

# NEBRASKA

Good Life. Great Mission.

DEPT. OF HEALTH AND HUMAN SERVICES



Pete Ricketts, Governor

February 9, 2018

Senator John Stinner  
District #48 State Capitol  
P.O. Box 94604  
Lincoln, NE 68509-4604

RE: LB 864

Senator Stinner and members of the Appropriations Committee,

LB 864, introduced by Senator Walz, will appropriate \$5,399,138 in General funds to Program 424 in the Department of Health and Human services. While the Department of Health and Human Services (DHHS) has no position on this bill at this time, we would like to take this opportunity to bring the following technical issues to the Committee's attention.

In the process of developing new rate methodology for providers, the Division of Developmental Disabilities and the Centers for Medicare and Medicaid Services (CMS) discovered that a portion of existing provider billing guidelines implemented in 2014 are not available for federal funding participation.

The Division learned that the federally approved application for its Home and Community-Based Services waiver included an allowance for day programming for up to 35 hours a week. The Division then found that the billing guidelines implemented July 1, 2014 also allowed the residential habilitation providers to bill for day programming beyond 35 hours a week which was already included in the rate. CMS advised DHHS must end the unallowable payments and reimburse claims already submitted. The Division continues to reimburse the general fund portion of the rate beginning October 1, 2016.

CMS expects states to rebase Home and Community-Based Services rates every five years in order to make sure that rates adequately reflect the cost of delivering services. This was last done in 2011. This is a CMS requirement contingent on their approval of our pending waiver applications. This will be accomplished, and closely monitored by CMS, through the Rate Rebase and Objective Assessment Process (OAP) Redesign Project.

LB 864 states: "There is included in the FY2017-18 appropriation to the Department of Health and Human Services, Program 424, \$5,399,138 General Funds for state aid for services rendered on or after October 1, 2017, and for which no federal funds were used in the rates paid to providers."

No such payments were made for services rendered on or after October 1, 2017. The time period from which the figure of \$5,399,138 is derived is for services rendered between March 1, 2017 and September 30, 2017. LB 22 appropriated \$4,663,144 for October through February 2017.

I greatly appreciate the opportunity to share the above issues and recommendations and look forward to working with you in continuing our mission of helping people live better lives.

Sincerely,



Courtney Miller, Director  
Division of Developmental Disabilities  
Nebraska Department of Health and Human Services

cc: Senator Lynne Walz