

BDR 38-545 SB 191

EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 13, 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)		\$462,094	\$2,282,430	\$4,564,860
System Costs (MMIS) (Expense)		\$7,840		
Contractual Costs (Expense)		\$400,000	\$200,000	
Total	0	\$869,934	\$2,482,430	\$4,564,860

Explanation

(Use Additional Sheets of Attachments, if required)

The Division has determined the BDR would have a fiscal impact. Nevada Medicaid covers Applied Behavior Analysis (ABA) services for children under 21. This BDR would expand coverage of ABA services to adults ages 21-to-27. Such an expansion of coverage that doesn't cover all adults (up to 64 years of age) would require the Division to seek a federal waiver of comparability requirements under 42 CFR 440.240. To calculate the fiscal impact, DHCFP determined the ratio of individuals under the age of 21 who receive ABA compared to the number of individuals under 21 with a diagnosis of Autism Spectrum Disorder (ASD). The Division applied that ratio to the number of adults aged 21-27 with ASD. The number of adults projected to receive ABA services was compared to the number of individuals under 20 who receive ABA services; that ratio was applied to the medical costs associated with ABA services to estimate the fiscal impact. The Division included a ramp up of 12 months to establish the new coverage. Given the nationwide shortage of ABA providers, the Division applied a provider shortage adjustment of 25% to reflect this limitation on utilization.

The total computable impact in the FY24-25 biennium is \$2,744,524 (\$787,843 in State General Funds). System updates to the Medicaid Managed Information System (MMIS) would also be required to amend age restrictions for ABA services. The projected total computable cost for system updates is \$7,840 (\$1,960 in State General Funds). The Division would also need to fund the costs associated with seeking and implementing a new Section 1115 federal waiver to limit adult coverage by age. Due to the workload related to 1115 waivers, one additional employee and new contracted vendor support for the federally required waiver evaluation will be needed to implement the waiver and coverage as described in the BDR. Contractual costs may span multiple fiscal years as waiver implementation can be a lengthy with a final five-year report required.

Name Stacie Weeks

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

The agency's response appears reasonable.

Date Monday, March 13, 2023

Name Amy Stephenson

Title Director

Fiscal Impact Analysis

**Division of Health Care Financing and Policy
ABA Expansion to Adults Aged 21-27
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	\$462,094	\$328,615	\$116,312	\$17,167
FY25	\$2,282,430	\$1,501,524	\$671,531	\$109,375
Total	\$2,744,524	\$1,830,139	\$787,843	\$126,542

Description of Budget Concept

This fiscal impact analysis estimates the cost of authorizing Applied Behavior Analysis (ABA) services to individuals aged 21-27. Currently, this service is only available to individuals under the age of 21.

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, Provider Type 85
- 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) Patients potentially impacted by this change were identified by determining the number of patients aged 21-27 with a diagnosis of autism. The Division looked at the ratio of individuals under the age of 21 receiving ABA services compared to the number of individuals under 21 with a diagnosis of autism and applied that ratio to the number of adults with an autism diagnosis to estimate how many new patients would receive ABA services.
- 4) The number of new patients was compared to the number of existing patients to determine a ratio. That ratio was applied to current ABA expenditures to estimate additional costs for the new population.
- 5) A ramp up period of 12 months was utilized to account for time needed to implement new policies and for providers to start treating recipients aged 21-27. Additionally, a provider shortage adjustment of 25% was also applied to reduce projected expenditures. Currently, there is a nationwide shortage of providers who can render ABA services (including in Nevada). The Division is unsure if there if the provider network in Nevada would be able to absorb the new population of adults who would be eligible to receive ABA services.
- 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).