

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 10, 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)		\$410,709	\$566,767	\$1,133,534
Actuarial Costs (Expense)		\$30,000		
System Changes (MMIS) (Expense)		\$61,600		
Total	0	\$502,309	\$566,767	\$1,133,534

Explanation

(Use Additional Sheets of Attachments, if required)

The Division has reviewed this BDR and determined it may have a financial impact on the agency. Under the terms of this bill, provisions requiring a health care provider be licensed in Nevada to provide telehealth services to Nevada individuals would be removed. As such, out-of-state providers would be allowed to enroll with Nevada Medicaid and render services to Nevada Medicaid recipients. During the pandemic, additional telehealth flexibilities were allowed to ensure recipients could safely access necessary medical services. This bill would continue to allow telehealth services to be rendered by providers both in and outside of Nevada if the conditions in the BDR were met. To estimate costs, the Division identified claims for services that were billed with a Place of Service modifier indicating the service was provided via telehealth. The Division expects that continued access to telehealth services may increase access to care, which may in turn increase expenditures. If providers outside the State of Nevada are permitted to enroll with Medicaid, the network of providers may grow alongside an increase in utilization. The Division estimated a 1% increase in telehealth services under the terms of this bill. Please note that telehealth services have already increased drastically in the last several years, which would be captured in base year data. This analysis projects additional growth due to expanded access. The estimated total computable impact for medical services in the FY24-25 biennium is \$977,476 (\$261,512 in State General Funds). As the proposed start date for expanded access to telehealth services does not align with the capitation rate-setting year, actuarial costs of \$30,000 (\$15,000 in State General Funds) may also be incurred to recalculate capitation rates mid-year. System changes would also be required to allow out-of-state providers to enroll without having a Nevada license number, at an estimated cost of \$61,600 for the FY24-25 biennium.

Name Kimberly Adams
Title Management Analyst IV

GOVERNOR'S OFFICE OF FINANCE COMMENTS

The agency's response appears reasonable.

Date Friday, March 03, 2023

Name Amy Stephenson
Title Director

Fiscal Impact Analysis

**Division of Health Care Financing and Policy
Uniform Telehealth Act DHCFP Fiscal Analysis
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 % increase in telehealth services
(expanded access to care)**

1%

Estimated Fiscal Impact FY24-FY25 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY24	\$410,709	\$301,235	\$108,041	\$1,433
FY25	\$566,767	\$411,105	\$153,471	\$2,191
Total	\$977,476	\$712,340	\$261,512	\$3,624

Description of Budget Concept

This fiscal analysis estimates the additional costs that may occur if telehealth flexibilities are continued. Currently, Nevada Medicaid has broadened telehealth services due to the pandemic. This BDR would allow for continued access to telehealth services. As out-of-state providers could enroll with Nevada Medicaid to provide services to recipients via telehealth, the Division is projecting the possibility of a slight increase to telehealth services due to expanded access to care.

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, Claims billed with Place of Service modifier 02 (Telehealth Provided Other than in Patient's Home) and 10 (Telehealth Provided in Patient's Home).
- 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) DHCFP determined the total cost of telehealth services in FY22, which would be captured in base year projections. The Division assumed that there may be an increase of 1% in telehealth services due to expanded access to care; the 1% increase is the projected fiscal 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).