

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 14, 2023

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title Chief Principal Deputy Fiscal Analyst

The following responses from local governments were compiled by the Fiscal Analysis Division. The Fiscal Analysis Division can neither verify nor comment on the figures provided by the individual local governments.

Local Government Responses
A.B. 85 / BDR 40 - 169

City/County: Carson City Approved by: Sheri Russell-Benabou, Chief Financial officer Comment:				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: Clark County Approved by: Rachel Stevens, Principal Management Analyst Comment: As written, this bill would result in University Medical Center of Southern Nevada's (UMC) commercial payor rates being capped at Medicare rates, which will impact UMC's reimbursements in two specific areas. First, UMC's commercial reimbursement would be decreased to Medicare levels. Second, UMC participates in a Managed Care Directed Payment program with Nevada Medicaid, which provides an enhanced rate of reimbursement for MCO services calculated based on the Average Commercial Rate (ACR) of UMC's five highest commercial payors. This bill would reduce the ACR to Medicare rates, lowering the scope of the Managed Care Directed Payments. Medicare rates do not fully cover the cost of delivery of service, with the American Hospital Association estimating that Medicare reimbursement only covers on average 84 cents of every dollar spent on providing care to Medicare recipients. Additionally, Medicare rates are lower than the rates UMC has currently negotiated through available supplemental payment mechanisms. A revenue loss of the magnitude estimated as a result of this bill could impact UMC's ability to deliver critical community services only provided by UMC.				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Has Impact	\$0	(\$150,827,961)	(\$150,827,961)	(\$301,655,922)

City/County: Elko County Approved by: Susan Paprocki, Comptroller Comment:				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: Humboldt County Approved by: Gina Rackley, Comptroller Comment:				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: **Lyon County**

Approved by: Josh Foli, Comptroller

Comment: This bill may result in an increase in health insurance coverage rates for employees if the medical providers are more restricted in other medical charges. It isn't possible to determine a fiscal impact at this point.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **Pershing County**

Approved by: Karen Wesner, Administrative Assistant

Comment: There maybe an impact but it cannot be determined at this time.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **Washoe County**

Approved by: Cadence Matijevich, Government Affairs Liaison

Comment: The provisions of this BDR that require an independent commission to establish fixed rates for health care goods and services (i.e. hospitals, emergency medical care, surgical centers) in alignment with Medicare rates would likely result in a reduction in expenditures for Washoe County. Based upon historical costs, Medicare rates are typically better than those available through private contracting, unless the facility appeals the fixed rates. Generally, this could lower the cost of health benefits for Washoe County as long as the fixed rates were in line with Medicare rates; however, if the fixed rates are not in line with Medicare there is potential for costing more than privately contracting health care goods and services. Because the fixed rates have not been determined, the fiscal impact to Washoe County cannot be determined.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

The following cities/counties did not provide a response: Churchill County, Douglas County, Esmeralda County, Eureka County, Lander County, Lincoln County, Mineral County, Nevada Association of Counties, Nye County, Storey County, and White Pine County.