

**EXECUTIVE AGENCY**  
**FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: April 11, 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 (Rate Alignment) (Expense)		\$26,894	\$56,111	\$112,222
System Costs (MMIS) (Expense)		\$15,680		
Loss of Drug Rebates (Expense)		\$2,390,000	\$4,780,000	\$9,560,000
Total	0	\$2,432,574	\$4,836,111	\$9,672,222

Explanation

(Use Additional Sheets of Attachments, if required)

The Division has reviewed this bill and determined it would have a fiscal impact if signed into law. Section 22 of the bill requires Medicaid to cover testing, treatment, and prevention of sexually transmitted diseases (STDs) for individuals of all ages. Nevada Medicaid currently covers these services. Sec. 22 also requires coverage of condoms, which are currently covered for individuals who can reproduce; however, utilization of these services is low. Any fiscal impact specific to these services could be absorbed by the base budget. Treatment and testing for HIV/Hepatitis C are also already covered by Nevada Medicaid. One service would be added to the pharmacist provider type (PT), this service would likely have been received under another PT; therefore, no fiscal impact is anticipated.

The bill's exclusion of Hepatitis C and substance use disorder (SUD) drugs from the PDL-imposed restrictions would result in a loss of drug rebates of approximately \$4,780,000 annually.

Sec. 23 of the bill requires the Division to reimburse PTs 24 (APRN) and 77 (PA) at the same rates as a PT 20 (physician) for services to test, prevent, or treat HIV or Hepatitis C. To estimate medical costs for this change, the Division determined the difference between rates for PT 20 and 24/77 for affected codes. The difference in rate for each code was multiplied by the utilization of each code under PT 24/74/77 for recipients with a diagnosis related to Hep C/HIV. (Nurse Midwives were included as they are also APRNs who can manage treatment of these conditions for pregnant individuals.) Please note there is an item in the Governor's Recommended Budget to align all APRN/CNM rates with physicians; if that decision unit is passed and signed into law, the cost of the rate alignment would decrease. The total computable cost of the rate alignment in FY24-25 is \$83,005 (\$22,148 in State Funds). System costs are projected at \$15,680 (\$3,920 in State Funds).

Name Stacie Weeks

Title Administrator

**GOVERNOR'S OFFICE OF FINANCE COMMENTS**

Date Monday, April 10, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director

## Fiscal Impact Analysis

Division of Health Care Financing and Policy  
 SB 439 Rate Alignment for Hep. C/HIV  
 Treatment  
 Analysis Summary

### Estimated Fiscal Impact FY22-FY23 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY22	\$0	\$0	\$0	\$0
FY23	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0

### Estimated Fiscal Impact FY24-FY25 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY24	\$26,894	\$19,666	\$7,042	\$186
FY25	\$56,111	\$40,595	\$15,106	\$410
Total	\$83,005	\$60,261	\$22,148	\$596

### Description of Budget Concept

This fiscal note estimates the cost of aligning rates for provider types 24/74/77 with PT 20 for services rendered to individuals with hepatitis C or HIV.

### Methodology

- 1) Fee-For-Service (FFS) utilization and managed care encounter were captured by running a report out of the MMIS using the following parameters for this provider type/service:  
*SFY22 (07/01/2021 - 06/30/2022) Incurred with Runoff, Net Allowed Amount, impacted codes, provider types 24/74/77, diagnosis codes for hepatitis C or HIV.*
- 2) Patient by Category counts were captured by running a report out of the MMIS to include FFS patients and Managed Care (MCO) patients.
- 3) The difference between the rate for PT 20 and 24/74/77 was determined. Please note that the lab code series already uses the same rates across all these PTs, so no changes are needed to those rates. The difference in rates was multiplied by the utilization of affected codes under PT 24/74/77 with a diagnosis code indicating the service was tied to hepatitis C or HIV treatment. The total change per code was summed to project the impact.
- 4) Total computable expenditures are grown forward based on the DHHS Office of Analytics caseload projections.
- 5) FMAP rates were applied to determine the federal share of estimated costs. Note that the COVID-19 enhanced FMAP (+6.2%) for Medicaid is used through March 31, 2023. Enhanced COVID FMAP amounts are tiered down across CY 2023 to align with the 2023 Federal FY Omnibus Appropriations Bill, which allows the following enhanced FMAP amounts: 6.2% (CY23 Q1); 5.0% (CY23 Q2); 2.5% (CY23 Q3); 1.5% (CY23 Q4).