

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 11, 2025

Agency Submitting: Department of Health and Human Services, Health Care Financing and Policy

Items of Revenue or Expense, or Both	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Effect on Future Biennia
Medical Services (Expense) (Expense)		\$39,188,138	\$40,278,291	\$80,556,582
Vendor Support (Expense) (Expense)			\$500,000	
Personnel Services (3158) (Expense) (Expense)		\$299,584	\$405,550	\$811,100
In-State Travel (3158) (Expense) (Expense)		\$644	\$859	\$1,717
Operating (3158) (Expense) (Expense)		\$9,530	\$12,974	\$25,947
Equipment/Furniture (3158) (Expense) (Expense)		\$9,969		
Information Services (3158) (Expense) (Expense)		\$8,474	\$4,456	\$8,912
Training (3158) (Expense) (Expense)		\$2,256	\$2,256	\$4,512
Total	0	\$39,518,595	\$41,204,386	\$81,408,770

Explanation

(Use Additional Sheets of Attachments, if required)

If enacted, this bill would have a fiscal impact on the Division. Specifically, the bill would require DHCFP to increase rates of reimbursement for Physicians and Advanced Practice Registered Nurses and implement an accountable care model for reimbursement to certain groups of providers. A portion of these expenditures would be used to fund additional administrative costs associated with these changes, including \$500,000 in one-time, start-up expenses for contracting with necessary expert vendors to set up the new accountable care model for Medicaid. The Division will also need additional staff to administer the new accountable care model with its providers, including one Management Analyst IV, one Management Analyst III, and a Social Services Chief 1, which will cost a total of \$756,553.

In sum, the rate increases, and the new accountable care model would result in \$11,151,939 in new General Fund costs for Medicaid for FY26 and \$11,811,722 in FY27. Additionally, \$57,561,444 would be available to the state in federal Title XIX funds in the FY26-27 biennium to support the total expenditures for these changes for the SFY26/27 biennium (which is \$81,408,770).

Name Stacie Weeks

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Wednesday, February 05, 2025

The agency's response appears reasonable.

Name Tiffany Greenameyer

Title Director, Governor's Finance Office

**Division of Health Care Financing and Policy
BDR 38-450 PPC Physician and parities increase
Analysis Summary**

Estimated Fiscal Impact FY24

State Fiscal Year
FY24
FY25
Total

Estimated Fiscal Impact FY26

State Fiscal Year
FY26
FY27
Total

**Rate Increase
Rural Addition**

5%
3%

Description of Budget Concept

Provide a 5% increase to all rates assigned to provider type 20 (Physicians). In conjunction with this increase, apply these concepts to provider types 24 (Advanced Practice Registered Nurses) currently in parity with provider type 20.

Methodology

1) Fee-For-Service (FFS) utilization and managed care encounter were captured by running a report out of the MMIS by provider type/service:

SFY24 (07/01/2023 - 06/30/2024) Incurred with Runoff, Net Allowed Amount

2) Patient by Category counts were captured by running a report out of the MMIS to include patient by category counts.

3) FFS and MCO utilization data was pulled for provider type 20 within FY2023. Addition to this data, rural services were added to the total. This was done due to the implementation of a 5% increase to provider type 20 rates within FY2023. This was done due to the implementation of a 5% increase to provider type 20 rates and parity increases implemented 1/1/24. These adjusted total 11.1% as a factor considering 11.1% of services in Nevada are considered rural. This accounts for the rural services.

4) Total computable expenditures are grown forward based on the DHHS Office of Analysis and Policy's FY2023 report.

5) FMAP rates were applied to determine the federal share of estimated costs. Note that the FMAP rate for FY2023 is 6.2% through March 31, 2023. Enhanced COVID FMAP amounts are tiered down across CY 2023 to the following enhanced FMAP amounts: 6.2% (CY23 Q1); 5.0% (CY23 Q2); 2.5% (CY23 Q3 and Q4).

24-FY25 Biennium

Total Computable	Federal Funds	General Fund	County Funds
\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0

26-FY27 Biennium

Total Computable	Federal Funds	General Fund	County Funds
\$39,518,595	\$28,272,495	\$11,151,939	\$94,162
\$41,204,386	\$29,288,950	\$11,811,722	\$103,715
\$80,722,981	\$57,561,445	\$22,963,661	\$197,877

ion, provide an additional 3% increase for services provided in a rural
stered Nurse "APRN") and 74 (Certified Nurse Midwives) as they are

ing a report out of the MMIS using the following parameters for this

ide FFS patients and Managed Care (MCO) patients.

ally, FFS and MCO utilization data was pulled for provider types 24 and 74
pe 20 and parity increases to provider types 24 and 74. The FY2023 data
ls were then increased by 5%. The new impact was then multiplied by
djustment was then increased by 3% factoring in the rural increase.

tics caseload projections.

t the COVID-19 enhanced FMAP (+6.2%) for Medicaid is used through
lign with the 2023 Federal FY Omnibus Appropriations Bill, which allows
Q3); 1.5% (CY23 Q4).