

BDR 38-746
S.B. 235

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 15, 2003

Agency Submitting: Division of Health Care Financing & Policy, Department of Human Resources

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
BA 3243 GL 2501 (Revenue)		\$1,989,942	\$2,125,602	\$4,251,204
Total		\$1,989,942	\$2,125,602	\$4,251,204

Explanation (Use Additional Sheets of Attachments, if required)

SB 235 (BDR 38-746) will have a negative fiscal impact to the Division of Health Care Financing and Policy. The net benefit of the DSH program to the State is the difference between the Intergovernmental Transfers (IGT) from the local governments and the State matching funds required for the DSH payments to the hospitals. SB 235 (BDR 38-746) limits the amount of IGT which the state collects compared to current law. Current law calculates IGT based on approximately 75% of DSH payments (with some exclusions). SB 235 (BDR 38-746) calculates IGT as the lower of 70% of DSH, less \$1,050,000 or total DSH less \$24 million. The impact of this change is to reduce the IGT revenues of the State in BA 3157 by \$1,989,942 for SFY 04 and \$2,125,602 in SFY 05. The State's net benefit in IGT is used primarily as state matching funds for other Medicaid medical expenditures. This loss in state match would have to be replaced by general fund appropriations because all projected State benefit for SFY04 and 05 was used to reduce General Fund Appropriation. The impact of this was not accounted for in the Executive Budget.

Name Mike Torvinen

Title DHR DO ASO IV

DEPARTMENT OF ADMINISTRATION'S COMMENT

Date March 18, 2003

This bill draft limits IGT funds which are currently collected by the state. This loss in state match would have to be replaced by general funds due to all projected state benefits for SFY 04 and SFY 05 were used to reduce general fund appropriations in the executive budget.

Name John P. Comeaux

Title Director

DSH/IGT under BDR 38-746 SCENARIO
For SFY 2004 Data

HOSPITAL	POOL	UNCOMP COSTS SFY01	GUARANTEED DSH (REDUCED)	PROJECTED SFY04 DSH	PROJECTED SFY04 IGT
University Medical Center	A	\$88,198,399	\$61,250,034	\$61,358,916	\$45,966,656
Washoe Medical Center/Washoe County	C	16,975,462 **	4,418,947	4,418,947	1,500,000
Carson-Tahoe Hospital	E	6,352,869	920,614	920,614	
Northeastern NV General Hospital	E	3,845,141 **	460,307	768,711	
Churchill Community	E	2,999,646	460,307	460,307	
Nye Regional Med. Center	E	552,067	105,871	105,871	
Humboldt General Hospital	D	694,142	198,032	198,032	
Wm. Bee Ririe Hospital	D	634,994	187,806	187,806	
Mt. Grant General Hospital	D	530,313	180,291	282,144	
South Lyon Medical Center	D	443,929	160,571	160,571	
Lake Mead Hospital	B	6,014,837 **		1,104,737	
Sunrise Hospital & Med. Ctr.	B	6,004,932 **		0	
TOTAL				\$69,966,656	\$47,466,656

State Share (45.71% for SFY 04)	31,981,758
IGT Collected by State	47,466,656
Net State Benefit	\$15,484,898
Difference Due to Change in Methodology	(\$1,989,942)

Pool	Code	Limit (Reduced)	%	Enhanced Limit	Totals By Pool	Difference
Public > 400,000	A	61,358,916	90.0%	61,358,916	61,358,916	\$0
Private > 400,000	B	1,104,737	2.5%	1,104,737	1,104,737	\$0
Private > 100,000	C	4,418,947	2.5%	4,418,947	4,418,947	\$0
Public < 100,000	D	828,553	2.5%	828,553	828,553	\$0
Private < 100,000	E	2,255,503	2.5%	2,255,503	2,255,503	\$0
		69,966,656		69,966,656	69,966,656	0

	Total Revenue*	U/C %	Adjusted U/C	A U/C %
University Medical Center	353,308,704	24.96%	26,839,483	7.60%
Washoe Medical Center	248,172,909	6.84%	12,556,515	5.06%
Carson-Tahoe Hospital	78,170,887	8.13%	5,432,255	6.95%
Northeastern NV General Hospital	32,896,231	11.69%	3,076,430	9.35%
Churchill Community	29,174,642	10.28%	2,539,339	8.70%
Nye Regional Med. Center	5,014,408	11.01%	446,196	8.90%
Humboldt General Hospital	10,658,370	6.51%	496,110	4.65%
Wm. Bee Ririe Hospital	10,856,621	5.85%	447,188	4.12%
Mt. Grant General Hospital	5,250,919	10.10%	248,169	4.73%
South Lyon Medical Center	7,768,151	5.71%	283,358	3.65%
Lake Mead Hospital	63,184,860	9.52%	4,910,100	7.77%
Sunrise Hospital & Med. Ctr.	379,429,656	1.58%	6,004,932	1.58%

* Source: DHCFP Cost Containment Report-1 for year ending June 30, 2001
 ** uncompensated costs are plugged from schedule 4 of the Nevada Legislative Study - Report on Indigent Care Costs and Disproportionate Share, July 15, 2002. Not historically collected due to amounts well in excess of guarantee when last studied.