



2023 Legislative Report

June 23, 2023

LB 433 introduced by Senator Mike Jacobson, District 42 and co-signed by Senator Teresa Ibach, District 44.

Appropriations to the department of Health and Human Services for behavioral health aid and designated as funding to be allocated to the Behavioral Health Regions shall be utilized to provide activities pursuant to the approved annual budgets of the Behavioral Health Regions or additional activities identified through need demonstrated by the Regions throughout the year.

Whenever circumstances occur during the budget year that impact the initial projected Behavioral Health Region budget, the Director of the Division of Behavioral Health (DBH) shall allow reassignment of funds between service categories of not more than twenty percent to accommodate emerging needs identified by the Behavioral Health Region to maximize the ability of the region to implement new behavioral health services and supports or expand capacity of existing services.

If the reassigned of funds exceeds twenty percent, the Director shall determine whether to approve the reassignment of funding within 30 calendar days after receiving the request by a Behavioral Health Region. Any request for reassignment of funds shall be deemed approved 30 calendar days after receipt by the Director unless approved or denied earlier than the 30 calendar days.

The Director may deny a request only if the request is prohibited under state or federal law. If the request is denied by the Director, the Behavioral Health Region may request a hearing under the Administrative Procedure Act.

Sen. Jacobsen kept in contact with the Behavioral Health Regions regarding the status of flexibility provided by the new DBH administration. There was enough provisions of flexibility that warranted not pursuing LB433; however, Senator Jacobson gave notice to the Department that he would be monitoring this process throughout subsequent months and if the Department failed to allow the necessary flexibility he would pursue this legislation again in 2024.

Language from LB 433 was placed as intent language in the Nebraska 2024-2025 Biennium Budget bill that was passed by the Legislature and signed into law by Governor Pillen.

FY24 Rate Increases

The 15% rate increase carryover funding was not included in the FY2024-2025 biennium budget requiring the Behavioral Health Regions to cover the 15% with their existing budget allocation. For Region 3 this totals \$1,548,336. Additionally the Legislature approved a 3% rate increase in FY2024 and an additional 2% in FY2025 for behavioral health services; however, no additional allocation was made to cover these rate increases requiring the Behavioral Health Regions to cover the 3% rate increase with existing funds. The impact for Region 3 for FY2024 3% rate increase is \$181,889. For FY2024, the total of these two rate increases without additional funding is \$1,730,225. Overall for FY24 a total of \$1,651,342 of provider budget requests was not funded.