BDR 38-218
SB 118

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 5, 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)		$7,066,898	$16,714,597	$33,429,194
System Costs (MMIS) (Expense) (Expense)		$15,000		
Personnel Services (3158) (Expense) (Expense)		$95,908	$130,988	$261,976
In-State Travel (3158) (Expense) (Expense)		$859	$1,145	$2,290
Operating (3158) (Expense) (Expense)		$3,231	$4,396	$8,792
Equipment/Furniture (3158) (Expense) (Expense)		$3,323		
Information Services (3158) (Expense) (Expense)		$2,823	$1,485	$2,971
Total	0	$7,188,042	$16,852,611	$33,705,223

Explanation (Use Additional Sheets of Attachments, if required)

The bill would have a fiscal impact on Nevada Medicaid, because it would increase the scope of covered pharmacy services and require reimbursement parity for certain pharmacist-provided services with those provided by physician assistants. This fiscal analysis assumes affected services include laboratory services, family planning services, infectious disease screenings, and diagnostic screenings. Rates were aligned with those paid to physician assistants and service utilization was determined by applying similar utilization rates of physicians for these services. A ramp-up period of 12 months was included due to the state's provider shortages and implementation timelines. The state did assume a state savings of $6,802,211 for SFY26/27 biennium due to the rate differential between physicians and pharmacists for these services. However, given the pent-up demand for these services statewide, the Division does not assume that this savings absorbs the costs associated with this bill.

In sum, the Division estimates the bill would result in a total of $6,709,063 in new costs to the State General Fund for the SFY26/27 biennium, with $17,290,929 being available in federal matching funds to support the costs of this bill to Medicaid. A portion of these costs would be used to fund additional administrative costs associated with these changes, including at least one (1) new Management Analyst 3 for the increased need for pharmacy compliance and oversight in the Medicaid fraud, waste and abuse unit, as well as $30,000 in systems-related costs.

Name Stacie Weeks

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Tuesday, February 04, 2025

The agency's response appears reasonable.

Name Tiffany Greenameyer

Title Director, Governor's Finance Office

Division of Health Care Financing and Policy
SB118 - BDR 38-218 - Pharmacy Coverage
Analysis Summary

Estimated Fiscal Impact FY24-FY25 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY24	$0	$0	$0	$0
FY25	$0	$0	$0	$0
Total	$0	$0	$0	$0

Assumed Utilization

75%

Estimated Fiscal Impact FY26-FY27 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY26	$7,066,898	$5,139,198	$1,922,055	$5,645
FY27	$16,714,597	$12,018,402	$4,661,179	$35,016
Total	$23,781,495	$17,157,600	$6,583,234	$40,661

Description of Budget Concept

Pharmacy Coverage and reimbursement. Provider Type 91 (Pharmacists) ability to conduct services for CPT codes 80053-87902, 99202 - 99499, 90471 - 90474,and 99605 - 99607 in parity with Provider Type 77 (Physicians Assistant) in support of PT 20 (Physicians) by collaborative 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:

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 FFS patients and Managed Care (MCO) patients.

3) Added CPT codes were determined by comparing the PT 20 and PT 91 fee schedules adding those codes found on the PT20 fee schedule that were not already on the PT 91 fee schedule. Rates for each added code were developed utilizing the PT 77 methodology.

4) Utilization was determined by code utilization rate by PT 20 per enrolled provider. That rate was then applied to the enrolled provider count for PTs 91 and 28 (Pharmacy).

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

6) 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).