BDR 38-332
AB 138

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 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)		$499,914	$1,782,819	$3,565,638
System Impact (Expense)		$19,040		
Total	0	$518,954	$1,782,819	$3,565,638

Explanation (Use Additional Sheets of Attachments, if required)

The Division of Health Care Financing and Policy (DHCFP) has reviewed this BDR and determined that it will have a fiscal impact on the Division. Section 1 of the BDR indicates that DHCFP must cover behavioral health integration models, including collaborative care management services. DHCFP analyzed the cost of adding 4 procedure codes necessary for adding this benefit. These codes would be billed by behavioral health or primary care providers for time spent collaborating with the patient's other care providers. This service would be provided by qualified Medicaid providers to individuals enrolled in Medicaid who have behavioral health concerns and a co-occurring condition.
As these codes are not currently covered, the Division had to estimate future utilization. To do so, the Division determined the utilization of evaluation and management (E/M) procedure codes billed under several provider types. DHCFP assumed that 5% of those procedures would have collaborative care billed under the model described in the BDR. A factor of 5% was applied to the service count of E/M codes to estimate future utilization of the new service. As Nevada Medicaid does not have rates for these services yet, rates from Arizona and Washington were used as an estimate.
The Behavioral Health Unit provided information on studies indicating collaboration between treatment care providers could reduce costly hospitalizations and therefore reduce costs to the state Medicaid program. To estimate these savings, the state generated utilization under provider type 11 (inpatient hospital) for inpatient stays with a primary diagnosis related to behavioral health. The Division assumed there would be at least a 2% decrease in overall utilization in this category, which was listed as a savings in the analysis.

Name Stacie Weeks

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Thursday, February 09, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director

FN 1835

Fiscal Impact Analysis

Division of Health Care Financing and Policy
Behavioral Health Integration
Analysis Summary

% of Savings on inpatient stays with primary behavioral health diagnosis code

2.00%

% of service count for Primary E&M Codes

5%

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	$499,914	$336,609	$159,278	$4,027
FY25	$1,782,819	$1,196,019	$572,795	$14,005
Total	$2,282,733	$1,532,628	$732,073	$18,032

Description of Budget Concept

Adding new codes 99492, 99493, 99494 and G2214 which allow primary care providers and behavioral health providers to bill for time spent collaborating care for mutual patients.

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 provider types (PTS) 14, 20, 24, 26, 74, 77 with evaluation and management codes:
SFY22 (07/01/2021 - 06/30/2022) Incurred with Runoff, Net Allowed Amount

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) Expenditures were calculated by taking the percentage in cell A8 and multiplying the by service counts for FFS and MCO respectively to estimate utilization of the new services. The service counts were multiplied by the rates Arizona and Washington Medicaid programs are paying for these codes.

4) Savings were calculated by generating a utilization report showing all inpatient claims (Provider Type 11, inpatient hospital) in FY22 with a behavioral health-related primary diagnosis code; it was assumed that inpatient utilization would decrease by the amount shown in cell A6 as a result of better care coordination.

5) Total computable expenditures are grown forward based on the DHHS Office of Analytics caseload projections.

6) 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).