BDR 40-748
SB 419

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 9, 2023

Agency Submitting: Department of Health and Human Services, Health Care Financing and Policy

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Medical Services (Expense)		$38,312,172	$292,586,633	$1,148,437,207
Systems Enhancements (MMIS) (Expense)		$67,200		
Vendor Waiver Support (Expense)		$1,000,000	$500,000	
Additional Translation Services (Expense)		$25,000	$25,000	$50,000
Personnel Services (3158) (Expense)		$390,202	$538,935	$1,077,870
In-state travel (3158) (Expense)		$14,536	$18,715	$37,430
Operating (3158) (Expense)		$15,743	$21,353	$42,706
Equipment/Furniture (3158) (Expense)		$17,178		
Information Services (3158) (Expense)		$23,147	$4,990	$9,980
Total	0	$39,865,178	$293,695,626	$1,149,655,193

Explanation (Use Additional Sheets of Attachments, if required)

The BDR would have a fiscal impact on the Division. The bill would add state-funded coverage for individuals who are ineligible for Medicaid due to their immigration status at no cost to those enrolled with similar benefits as Medicaid. Based on updated data from the American Immigration Council, about 176,000 individuals in Nevada could be eligible for this new program. The Division assumes phased-in enrollment with about 90 percent (158,400 individuals) enrolling over the first 36 months of operation (1/2024-12/2026). Estimated per member, per month (PMPM) costs in Medicaid were applied to estimate the cost of covering this population. The Division assumes enrollees would not fully utilize all benefits for first six months due to various factors, including fear of immigration-related consequences and statewide gaps in health care provider access in general. Current spending on this population within Emergency Medicaid was also used to offset some expenses for this population. The fiscal analysis reflects operational costs for the new program, such as new vendor support, system changes, additional staff for implementation, which are projected to increase with operations. This includes additional care coordinators, member translation services, hearings staff, and other staff needed to support the needs of this population in District Offices.

Although the bill requires the Division to seek a federal 1332 waiver, the state cannot capture federal funds under such a waiver because the bill does not seek to waive federal rules for the state's health insurance exchange in a manner that reduces the premiums of qualified health plans, which is the hallmark of capturing federal pass-through funds through a 1332 waiver. There is also no federal waiver in Medicaid (Title XIX of the Social Security Act) permitting federal funds to be used to cover this population. Therefore, the costs of this program for purposes of this analysis reflect a state-only funded program.

Name Stacie Weeks

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Tuesday, April 04, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director

FN 11551

Fiscal Impact Analysis

Division of Health Care Financing and Policy
Coverage of Individuals Regardless of Immigration Status
Analysis Summary

Estimated Fiscal Impact FY22-FY23 Biennium

State Fiscal Year	Total Computable
FY22	$0
FY23	$0
Total	$0

Estimated Fiscal Impact FY24-FY25 Biennium

State Fiscal Year	Total Computable
FY24	$38,312,172
FY25	$292,586,633
Total	$330,898,806

State Fiscal Year	Total Computable
FY 26-27	$1,148,437,207

Description of Budget Concept

This fiscal impact estimates the additional costs of extending Medicaid individuals to all eligible persons, regardless of immigration status.

Methodology

1. The Division used available data online to estimate the number of individuals who may seek coverage if this bill is signed into law. DHCFP used an estimate of 176,000 individuals; however, only projected that 90% of these individuals would enroll with Medicaid. There is some data nationally indicating some individuals seeking a green card, legal permanent residency status, or citizenship may avoid enrolling in social services for fear of benefits negatively affecting their immigration status (reference: https://www.urban.org/research/publication/amid-confusion-over-public-charge-rule-immigrant-families-continued-avoiding-public-benefits-2019). Please note that the United States Citizenship and Immigration Services (USCIS) recently published a final rule amending the "Public Charge" rule. Under the rule, it appears only Medicaid coverage for long-term institutionalization may cause an individual to be deemed a "Public Charge", which may negatively affect a persons ability to seek a visa, admission, or adjustment of status. (reference: https://www.federalregister.gov/documents/2022/09/09/2022-18867/public-charge-ground-of-inadmissibility).

2. The Division does not expect that all newly eligible recipients would enroll immediately. To estimate expenses, DHCFP assumed that for the first 6 months after the new eligibility was established (1/1/24-6/30/24), 10,000 individuals would enroll each month (60,000 total for this time period). For month 7- 36 (7/1/24- 12/31/26), a proportional number of the remaining individuals would enroll over the course of that 30 months (3,280 additional enrollees per month).

3. DHCFP also assumed that it would take time for new enrollees to become familiar with Medicaid, find enrolled providers, and begin receiving all medically necessary services needed. As such, DHCFP assumed that for the first six months an individual was enrolled, they would only utilize services at 50% of the projected per member, per month (PMPM) costs. Once an individual has been enrolled for 6 months, it is expected they would start utilizing services at 100% of the PMPM cost.

3. The total impact per fiscal year is calculated by multiplying the projected number of individuals enrolled by the PMPM (either at 50% for the first 6 months of enrollment or at 100% for month 7 forward). Total expenditures by month were summed to correspond with each respective fiscal year.

4. The total projected impact was reduced by current spending on Emergency Medicaid Only services (as defined below).

Please note that currently, this population is only eligible for Emergency Medicaid coverage. Emergency coverage is limited to labor and delivery or situations in which "the absence of immediate medical attention could reasonably be expected to result in: a) placing the patient's health in serious jeopardy; b) serious impairment to bodily functions, or; c) serious dysfunction of any bodily organ part." As Medicaid only covers emergency services now, there is a lack of other utilization data available for this population to use to projected expenditures.