

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

AGENCY'S ESTIMATES

Date Prepared: March 2, 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)		\$421,502	\$428,914	\$857,828
System Costs (MMIS Changes) (Expense)		\$50,400		
Contractual Costs (Expense)		\$700,000		
Actuarial Costs (Expense)		\$30,000		
Personnel Services (3158) (Expense)		\$278,313	\$384,314	\$768,628
In-state travel (3158) (Expense)		\$8,954	\$11,939	\$23,878
Operating (3158) (Expense)		\$10,361	\$13,135	\$26,270
Equipment/Furniture (3158) (Expense)		\$12,520		
Information Services (3158) (Expense)		\$12,533	\$3,564	\$7,128
Total	0	\$1,524,583	\$841,866	\$1,683,732

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 7 of the BDR indicates DHCFP must expand allowable services provided by school-based health centers (SBHC) to allow additional services to be provided to both pupils and their families. Additionally, Section 7 also requires DHCFP to conduct a study that reviews current standards for SBHCs to identify opportunities to increase flexibility for providers, review reimbursement rates paid to SBHCs and explore value-based payments for providers.

The study would culminate in a report with recommendations for changes based on the study. There are four areas where costs are expected to increase as a result of this BDR to the Medicaid program:

- Medical services (increase due to greater access to care): Total computable FY 24-25 \$850,416 (\$261,937 in state general funds and \$137 in county funds with the remainder made up of federal funds)
- System costs (mapping additional procedure codes under this provider type and establishing system edits related to those codes): \$5600 for new system edits/audits and \$44,800 for mapping new codes; total for FY 24-25 of \$50,400 (a portion of which would be paid for with 75% federal match; \$12,600 cost in state general funds)
- Contractual costs: estimated \$700,000 based on other recently approved contracts to be paid for by the state.
- Actuarial costs: estimated \$30,000 for the Division's actuary to recalculate capitation rates mid-year (50% federal match; \$15,000 cost in state general funds)

Section 3 of the BDR also establishes the Alternative Billing Resource Office to assist providers; DHCFP is to provide staffing and resources for this new unit.

- The total computable cost of staffing changes, travel, information services, etc. to staff the new unit is \$735,634 for the SFY 24-25 (\$367,817 in state general funds).

Name Stacie Weeks

Title Administrator

**GOVERNOR'S OFFICE OF FINANCE COMMENTS**

Date Wednesday, March 01, 2023

The agency's response appears reasonable.

Name Amy Stephenson



## Fiscal Impact Analysis

**Division of Health Care Financing and Policy  
Expansion of School-Based Health Clinic  
Services  
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	\$421,502	\$293,075	\$128,366	\$61
FY25	\$428,914	\$295,267	\$133,571	\$76
Total	\$850,416	\$588,342	\$261,937	\$137

**Description of Budget Concept**

This budget concept estimates the additional cost for medical services under BDR 38-328. This BDR would allow additional practitioners to provide services in a Special Clinic - School Based Health Center (SBHC - Provider Type 17, Specialty 179). This BDR is expected to affect the delivery of services in two ways. First, some services may transition from being provided in the community to a SBHC; this is not expected to impact spending as it would only change the provider type the service is billed under. Second, it is expected that expanding the services a SBHC could provide would increase accessibility of services for recipients, which may lead to a slight increase in spending. This analysis captures the expected additional costs of increased access. SBHC services would be available to both students and their families.

**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*. There are currently no providers enrolled under PT 17-179; there is no historical utilization. The Medical Programs Unit indicated one Federally Qualified Health Center (FQHC) is currently working with a school to render services under a similar model. A utilization report for that provider was generated and used to develop a profile of services as described below.
- 2) The Medicaid IDs for each recipient receiving services as described in Step 1 were identified. Those Medicaid IDs were used to pull a separate utilization report showing what other services those individuals received under the following Provider Types (PTs): 20 (Physician), 24 (Advanced Practice Registered Nurse); 77 (Physician Assistant); 14 (Behavioral Health Outpatient Treatment); 22 (Dentist); 43 (Lab), in addition to FQHC services.
- 3) Costs per member were determined for each service area and increased by 5% to estimate additional expenditures. It was assumed that each SBHC would serve approximately 100 recipients and that 10% of all schools in Nevada would have a SBHC (77 SBHCs). Patients were divided into MCO/FFS using FY 22 MCO penetration rates.
- 4) The current reimbursement mythology for PT 17-179 does not include many of the new services that would be offered under this BDR. DHCFP staff assumed that reimbursement rates established for PT 17-179 would need to be at a similar level as paid to other providers within the community to ensure providers are incentivized to render services in each SBHC.
- 5) Patient by Category counts were captured by running a report out of the MMIS to include FFS patients and Managed Care (MCO) patients.

## Fiscal Impact Analysis

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

7) 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).