



# LB721

## Intergenerational Care Facility Expansion

POLICY BRIEF | JANUARY 2026

*Intergenerational care programs address the expanding need for both child care and elder care services by providing shared care and programming for young children and older adults in one location.*

*LB721 will help intergenerational care facilities, including for-profit facilities serving Medicaid residents, receive grant funding to help cover expansion costs.*

### LB721 Summary

- Allows existing intergenerational care facilities to apply for funds under the Intergenerational Care Facility Grant program for expansion costs.
- Extends eligibility for the grant program to for-profit facilities, which predominantly serve Medicaid residents.
- Removes application preferences to broaden the potential applicant pool.

### Background

Intergenerational care programs are an innovative approach to addressing the growing need for both child care and elder care services. These facilities provide shared care and programming for young children and older adults in one location, addressing multiple challenges facing service providers in both industries as well as the families they serve.

**Workforce supports:** Staff turnover in elder care programs tends to be very high, making it difficult for these facilities to maintain the workforce needed to operate. On-site child care facilities can help attract and retain workers with child care needs of their own. Also, co-locating programs for both children and older adults, intergenerational care programs can share core infrastructure such as kitchens, dining rooms, outdoor areas and maintenance services.

**Family supports:** Intergenerational care options can significantly improve the experience of persons who receive services through these programs as well as those who purchase those services. Further, such facilities can ease the burden on families who are “sandwiched” between caring for children and aging relatives by offering a single, coordinated care solution.

**Quality of life and developmental outcomes:** Intergenerational interactions are known to foster emotional, cognitive and social benefits for older adults, while giving young children diverse and nurturing experiences necessary for their own early development.

There are approximately 13 intergenerational care facilities already operating in Nebraska, with one additional facility awarded the grant in early 2025. Several nursing homes are interested in starting or expanding such programs. In 2024, state lawmakers passed legislation (LB904) creating the Intergenerational Care Facility Incentive Grant, designating \$300,000 from the Medicaid Managed Care Excess Profit fund to encourage the further development of this innovative care model in Nebraska. The grant program is administered by the Nebraska Department of Health and Human Services (NDHHS).

## Existing Intergenerational Facilities in Nebraska



- A** Hay Springs – Pioneer Manor/Pioneer Manor Daycare
- B** Grant – Perkins County Health Services/Park Ridge Assisted Living/Pioneer Manor Daycare
- C** Imperial – Imperial Manor Parkview
- D** North Platte – Linden Estates & Linden Court
- E** Kearney – Mount Carmel Home – Keens Memorial
- F** Grand Island – CHI Health St. Francis
- G** Hasting Village – Good Samaritan Society/Children’s Ark
- H** York – York General Hearthstone/York General Child Care
- I** Fairmont – Fairview Manor/Tiny Images Child Care Center
- J** Hebron – Blue Valley Lutheran
- K** Adams – Gold Crest Retirement Center/Gold Crest Child Care Center
- L** Syracuse – Good Samaritan Society/Little Angels Child Care
- M** Gretna – Hillcrest Silver Ridge

## Issues and Solutions

Since the creation of the grant program, there have been five rounds of Requests for Applications (RFAs) offered by NDHHS. Thus far, only \$100,000 out of the available \$300,000 has been awarded to a single applicant. It is likely that statutory and administrative restrictions on the grants are limiting the pool of potential applicants.

- **Start-up requirement:** §81–3145 indicates that the grants may only be used for one-time startup costs to enable elder care programs to modify structures and facilities and purchase equipment necessary to operate child care services. This excludes existing intergenerational care facilities from applying for the grants to further develop their programs to serve more children. LB721 removes this requirement so that existing facilities can take advantage of the grant to expand or develop their child care programs.
- **Non-profit requirement:** NDHHS has restricted for-profit facilities from applying for the grant, presumably on the basis that Medicaid Managed Care Excess Profit funds must be used to provide services for Medicaid-eligible individuals. However, recent data show that for-profit nursing homes in Nebraska serve more Medicaid patients than nonprofits. LB721 eliminates this restriction, opening the grant to both for-profit and nonprofit programs.
- In addition, LB721 removes statutory requirements that NDHHS prioritize applications from service providers in rural communities that are received on the same day as other grant applications.

### Served by Medicaid <sup>1</sup>

**49%**  
of nonprofit facility residents

**62%**  
of for-profit facility residents

## References

<sup>1</sup> Nebraska Health Care Association. 2025. Medicaid resident data requested by First Five Nebraska. Received 10/25/2025

