires that state plan services must be provided statewide, and with all 6 facilities in Nebraska possessing a license to provide children's day health services being located in the Lincoln and Omaha metropolitan area, access related assurances could not be made to CMS.

Another unintended consequence involves the fundamental Medicaid eligibility of specific children. LB 346 would cause 8 current Nebraska Medicaid recipients, all children, to lose their

Medicaid eligibility. When determining Medicaid eligibility for a child who will be receiving services under the AD Waiver, Nebraska Medicaid does not consider the income of the child's parents. This waiver of the income requirements allows children, who would not otherwise be eligible for Medicaid, to receive needed medical services and medications. In order to retain Medicaid eligibility, each child must have at least one AD Waiver service need. For those 8 children, the only AD Waiver service need is the Extra Care service. If the Extra Care service is terminated in favor of children's day health services, these 8 children will no longer have a waiver service need, their parent's income will be factored into the Medicaid eligibility determination; and as a result, each of these 8 children will lose Medicaid eligibility.

In closing, LB 346 creates a significant fiscal impact on Nebraska Medicaid, reduces access statewide, and causes unintended consequences leading to the loss of Medicaid eligibility and service setting options, creating a significant impact on Nebraska families.

I would be happy to answer any questions.