

March 20, 2013

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

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

As a result of the differences between the fiscal note prepared by the Legislative Fiscal Office (LFO) and the Department's Fiscal note, I am writing to oppose LB 452. This bill would require an expansion of the Medicaid program to provide coverage for family planning services for persons whose family's earned income is at or below 185% of the federal poverty level. While the two fiscal notes referenced above are very similar as to the cost of benefits, the fiscal notes vary widely with regard to administrative costs.

Both fiscal notes estimate that there will be approximately 27,000 enrollees from this new program. The Department's staffing request for LB 452 is based on the agency's current staffing. The Department estimates how many Social Services Workers (SSWs) it needs to determine eligibility on the basis of a ratio of 1:400 enrollees. The LFO more than doubles a Social Services Worker's caseload by using a 1:1000 ratio. As set forth below, this translates to 41 less Social Services Workers and, therefore, 4 less Social Services Supervisors and no Social Services Managers. Understaffing this new program will result in less staff answering phones and processing applications and longer wait times for clients.

Eligibility Staff	DHHS Fiscal Note	LFO Fiscal Note
Enrollees	27,000	27,000
Field Staff		
SSW/Eligibility Worker Staff Ratio	1:400	1:1000
SSW/Eligibility Workers	68	27
SS Supervisors Ratio	1:10	1:10
SS Supervisors	7	3
SS Managers Ratio	1:5	0
SS Managers	1	0

Eligibility determinations are only the first step for administering the Medicaid program. Staff is necessary, to name a few activities, to prepare State Plans, answer provider questions regarding eligibility, enrollment, rates, answer client questions regarding benefits, pay claims, provide program integrity activities and do financial reporting.

For this administrative staff, the Department uses a ratio of 1:10,000 enrollees with managers at a ratio of 1:5. The Department requests 11 additional staff to perform the activities referenced above while the LFO provides 2. Both notes include a Program Analyst is for the additional reporting requirements of the new program.

Administrative Staff

Program Specialists Ratio	1:10,000	1:30,000
Program Specialists	3	1
Quality Assurance Ratio	1:10,000	0
Quality Assurance	3	0
Payments Reviewers Ratio	1:10,000	1:30,000
Payments Reviewers	3	1
Managers Ratio	1:5	0
Managers	2	0
Program Analyst	1	1

In order to provide adequate service to clients and providers and the requisite oversight of the Medicaid program, the Department cannot agree to the limited resources provided in the LFO's Fiscal Note. If you have any questions, please do not hesitate to contact me.

Sincerely,



Vivianne M. Chaumont, Director
 Division of Medicaid & Long-Term Care
 Department of Health and Human Services

Cc: Senator Danielle Conrad