



State of Nevada

Department of Health and Human Services

Division of Health Care Financing and Policy

BIENNIAL BUDGET

ASSEMBLY COMMITTEE ON WAYS AND MEANS

AND

SENATE COMMITTEE ON FINANCE

BUDGET PRESENTATION

FY 13 – FY 15

February 20, 2013

Division of Health Care Financing and Policy

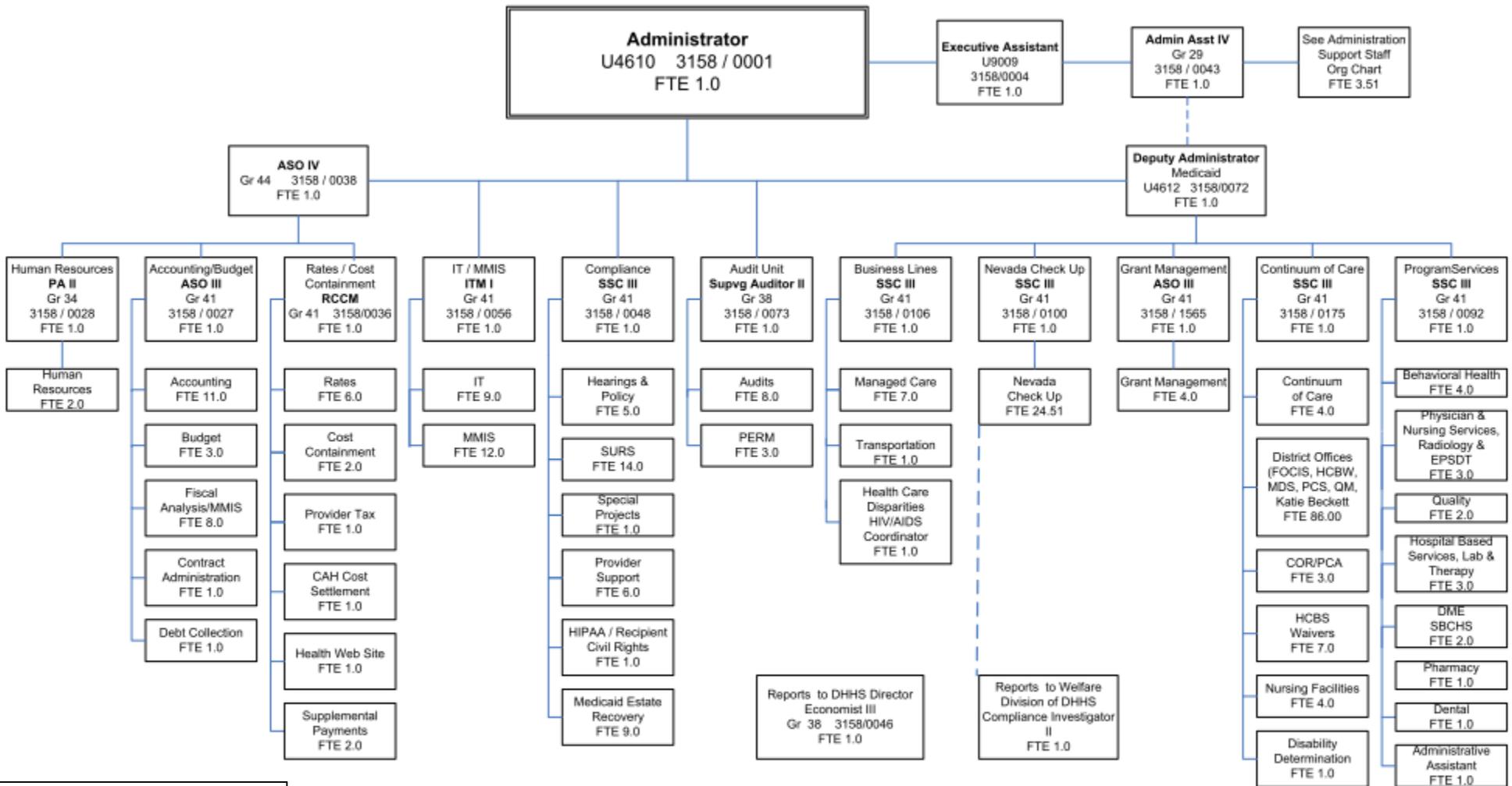
Mission Statement:

To purchase and provide quality health care services to low income Nevadans in the most efficient manner; promote equal access to health care at an affordable cost to the taxpayers of Nevada; restrain the growth of health care costs; and review Medicaid and other state health care programs to maximize potential federal revenue.

Division of Health Care Financing and Policy

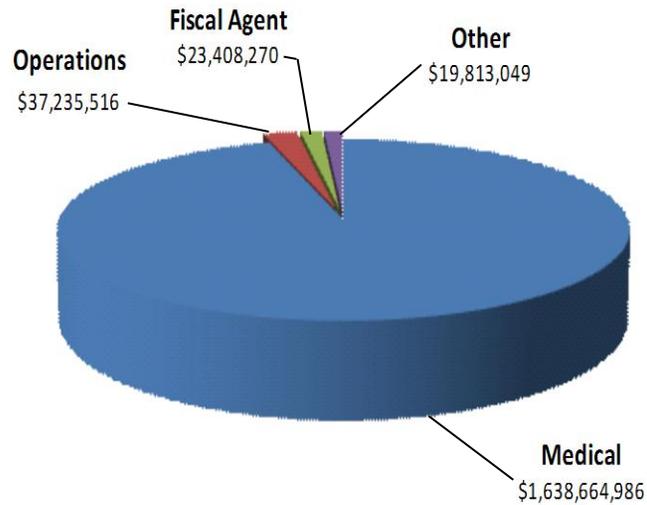
**DIVISION OF HEALTH CARE
FINANCE AND POLICY**

**ADMINISTRATION
CARSON CITY
JAN 2013
Updates through 1-11-13**

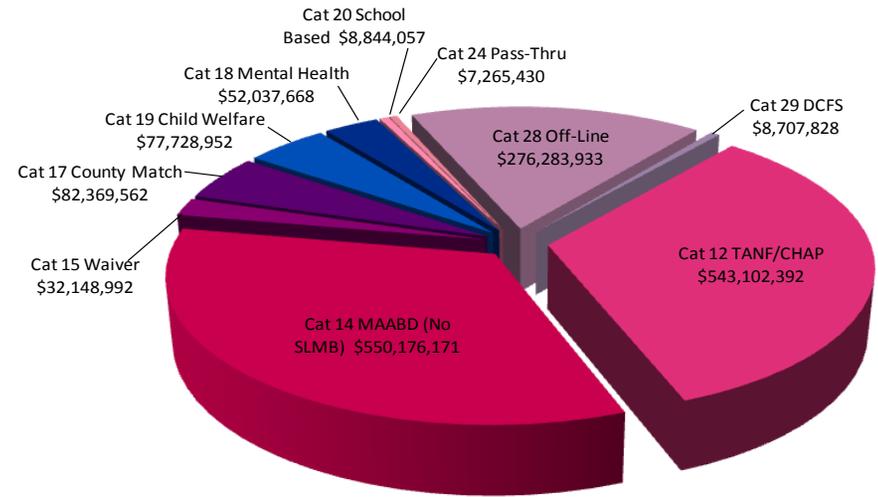


Base Total FTE = 288.02
 14-15 New FTE Requests = 13.0
 Less NV Check Up FTE = (23.51)
 Total 14-15 Request = 277.51

Division of Health Care Financing and Policy Medicaid Medical and Administration Expenditures SFY 2012



Total Computable Spend: \$1,719,121,821



Total Medical Spend: \$1,638,664,986

	Medical	\$ 1,638,664,986	95.32%
	Division of Health Care and Financing Operations	\$ 37,235,516	2.17%
	Division of Health Care and Financing Fiscal Agent	\$ 23,408,270	1.36%
ADMIN OTHER \$19,813,049	Mental Health & Development Services	\$ 201,149	0.01%
	Division of Welfare and Supportive Services	\$ 14,294,946	0.83%
	Division of Aging Admin	\$ 2,798,517	0.16%
	Targeted Case Management Association	\$ 856,934	0.05%
	Division of Child and Family Services	\$ 435,561	0.03%
	Health Division Admin	\$ 1,077,845	0.06%
	Director's Office	\$ 93,716	0.01%
	Department of Administration	\$ 20,581	0.00%
	Transfer to Legislative Counsel Bureau	\$ 33,800	0.00%
	TOTAL	\$ 1,719,121,821	100.00%

Division of Health Care Financing and Policy

Budget Account Summary SFY 13 - 15

BA	Budget Account Name	SFY 13 - 14				SFY 14- 15				
		General Fund	Other Funds	Total	# of FTE	General Fund	Other Funds	Total	Biennial Total	# of FTE
3158	DHCFP Administration	25,955,691	105,627,572	131,583,263	277.51	24,645,880	98,290,358	122,936,238	254,519,501	277.51
3178	Nevada Check Up	9,707,565	31,145,004	40,852,569	-	9,481,729	31,895,214	41,376,943	82,229,512	-
3243	Nevada Medicaid	516,658,615	1,491,152,304	2,007,810,919		573,737,689	1,860,847,930	2,434,585,619	4,442,396,538	
Total		552,321,871	1,627,924,880	2,180,246,751	277.51	607,865,298	1,991,033,502	2,598,898,800	4,779,145,551	277.51

BA	Pass Through	General Fund	Other Funds	Total	# of FTE	General Fund	Other Funds	Total	Biennial Total	# of FTE
3157	Intergovernmental Transfer	-	112,345,141	112,345,141	-	-	120,512,322	120,512,322	232,857,463	-
3160	Increased Quality of Nursing Care	900,000	30,047,740	30,947,740	-	900,000	31,304,514	32,204,514	63,152,254	-
Total		900,000	142,392,881	143,292,881	-	900,000	151,816,836	152,716,836	296,009,717	-

FTE Summary SFY 13 – 15

3158 DHCFP Administration - G01

		FY 12	FY 13	FY 14	FY 15
Base		262.51	262.51	262.51	262.51
Organization	PO (1), SSPS II (1), ASO II (1)			3.00	3.00
E225 IT Administrative Assistant III	Administrative Assistant III (1)			1.00	1.00
E229 Recovery Unit	MA I (1), MA II (1)			2.00	2.00
E231 Compliance Hearings Unit	SSPS II (1), AA II (1)			2.00	2.00
E580 MMIS Replacement	MA III (1)			1.00	1.00
DWSS	PO I (1), MA IV (1), BPA III (2)			4.00	4.00
E901 NV Check Up Staff	SSPS II (1), MA II (1), AA II (1)			3.00	3.00
E903 NV Check Up Chief to DWSS	SSC III (-1)			-1.00	-1.00
3158 DHCFP Administration TOTAL		262.51	262.51	277.51	277.51

3178 Nevada Check Up - G01

		FY 12	FY 13	FY 14	FY 15
Base		25.51	25.51	25.51	25.51
E901 NV Check Up Staff	SSPS II (-1), MA II (-1), AA II (-1)			-3.00	-3.00
DWSS	Nevada Check Up Eligibility (-22.51)			-22.51	-22.51
3178 Nevada Check Up TOTAL		25.51	25.51	0.00	0.00

	FY 12	FY 13	FY 14	FY 15
Division of Healthcare Financing and Policy Totals	288.02	288.02	277.51	277.51

Division of Health Care Financing and Policy

Priorities and Performance Based Budgeting (PPBB)

Educated and Healthy Citizenry

DHCFP Core Objectives

- **Medical Services Reimbursement**

Medicaid is the largest program providing medical and health-related services to America's poorest people. Mandatory services are required as part of the federally-approved Medicaid program. This activity oversees Medicaid payments for medical services.

- **Care Management**

The Care Management Organization (CMO) program provides additional coordination of medical and behavioral health services for targeted recipients in the Nevada Medicaid Fee-For-Service program (FFS). It does not perform actual medical services for enrollees. CMO enrollees are not to receive fewer services than they would under regular FFS.

- **Health Care Transparency**

The division worked in partnership with Nevada's Center for Health Information and Analysis (CHIA) to develop the website, called Nevada Compare Care. CHIA is a research center at the University of Nevada Las Vegas under the Dean of Community Health Sciences and maintains a state mandated inpatient hospital claims database.

- **Fraud, Waste and Abuse**

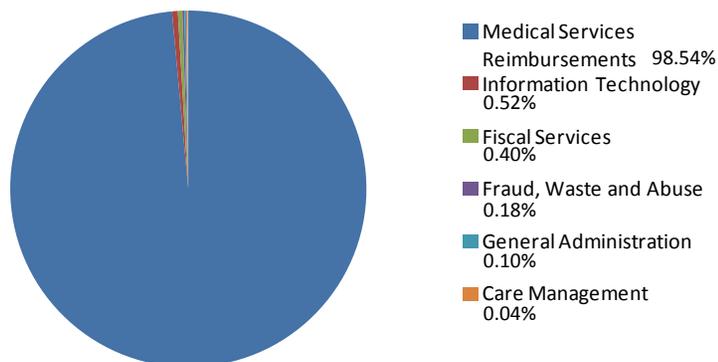
This activity identifies Medicaid provider fraud, waste and abuse using staff and contractors. Providers are selected for review based upon complaints, referrals, fraud detection, and other analysis. Cases suspected of fraud are referred to the Attorney General's Office. Fraud and abuse by Medicaid recipients is handled by the Welfare Division.

Division of Health Care Financing and Policy

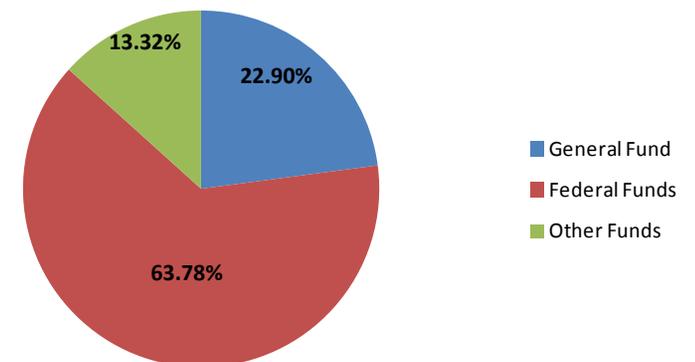
Priorities and Performance Based Budgeting (PPBB) Activities

Activities	SFY14 SGF	SFY14 Other	SFY 14 Total Funding by Activity	SFY15 SGF	SFY15 Other	SFY15 Total Funding by Activity	SFY14 FTEs	SFY15 FTEs
Medical Services Reimbursements	\$543,622,202	\$1,451,101,930	\$1,994,724,132	\$599,590,977	\$1,958,208,427	\$2,557,799,404	186.68	186.64
Information Technology	\$3,111,182	\$12,527,445	\$15,638,627	\$2,954,112	\$11,630,522	\$14,584,634	33.26	33.26
Fiscal Services	\$2,399,991	\$151,371,174	\$153,771,165	\$2,278,917	\$8,972,211	\$11,251,128	25.68	25.67
Fraud, Waste and Abuse	\$1,066,721	\$4,295,064	\$5,361,785	\$1,012,852	\$3,987,528	\$5,000,380	11.40	11.40
General Administration	\$977,740	\$3,937,186	\$4,914,926	\$928,407	\$3,655,345	\$4,583,752	10.45	10.45
Care Management	\$622,210	\$2,505,411	\$3,127,621	\$590,871	\$2,326,129	\$2,917,000	6.65	6.65
Personnel and Payroll	\$266,680	\$1,073,766	\$1,340,446	\$253,213	\$996,912	\$1,250,125	2.85	2.85
Health Care Transparency	\$254,546	\$0	\$254,546	\$254,552	\$0	\$254,552	0.54	0.58
Pass Through	\$0	\$142,392,881	\$142,392,881	\$0	\$151,816,836	\$151,816,836	0.00	0.00
SFY Totals	\$552,321,272	\$1,769,204,859	\$2,321,526,131	\$607,863,901	\$2,141,593,910	\$2,749,457,811	277.51	277.50

Division Biennium SGF by Activity



Division Biennium Total by Funding



Regular Medical FMAP (Blended) FFY14 = 62.26% FFY 15 = 63.54%
 Enhanced Medical FMAP (Blended) FFY14 = 73.58% FFY 15 = 74.48%
 Various Admin FMAPs at 100%, 90%/10%, 75%/25%, 50%/50%

Division of Health Care Financing and Policy
BA 3158 Medicaid Administration
Key Projects

- **Phase II MMIS Replacement Technology Information Request (TIR) *E580***
 - Phase II Estimated Timeframe 7/1/2013 – 6/30/2015
 - Phase III Estimated Timeframe 7/1/2015 – 6/29/2018
- **Health Information Exchange (HIE) Connection *M748***
 - Estimated Timeframe 7/1/2013 – 7/1/2014
- **Transformed Medical Statistical Information System (TMSIS) *M517***
 - Estimated Timeframe 2/1/2013 – 12/31/2013
- **ACA Impact on MMIS *M742***
 - Estimated Timeframe 7/1/2013 – 6/30/2015

Division of Health Care Financing and Policy

Decision Unit Summary – Budget Account 3158

BA	Decision Unit	Purpose	SFY 14					SFY 15				
			General Fund	Fed Funds	Other Funds	Total	# of FTE	General Fund	Fed Funds	Other Funds	Total	# of FTE
3158	B000	Base - Medicaid Administration	19,762,821	61,127,381	4,169,341	85,059,543	262.51	19,988,948	61,375,104	4,326,096	85,690,148	262.51
3158	M100	Statewide Inflation	14,820	371,920	-	386,740	-	8,108	165,856	-	173,964	-
3158	M101	Agency Specificity Inflation	(868,166)	(2,817,115)	-	(3,685,281)	-	(1,110,835)	(3,583,403)	-	(4,694,238)	-
3158	M150	Adjustments to Base	429,412	15,313,636	(187,353)	15,555,695	-	(130,135)	8,195,402	(187,353)	7,877,914	-
3158	M200	Demographic/Caseload Changes	2,497,815	-	7,198,205	9,696,020	-	2,927,280	-	8,453,015	11,380,295	-
3158	M300	Fringe Benefit Rate Adjustment	(513)	(552)	(4)	(1,069)	-	224,369	276,124	2,109	502,602	-
3158	M502	Log Management	23,450	23,450	-	46,900	-	4,000	4,000	-	8,000	-
3158	M503	IT Security Assessments	40,000	40,000	-	80,000	-	-	-	-	-	-
3158	M504	Two Factor Authentication	19,386	19,387	-	38,773	-	2,364	2,365	-	4,729	-
3158	M505	EHR Incentive Program Meaningful Use Audits	10,060	90,540	-	100,600	-	10,060	90,540	-	100,600	-
3158	M511	MRRC Waiver Fiscal Agent Costs	1,304	3,909	-	5,213	-	3,420	10,261	-	13,681	-
3158	M512	WIN Waiver Fiscal Agent Costs	2,701	8,105	-	10,806	-	6,974	20,923	-	27,897	-
3158	M514	DAS Waiver FA Costs	1,689	5,065	-	6,754	-	4,359	13,077	-	17,436	-
3158	M515	HSAG	74,338	223,014	-	297,352	-	62,855	188,563	-	251,418	-
3158	M517	Transformed Medical Statistical Information System	301,638	1,602,041	-	1,903,679	-	168,029	1,257,260	-	1,425,289	-
3158	M742	HCR Impact on MMIS	1,252,433	3,757,297	-	5,009,730	-	375,000	1,125,000	-	1,500,000	-
3158	M745	Provider Screening	212,564	212,565	-	425,129	-	212,564	212,565	-	425,129	-
3158	M746	CMS Acquisition Cost Outpatient Pharmaceuticals	50,000	50,000	-	100,000	-	-	-	-	-	-
3158	M747	ACA New Staff and Organization	87,122	91,466	-	178,588	3.00	104,959	111,116	-	216,075	3.00
3158	M748	HIE Connection	410,385	2,883,468	-	3,293,853	-	275,373	826,119	-	1,101,492	-
3158	M749	Business Operations Solution (BOS)	272,773	288,018	-	560,791	-	339,175	358,131	-	697,306	-
3158	E225	IT Admin Assistant III	20,539	21,624	-	42,163	1.00	25,738	27,288	-	53,026	1.00
3158	E228	Medical Coding Contract	31,200	31,200	-	62,400	-	39,000	39,000	-	78,000	-
3158	E229	Recovery Unit	53,377	56,144	-	109,521	2.00	66,376	70,306	-	136,682	2.00
3158	E230	Partner Expansion	171,839	171,839	-	343,678	-	178,464	178,464	-	356,928	-
3158	E231	Additional Hearings Resources - 2 FTEs	46,736	49,185	-	95,921	2.00	58,251	61,740	-	119,991	2.00
3158	E233	Incremental Travel & Training above base	41,057	41,057	-	82,114	-	41,057	41,057	-	82,114	-
3158	E234	Additional CHIA Funding	254,553	-	-	254,553	-	254,553	-	-	254,553	-
3158	E235	Cost Sharing	431,250	1,293,750	-	1,725,000	-	-	-	-	-	-
3158	E500	Adjustments for Transfer for E900	-	-	-	-	-	-	-	-	-	-
3158	E580	MMIS Replacement	412,153	1,236,459	-	1,648,612	1.00	475,230	1,425,692	-	1,900,922	1.00
3158	E670	2.3% Furlough + 2.5% Salary Reduction	(255,506)	(340,181)	-	(595,687)	-	(260,281)	(346,592)	-	(606,873)	-
3158	E671	Implement Salary Freeze	(128,246)	(170,132)	-	(298,378)	-	(194,666)	(258,281)	-	(452,947)	-
3158	E672	Suspend Longevity	(31,701)	(39,499)	-	(71,200)	-	(37,083)	(46,067)	-	(83,150)	-
3158	E710	Replacement Equipment	94,245	94,245	-	188,490	-	68,915	68,914	-	137,829	-
3158	E740	Newly Eligible 138% FA Costs	110,326	330,976	-	441,302	-	335,694	1,007,081	-	1,342,775	-
3158	E800	Sister Agency Cost Allocation	65,277	8,460,961	(405,148)	8,121,090	-	69,275	12,849,422	(405,148)	12,513,549	-
3158	E805	IT Position Upgrades	5,639	16,916	-	22,555	-	5,687	17,060	-	22,747	-
3158	E900	Transfer FTEs from DWSS	22,725	82,777	179,639	285,141	4.00	27,704	82,994	188,484	299,182	4.00
3158	E901	Transfer of NCU Staff & Vehicle to BA 3158	53,730	155,889	-	209,619	3.00	54,556	165,473	-	220,029	3.00
3158	E903	Transfer of NV Check Up Chief position to DWSS	(39,534)	(113,913)	-	(153,447)	(1.00)	(39,457)	(119,399)	-	(158,856)	(1.00)
Total BA 3158			25,955,691	94,672,892	10,954,680	131,583,263	277.51	24,645,880	85,913,155	12,377,203	122,936,238	277.51

Division of Health Care Financing and Policy

Budget Account 3158 Medicaid Administration

Fiscal Year Amounts Represents State General Funds

	<u>SFY 2014</u>	<u>SFY 2015</u>	<u>Biennium</u>
M100 – Inflation-Statewide	\$14,820	\$8,108	\$22,928
M101 – Agency Specific Inflation	(\$868,166)	(\$1,110,835)	(\$1,979,001)
M150 – Adjustments to Base	\$429,412	(\$130,135)	\$299,277
M200 – Demographics/Caseload Changes – Normal Growth	\$2,497,815	\$2,927,280	\$5,425,095
M300 – Fringe Benefit Rate Adjustments	(\$513)	\$224,369	\$223,856
M502 – Log Management	\$23,450	\$4,000	\$27,450
<p>This request funds security information and event management equipment and software to expand visibility into and analysis of network activity through event log aggregation per the Health Insurance Portability and Accountability Act, Security Rule 164.312(b). This will allow the agency information security staff to monitor activity on multiple parts of the system and identify potential breaches, hacking attempts and system events.</p>			
M503 – IT Security Assessments	\$40,000	\$0	\$40,000
<p>This request funds an external industry-recognized security expert to perform a risk assessment of the division's automatic data processing system for state data security. HIPAA regulations requires all covered entities to conduct a review and evaluation of physical and data security operating procedures and personnel practices on a biennial basis.</p>			
M504 – Two Factor Authentication	\$19,386	\$2,364	\$21,750
<p>This request implements a two-factor authentication system for users of networks, applications, and data of the division. Two factor authentications require the use of two methods, such as passwords, PIN, smart card or fingerprint, just to name a few.</p>			
M505 – EHR Incentive Program Audits	\$10,060	\$10,060	\$20,120
<p>This request funds the current Electronic Health Record (EHR) Provider Incentive Payment system vendor to perform 100% of the pre-payment eligibility verifications to ensure only providers who meet eligibility requirements receive an incentive payment per federal requirements for states to monitor incentive payments.</p>			

Division of Health Care Financing and Policy

Budget Account 3158 Medicaid Administration

Fiscal Year Amounts Represents State General Funds

	<u>SFY 2014</u>	<u>SFY 2015</u>	<u>Biennium</u>
M511 – MRRC Waiver Fiscal Agent Costs	\$1,304	\$3,420	\$4,724
This request funds the fiscal agent services due to the anticipated approval of additional Mental Retardation and Related Conditions (MRRC) waiver slots. Expansion of MRRC waiver slots will allow an additional 250 Nevadans access to Home and Community Based Waivers and an alternative to in-patient long-term care facilities. This request is a companion to M511 in Nevada Medicaid, budget account 3243.			
M512 – WIN Waiver Fiscal Agent Costs	\$2,701	\$6,974	\$9,675
This request funds fiscal agent services due to the anticipated approval of additional Waiver for Independent Nevadan's (WIN) waiver slots. Expansion of WIN waiver slots will allow an additional 175 Nevadans access to Home and Community Based Waivers and an alternative to in-patient long-term care facilities. This request is a companion to M512 in Nevada Medicaid, budget account 3243.			
M514 – HCBW Waiver for the Frail Elderly	\$1,689	\$4,359	\$6,048
This request funds fiscal agent services due to the anticipated approval of additional Home and Community Based Waiver for the Frail Elderly (HCBW/FE) waiver slots. Expansion of HCBW/FEP waiver slots will allow an additional 117 Nevadans access to Home and Community Based Waivers and an alternative to in-patient long-term care facilities. This request is a companion to M514 in Nevada Medicaid, budget account 3243.			
M515 – HSAG Contract	\$74,338	\$62,855	\$137,193
This request is to increase authority to maintain compliance with the Centers for Medicare and Medicaid Services regulation while fulfilling contractual obligations for services related to the Affordable Care Act requirements, Care Management Organization (CMO), and other services.			
M517 – Transformed Medical Statistical Information Sys.(TMSIS)	\$301,638	\$168,029	\$469,667
This request funds the implementation of the Transformed Medicaid Statistical Information Systems (T-MSIS) by January 2014, eventually replacing the current Medicaid Statistical Information Systems (MSIS) reporting which is required by the Centers for Medicare and Medicaid Services (CMS). CMS requires states to replace the current MSIS which allows CMS to receive Medicaid and CHIP data for program oversight, administration and program integrity.			
M742 – HCR Impact on MMIS	\$1,252,433	\$375,000	\$1,627,433
This request funds changes to the Medicaid Management Information System (MMIS) in order to comply with the Affordable Care Act.			
M745 – Provider Screening	\$212,564	\$212,564	\$425,128
This request funds a contractor to perform screening of all new and existing Medicaid providers in accordance with the federal regulations in 42 CFR Part II.			

Division of Health Care Financing and Policy

Budget Account 3158 Medicaid Administration

Fiscal Year Amounts Represents State General Funds

	<u>SFY 2014</u>	<u>SFY 2015</u>	<u>Biennium</u>
M746 – CMS Acquisition Cost Outpatient Pharmaceuticals This request funds the dispensing fee survey and the ingredient cost survey for all outpatient pharmaceuticals. The State of Nevada is required to submit a state plan to be in compliance with CMS2345-P, the state plan changes will require a dispensing fee survey.	\$50,000	\$0	\$50,000
M747 – ACA New Staff & Organization This request funds three new FTE's in the Business Lines Unit to support new programs including a Care Management Organization and a health/medical homes program, as well as implement components of the Affordable Care Act.	\$87,122	\$104,959	\$192,081
M748 – HIE Connection This request will enhance MMIS with the ability to connect to the statewide Health Information Exchange. The Information Exchange will allow clinical data to be electronically transmitted between health information systems.	\$410,385	\$275,373	\$685,758
M749 – Business Operations Solution (BOS) This request provides the Medicaid and Nevada Check Up allocation of costs for the BOS implementation at the Silver State Health Insurance Exchange.	\$272,773	\$339,175	\$611,948
E225 – IT Admin Assistant III This request funds one Administrative Assistant 3 position within the Information Services unit to allow time for professional level staff to perform higher level responsibilities.	\$20,539	\$25,738	\$46,277
E228 – Medical Coding Contract This request supports contracted certified medical coders to examine claim edits to ensure the appropriate utilization of standardized medical procedure codes and provides a neutral resource to assist policy staff in the implementation of International Classification of Diseases, disease and related health problems, tenth revision, when it comes to determining the impact on policy.	\$31,200	\$39,000	\$70,200
E229 – Recovery Unit This request funds two FTE's to perform claims recovery, tracking, and accounting tasks associated with processing the claims identified for payment recovery.	\$53,377	\$66,376	\$119,753
E230 – Consulting Services This request funds 1.) Training provided to the hospitals being audited as a requirement of the Disproportionate Share Hospital program; 2.) Audit of Managed Care Organizations administration and performance; 3.) Review of and consulting on rate setting and other processes, and training on rate setting for division staff.	\$171,839	\$178,464	\$350,303

Division of Health Care Financing and Policy

Budget Account 3158 Medicaid Administration

Fiscal Year Amounts Represents State General Funds

	<u>SFY 2014</u>	<u>SFY 2015</u>	<u>Biennium</u>
E231 – Additional Hearings Staff – 2 FTE’s This request funds two positions for the Hearings Unit to accommodate the anticipated increase in the number of fair hearing requests received from Medicaid and Nevada Check Up recipients and providers which will allow the Division to maintain compliance with federal and state fair hearing regulations.	\$46,736	\$58,251	\$104,987
E233 – Additional Travel & Training This request funds additional in-state travel, out-of-state travel and training.	\$41,057	\$41,057	\$82,114
E234 – Additional CHIA Funding This request continues funding information provided by Consumer Health Information Analysis (CHIA) with General Funds and adds funding for the expansion of reporting posted to the public Nevada Compare website.	\$254,553	\$254,553	\$509,106
E235 – Cost Sharing This request funds programming costs paid to the fiscal agent to expand the Medicaid Management Information System (MMIS) to implement an additional cost sharing method.	\$431,250	\$0	\$431,250
E580 – MMIS Replacement Planning This request funds Phase II of a three phase project to replace its Medicaid Management Information System (MMIS).	\$412,153	\$475,230	\$887,383
E670 – 2.3% Furlough + Salary Reduction	(\$255,506)	(\$260,281)	(\$515,787)
E671 – Implement Salary Freeze	(\$128,246)	(\$194,666)	(\$322,912)
E672 – Suspend Longevity	(\$31,701)	(\$37,083)	(\$68,784)
E710 – Equipment Replacement This request replaces video conference equipment and computer hardware, per Enterprise Information Technology Services recommended replacement schedule.	\$94,245	\$68,915	\$163,160
E740 – Newly Eligible 138% FPL This request funds the increase of Medicaid fiscal agent expenditures for the newly eligible adults due to the Medicaid expansion under the Patient Protection and Affordable Care Act. It is expected that the Medicaid expansion will cover an additional 78,000 lives by the end of SFY 2015.	\$110,326	\$335,694	\$446,020

Division of Health Care Financing and Policy

Budget Account 3158 Medicaid Administration

Fiscal Year Amounts Represents State General Funds

	<u>SFY 2014</u>	<u>SFY 2015</u>	<u>Biennium</u>
E800 – Cost Allocation	\$65,277	\$69,275	\$134,552
This request includes projected Medicaid revenue adjustments transferred to other divisions within the Department of Health and Human Services for Administrative services.			
E805 – IT Position Upgrades	\$5,639	\$5,687	\$11,326
This request reclassifies four positions to higher levels within the IT unit of the Division. Due to the new fiscal agent vendor and the many changes resulting from ACA, there has been a significant increase in projects that require oversight.			
E900 – Transfer to DHCFP from DWSS – ACA Positions	\$22,725	\$27,704	\$50,429
This request transfers four information services positions and associated costs to support the integration of information systems work associated with the Nevada Check Up portion of the eligibility engine. These positions were approved in the 2011 Legislative Session to support the integration of existing DHCFP systems and programs (e.g., MMIS, Nevada Check Up) with the eligibility engine system.			
E901 – Transfer from Check Up to Administration	\$53,730	\$54,556	\$108,286
This Decision Unit requests to transfer three Nevada Check Up resources to Budget Account 3158 'Medicaid Administration' to maintain the non-eligibility functions of Nevada Check Up.			
E903 – Transfer from DHCFP to Welfare – Staff & Rent	(\$39,534)	(\$39,457)	(\$78,991)
This request transfers one Social Services Chief III, as well as operating expenditures and rent allocated to the Nevada Check Up eligibility staff to the Division of Welfare and Supportive Services (DWSS) Administration.			

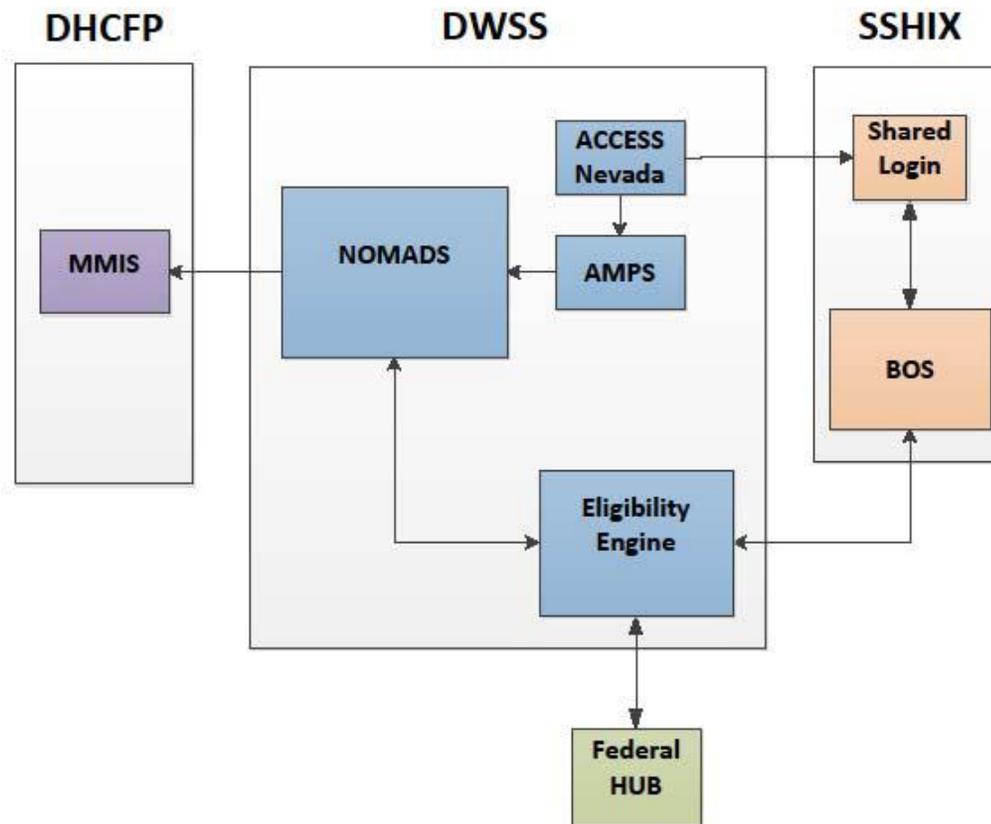
Division of Health Care Financing and Policy
BA 3178 Nevada Checkup
Key Projects

- **Affordable Care Act (ACA) Mandatory and Newly Eligible Caseload Increases *M741 & M740***
- **Primary Care Physician (PCP) Rate Increase *E744***
- **Nevada Check Up (NCU) Eligibility Staff Transfer *E906***

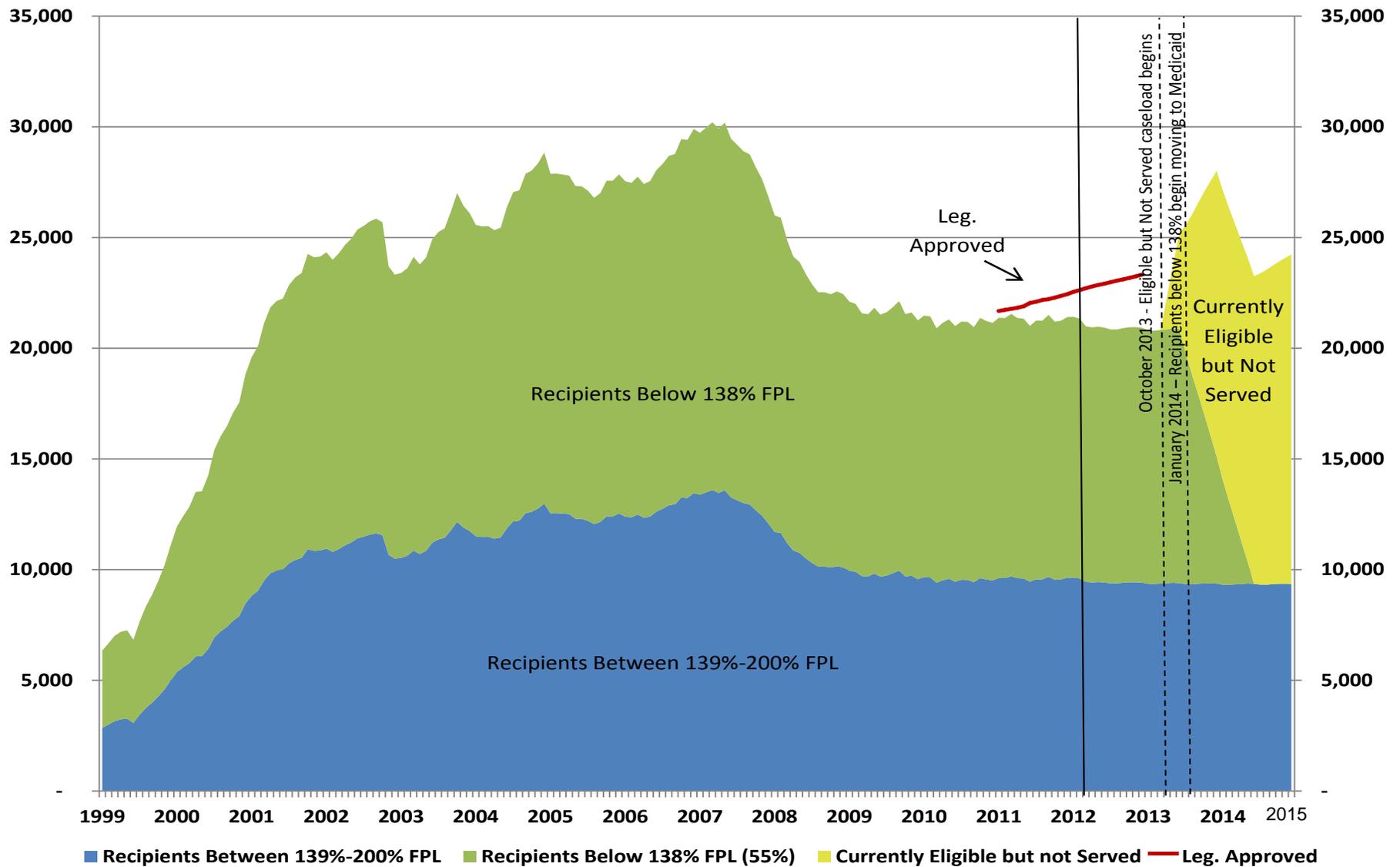
Division of Health Care Financing and Policy

One-Stop Eligibility Model

Health Care Reform – Eligibility Engine --High Level Functional Diagram



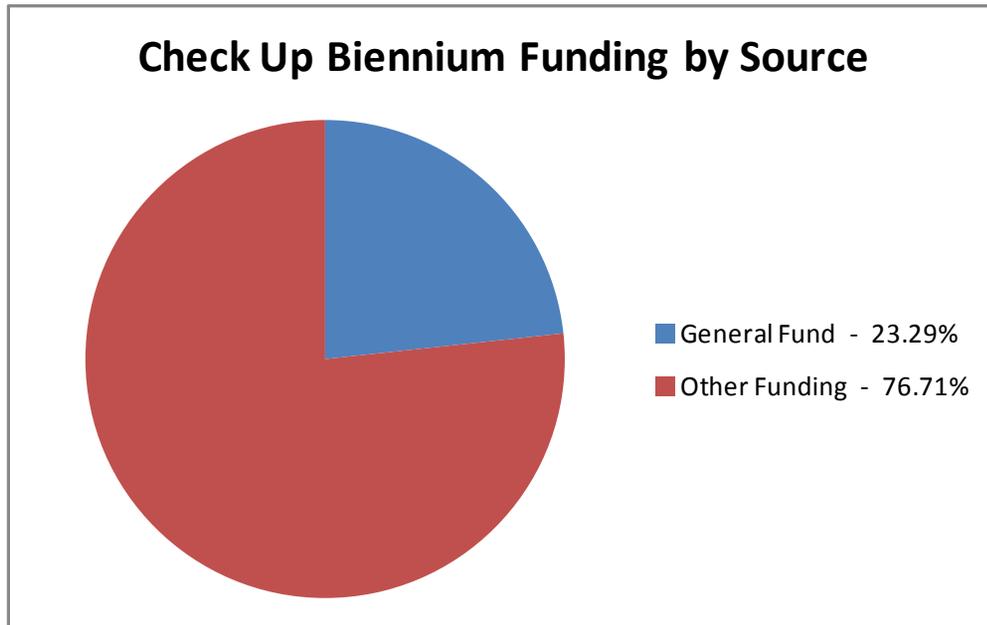
Division of Health Care Financing and Policy Nevada Check Up



Division of Health Care Financing and Policy

Check Up Medical Category Expenditures

Activities	SFY14 SGF	SFY14 Other	SFY 14 Total Funding	SFY15 SGF	SFY15 Other	SFY15 Total Funding
Cat.12 - Program Expenditures	\$9,690,479	\$29,825,169	\$39,515,648	\$9,464,245	\$30,575,777	\$40,040,022
Cat.14 - Immunizations	\$0	\$1,336,921	\$1,336,921	\$0	\$1,336,921	\$1,336,921
SFY Totals	\$9,690,479	\$31,162,090	\$40,852,569	\$9,464,245	\$31,912,698	\$41,376,943



Division of Health Care Financing and Policy

Decision Unit Summary – Budget Account 3178

BA	Decision Unit	Purpose	SFY 14					SFY 15				
			General Fund	Fed Funds	Other Funds	Total	# of FTE	General Fund	Fed Funds	Other Funds	Total	# of FTE
3178	B000	Base - Nevada Check Up	8,194,229	25,641,184	2,414,165	36,249,578	25.51	7,906,212	25,978,091	2,414,165	36,298,468	25.51
3178	M100	Statewide Inflation	(1,140)	(3,174)	-	(4,314)	-	(238)	(5,410)	-	(5,648)	-
3178	M101	Agency Specific Inflation	(270,758)	(754,063)	-	(1,024,821)	-	(152,004)	(443,620)	-	(595,624)	-
3178	M150	Adjustments to Base	627,396	789,481	(442,207)	974,670	-	626,307	796,443	(447,204)	975,546	-
3178	M200	Demographic/Caseload Changes	(125,427)	(349,314)	61,919	(412,822)	-	(129,611)	(378,280)	42,555	(465,336)	-
3178	M300	Suspend Longevity	(1,017)	(2,831)	-	(3,848)	-	12,404	36,201	-	48,605	-
3178	M740	Elig Not Enrolled	1,717,606	4,783,550	373,222	6,874,378	-	4,137,660	12,075,748	1,198,207	17,411,615	-
3178	M741	Move To Medicaid	(406,051)	(1,130,858)	(103,320)	(1,640,229)	-	(2,869,841)	(8,375,618)	(846,343)	(12,091,802)	-
3178	E670	2.3% Furlough + 2.5% Salary Reduction	(11,795)	(32,849)	-	(44,644)	-	(11,751)	(34,297)	-	(46,048)	-
3178	E671	Implement Salary Freeze	(8,664)	(24,130)	-	(32,794)	-	(12,012)	(35,056)	-	(47,068)	-
3178	E672	Suspend Longevity	(1,176)	(3,274)	-	(4,450)	-	(1,359)	(3,966)	-	(5,325)	-
3178	E744	Physicians Rate Increase	396,860	1,054,714	-	1,451,574	-	386,270	1,127,330	-	1,513,600	-
3178	E901	Transfer of NCU Staff & Vehicle to BA 3158	(53,730)	(155,889)	-	(209,619)	(3.00)	(54,556)	(165,473)	-	(220,029)	(3.00)
3178	E906	Transfer of NCU Staff to DWSS	(348,768)	(971,322)	-	(1,320,090)	(22.51)	(355,752)	(1,038,259)	-	(1,394,011)	(22.51)
		Total BA 3178	9,707,565	28,841,225	2,303,779	40,852,569	-	9,481,729	29,533,834	2,361,380	41,376,943	-

Division of Health Care Financing and Policy

Budget Account 3178 Nevada Check Up

Fiscal Year Amounts Represents State General Funds

	<u>SFY 2014</u>	<u>SFY 2015</u>	<u>Biennium</u>
M100 – Inflation-Statewide	(\$1,140)	(\$238)	\$1,378
M101 – Agency Specific Inflation 2.4% HMO rate increase insurer fee assessed for FY 14, 1% HMO inflation rate for FY 15. 2.30% increase for Rural Health Clinics for the biennium.	(\$270,758)	(\$152,004)	(\$422,762)
M150 – Adjustments to Base	\$627,396	\$626,307	\$1,253,703
M200 – Demographics/Caseload Changes – Normal Growth	(\$125,427)	(\$129,611)	(\$255,038)
M300 – Adjustments to Fringe Benefits Rates	(\$1,017)	\$12,404	\$11,387
M740 – ACA Mandatory Caseload: Currently Eligible not Enrolled This request increases projected caseload growth due to the Affordable Care Act mandate to have health insurance coverage. This population includes those children who are currently eligible for the program, but not enrolled and those that will become eligible as a result of changes in how income is counted due to ACA. Member projections of 12,908 at the end of SFY14 to 14,884 members at the end of SFY15 a 15.3% increase.	\$1,717,606	\$4,137,660	\$5,855,266
M741 – ACA Caseload: Move to Medicaid This requests a decrease in members of the CHIP Program as a result of changes in the ACA related to how income is counted when determining eligibility for the Medicaid Program. The ACA changes increases the income limit to 138% of the federal poverty level regardless of age. Member projections of 5,718 moving to Medicaid by the end of SFY14 to 11,424 members moving to Medicaid at the end of SFY15.	(\$406,051)	(\$2,869,841)	(\$3,275,892)
E670 – 2.3% Furlough + Salary Reduction	(\$11,795)	(\$11,751)	(\$23,546)
E671 – Implement Salary Freeze	(\$8,664)	(\$12,012)	(\$20,676)
E672 – Suspend Longevity	(\$1,176)	(\$1,359)	(\$2,535)
E744 – ACA Enhancement: Primary Care Physicians Rate Increase With the passing of the Affordable Care Act a mandate to increase rates for Primary Care Physicians was enacted for Medicaid effective January 1, 2013. This request funds a rate increase for primary care physician services for the Nevada Check Up (NCU) Program for continuity of reimbursement rates.	\$396,860	\$386,270	\$783,130

Division of Health Care Financing and Policy

Budget Account 3178 Nevada Check Up

Fiscal Year Amounts Represents State General Funds

	<u>SFY 2014</u>	<u>SFY 2015</u>	<u>Biennium</u>
E901 – Transfer from 3178 to Administration	(\$53,730)	(\$54,556)	(\$108,286)
This request transfers three positions to the Division's administration, budget account 3158, to perform the non-eligibility functions of the Nevada Check Up program.			
E906 – Transfer Eligibility to DWSS	(\$348,768)	(\$355,752)	(\$704,520)
This request transfers 22.51 Nevada Check Up eligibility workers to the Division of Welfare and Supportive Services including personnel and associated costs. Rent is transferred from the Administration budget. The medical claims process and benefit coverage for Nevada Check Up remains with the Division of Health Care Financing and Policy.			

Division of Health Care Financing and Policy

BA 3243 Nevada Medicaid

Key Projects

- **Affordable Care Act (ACA) Mandatory and Newly Eligible Caseload Increases** *M740 & E740*

- **Primary Care Physician (PCP) Rate Increase** *M744 & E744*

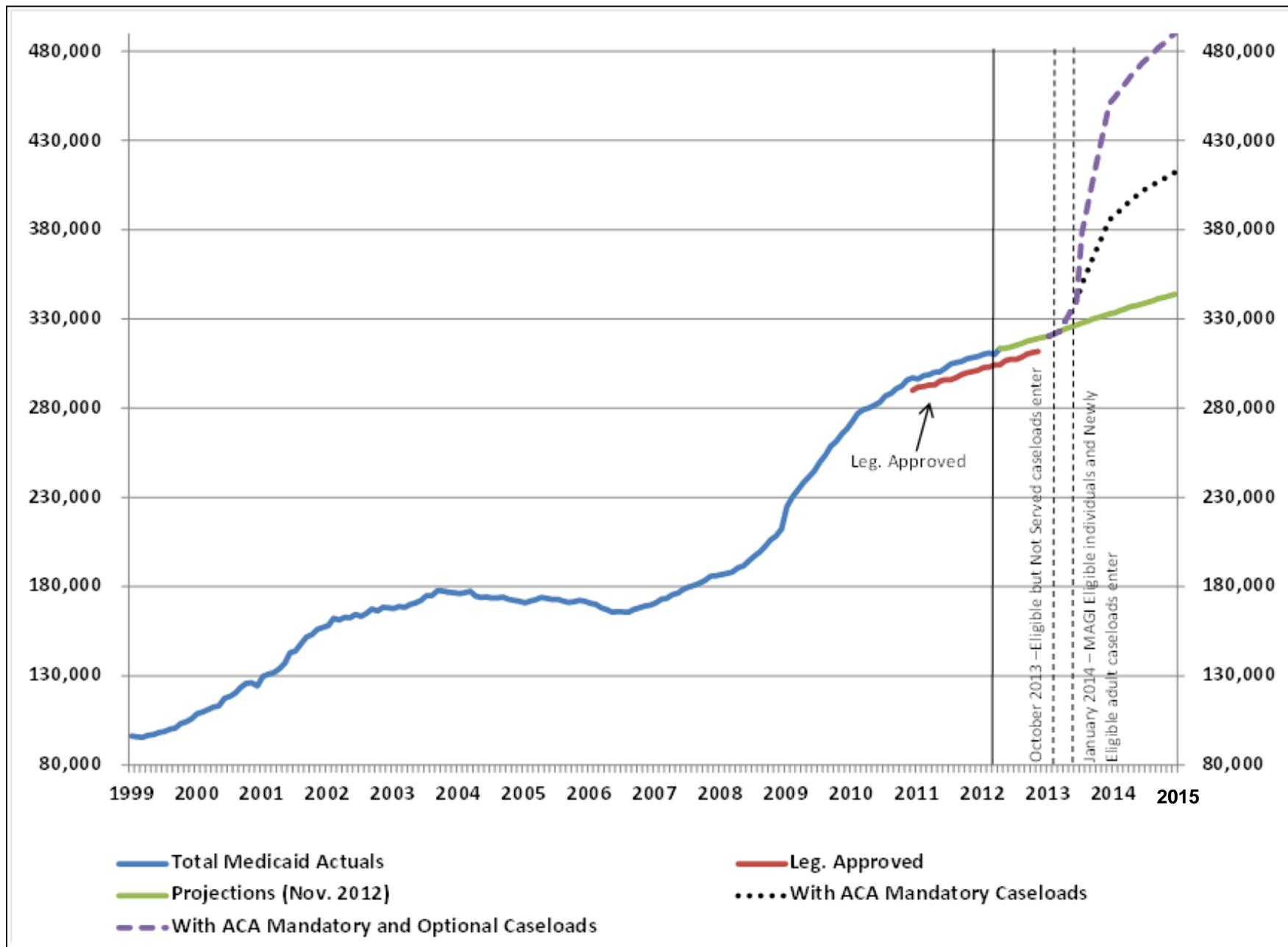
- **Cost Sharing** *E235*

- **Additional Waiver Slots**
 - Expansion of waiver slots will allow an additional 542 Nevadans access to one of three Home and Community Based Waivers and an alternative to in-patient long-term care facilities.

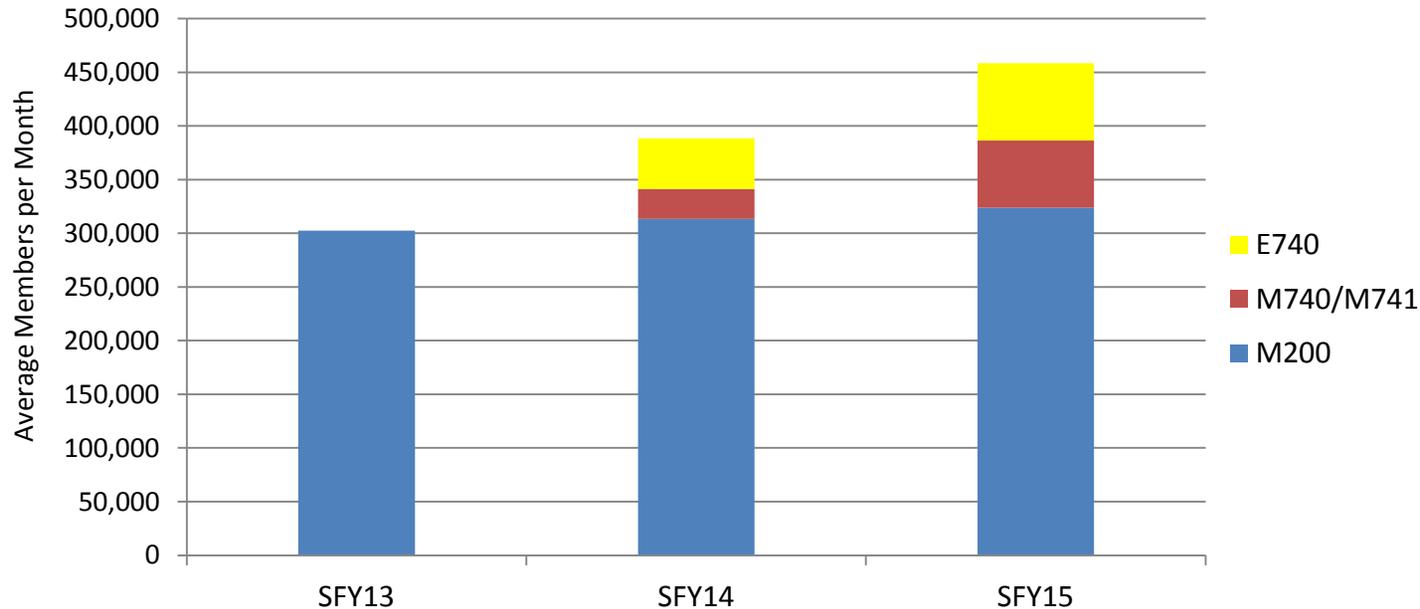
-	Mental Retardation and Related Conditions (MRRC)	M511	250	New Slots
-	Waiver for Independent Nevadans (WIN)	M512	175	New Slots
-	Community Home –Based Initiative Program (CHIP)	M514	117	New Slots

Division of Health Care Financing and Policy

Total Medicaid



Division of Health Care Financing and Policy Medicaid Expansion Members Eligibility



Medicaid Normal Caseload Growth (M200)

Caseload is expected to increase from 302,491 average members per month in FY13 to 313,388 members per month in FY14 (3.60% increase over FY13) and to 323,882 members per month in FY15 (3.35% increase over FY14).

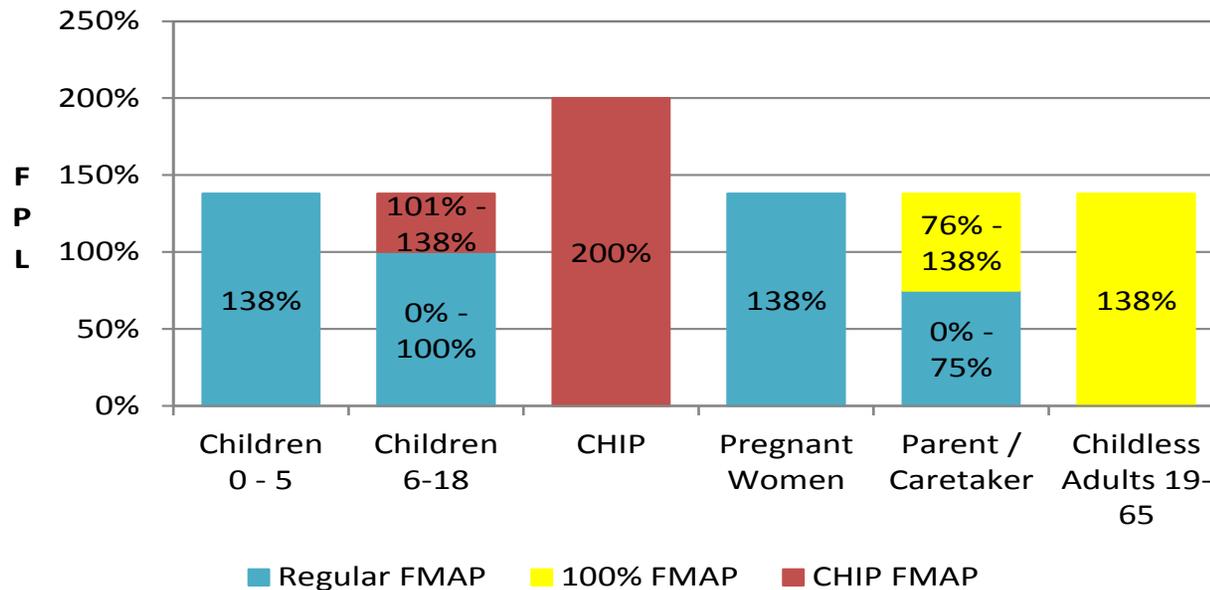
Mandatory and Nevada Check UP to Medicaid Caseload (M740 & M741)

- 52,702 members at the end of FY14 (average new members per month 27,829) to 68,181 members at the end of FY15 (average new members per month 62,512).

Optional Caseload (E740)

- 65,218 members at the end of FY14 (average new members per month 47,102) to 78,027 members at the end of FY15 (average new members per month 72,156).

Division of Health Care Financing and Policy Medicaid Eligibility, FPL and FMAP



2103 Federal Poverty Guidelines				
FPL	Household Size			
	1	2	3	4
50%	\$5,745	\$7,755	\$9,765	\$11,775
100%	\$11,490	\$15,510	\$19,530	\$23,550
138%	\$15,856	\$21,404	\$26,951	\$32,499
150%	\$17,235	\$23,265	\$29,295	\$35,325
200%	\$22,980	\$31,020	\$39,060	\$47,100
250%	\$28,725	\$38,775	\$48,825	\$58,875

Source: Federal Register/Vol 78, No. 16 / Thursday, January 24, 2013

SFY	Blended Regular FMAP	Blended CHIP FMAP
2013	58.86%	71.20%
2014	62.26%	73.58%
2015	63.54%	74.48%

M200 - Regular Caseload growth at the regular FMAP rate.

M740 - Mandatory Group currently eligible but not enrolled that will apply due to mandate to have health insurance and/or will be eligible under the new MAGI rules at the regular FMAP rate (blue groups).

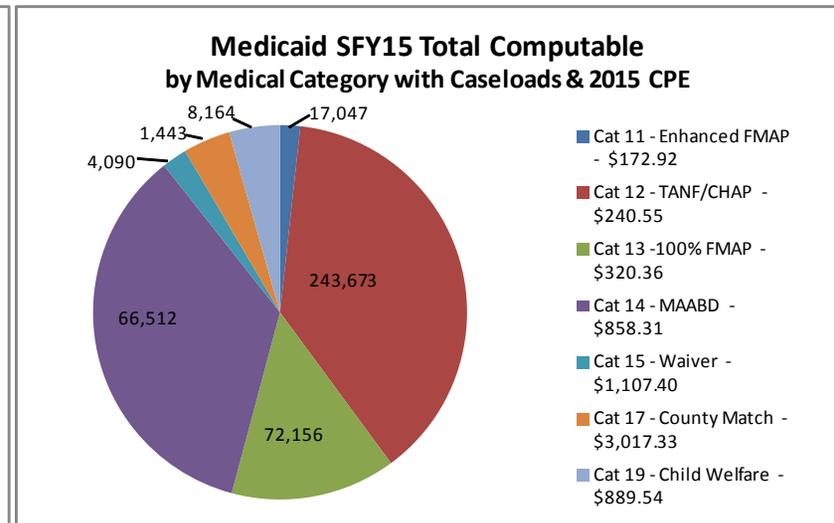
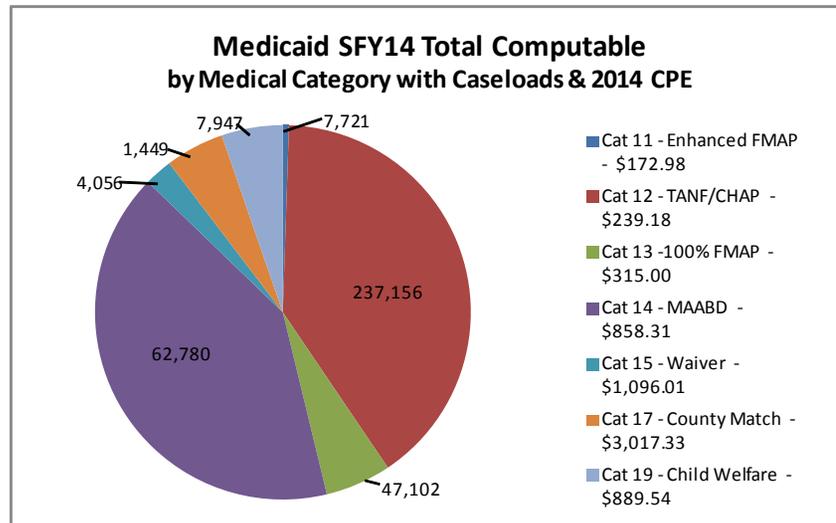
M741 - Nevada Check Up (NCU) recipients currently eligible for NCU and those who would have been eligible for NCU (age 6-18 at 101% - 138% FPL red group) who will apply due to mandate to have health insurance at the CHIP Enhanced FMAP rate.

E740 - Newly Eligible childless adults or parent caretakers with income above 75% of the FPL at the 100% FMAP rate (yellow groups).

Division of Health Care Financing and Policy

Medicaid Medical Category Cost Per Eligible (CPE)

	Cost Per Eligible (CPE) Actuals				Chart Data - Projections	
	SFY 2010	SFY 2011	SFY 2012	SFY 2013	SFY 2014	SFY 2015
CAT 11 - Enhanced FMAP	N/A	N/A	N/A	N/A	\$172.98	\$175.92
CAT 12 - TANF/CHAP	\$264.40	\$258.05	\$232.27	\$247.58	\$239.18	\$240.55
CAT 13 - 100% FMAP	N/A	N/A	N/A	N/A	\$315.00	\$320.36
CAT 14 - MAABD	\$927.29	\$902.26	\$832.17	\$858.31	\$858.31	\$858.31
CAT 15 - Waivers	\$985.65	\$1,020.21	\$1,036.54	\$1,086.88	\$1,096.01	\$1,107.40
CAT 17 - County Indigent	\$4,075.65	\$4,555.04	\$3,377.67	\$2,947.99	\$3,017.33	\$3,017.33
CAT 19 - Child Welfare	\$1,194.42	\$805.44	\$900.95	\$881.02	\$889.54	\$889.54



Division of Health Care Financing and Policy

Decision Unit Summary – Budget Account 3243

BA	Decision Unit	Purpose	SFY 14					SFY 15				
			General Fund	Fed Funds	Other Funds	Total	# of FTE	General Fund	Fed Funds	Other Funds	Total	# of FTE
3243	B000	Base	415,679,986	1,014,788,584	208,196,416	1,638,664,986	-	398,800,334	1,031,668,237	208,196,415	1,638,664,986	-
3243	M101	Agency Specific Inflation	(2,270,916)	8,557,809	208,491	6,495,384	-	5,991,447	15,050,435	138,645	21,180,527	-
3243	M150	Adjustments to Base	35,408,082	41,853,672	(37,897,977)	39,363,777	-	31,989,477	54,134,101	(32,933,250)	53,190,328	-
3243	M200	Demographic/Caseload Changes	49,695,242	82,401,273	(244,893)	131,851,622	-	72,705,467	127,066,872	(20,057)	199,752,282	-
3243	M511	Additional MRRC Waiver Slots	72,745	1,427,078	-	1,499,823	-	205,662	5,091,651	-	5,297,313	-
3243	M512	Additional WIN Waiver Slots	540,346	891,413	-	1,431,759	-	1,404,052	2,446,886	-	3,850,938	-
3243	M514	DAS CHIP Waiver Slots	153,137	252,631	-	405,768	-	425,170	740,957	-	1,166,127	-
3243	M740	Currently Eligible Not Enrolled	16,011,221	26,413,847	-	42,425,068	-	48,281,668	84,141,995	-	132,423,663	-
3243	M741	CHIP to Medicaid	2,000,998	5,572,802	-	7,573,800	-	7,879,147	22,995,253	-	30,874,400	-
3243	M744	Physicians Rate Increase	-	41,834,979	-	41,834,979	-	-	25,135,302	-	25,135,302	-
3243	E235	Cost Sharing	-	-	-	-	-	(729,200)	(1,270,800)	-	(2,000,000)	-
3243	E740	Newly Eligible 138%	(632,226)	94,872,487	2,023,692	96,263,953	-	(2,116,524)	295,723,499	6,307,476	299,914,451	-
3243	E744	Physicians Rate Increase Continued	-	-	-	-	-	8,900,989	16,208,185	26,128	25,135,302	-
		Total BA 3243	516,658,615	1,318,866,575	172,285,729	2,007,810,919	-	573,737,689	1,679,132,573	181,715,357	2,434,585,619	-

Division of Health Care Financing and Policy

Budget Account 3243 Nevada Medicaid

Fiscal Year Amounts Represents State General Funds

	<u>SFY 2014</u>	<u>SFY 2015</u>	<u>Biennium</u>
M101 – Agency Specific Inflation	(\$2,270,916)	(\$5,991,447)	(\$8,262,363)
2.4% HMO rate increase insurer fee assessed through ACA for SFY 2014; 1% increase in SFY 15 based on average past years. FQHC/RHC of 2.05% in SFY 2014 and SFY 2015 based on average of past 4 years. Indian Health Services 8.79% in SFY 2014 and SFY 2015 based on average 4 years (100% federally funded). Free Standing Hospice of 2.30% in SFY 2014 and SFY 2015 based on average 5 years. Pharmacy 3.5% in SFY 2014 and SFY 2015 based on SXC trend analysis report			
M150 – Adjustments to Base	\$35,408,082	\$31,989,477	\$67,397,559
M200 – Demographics/Caseload Changes	\$49,695,242	\$72,705,467	\$122,400,709
M511 – Additional MRRC Waiver Slots	\$72,745	\$205,662	\$278,407
This request expands the Mental Retardation and Related Condition (MRRC) Waiver by an additional 250 slots for the biennium in order to reduce the wait list and wait time, which have developed as all current waiver slots are full. The MRRC Waiver is limited by legislative authority to a specific number of recipients who can be served through the waiver per year.			
M512 – Additional WIN Waiver Slots	\$540,346	\$1,404,052	\$1,944,398
This request expands the Waiver for Persons with Physical Disabilities by an additional 175 slots for the biennium in order to reduce the wait list and wait time which have developed as all current waiver slots are full.			
M514 – ADSD HCBW for Frail Elderly Waiver Slots	\$155,137	\$425,170	\$580,307
This request expands the Division of Aging and Disability Services Home and Community Based Waiver (HCBW) for the Frail Elderly by an additional 117 slots for the biennium in order to reduce the wait list and wait time which have developed as all current waiver slots are full.			
M740 – Mandatory - Currently Eligible Not Enrolled	\$16,011,221	\$48,281,668	\$64,292,889
This request includes medical costs for those who are currently eligible for Medicaid, but have not enrolled and those who will be eligible as a result of the ACA changes in how eligibility is determined using the Modified Adjusted Gross Income test. This population is funded at the regular Medicaid FMAP rate and is expected to cover approximately 49,000 additional lives above the normal caseload growth projections by the end of SFY 2015.			
M741 – ACA Caseload: CHIP/Nevada Check Up to Medicaid	\$2,000,998	\$7,879,147	\$9,880,145
This request includes medical costs for recipients who are currently enrolled in Nevada Check Up (NCU), or who are currently eligible for NCU but not enrolled that will become eligible for Medicaid due to changes made through the passing of the Affordable Care Act. This group is budgeted at the Enhanced CHIP FMAP rate and will add approximately 19,000 additional lives to the Medicaid Program above normal caseload growth projections by the end of SFY 2015.			

Division of Health Care Financing and Policy

Budget Account 3243 Nevada Medicaid

Fiscal Year Amounts Represents State General Funds

	<u>SFY 2014</u>	<u>SFY 2015</u>	<u>Biennium</u>
M744 – ACA Mandates: Primary Care Physicians Rate Increase	\$0	\$0	\$0
The Affordable Care Act mandates a rate increase for primary care physicians increasing Medicaid rates to the Medicare level. The incremental increase is 100% federally funded for the first eighteen months of the biennium.			
E744 – ACA Enhancement: Primary Care Physicians Rate Increase	\$0	\$8,900,989	\$8,900,989
This request continues the primary care physician rate increase which is mandated to increase Medicaid rates up to the Medicare limit for the first eighteen months of the biennium in the Affordable Care Act. The remaining six months of the biennium is requested at the Federal Medical Assistance Percentages rate.			
E235 – Cost Sharing	\$0	(\$729,200)	(\$729,200)
This request implements an additional cost sharing method for certain Medicaid recipients.			
E740 – ACA Caseload: Newly Eligible Adults/Expanded Medicaid	(\$632,226)	(\$2,116,524)	(\$2,748,750)
This request funds the increase for the newly Medicaid eligible under the Medicaid Expansion at 138% of federal poverty level due to the Affordable Care Act. It is anticipated that an additional 78,000 lives will be covered under Medicaid for this population.			

Division of Health Care Financing and Policy

County Match

- Original County Match Population is institutionalized recipients in Long Term Care with income at 156% - 300% of the Federal Benefit Rate (FBR)
- SB485 added a new population which includes additional institutionalized recipients at an amount prescribed by the Director annually up to 155% of the FBR as well as Home & Community Based Waiver recipients at the prescribed FBR up to 300%.

Populations:

Original – Institutionalized in Long Term Care 156% - 300% FBR

New – Institutionalized in Long Term Care 142% - 155% FBR

New - Home and Community Based Waiver recipients 142% - 300% FBR

New population capped at the amount approved during the 2011 Session: \$6,046,550 in SFY 2012 - \$8,498,756 in SFY 2013. Original County Match population has no cap.

New population budgeted at the SFY 2013 capped amount increased by projected caseload growth for 14/15.

Original County Match population is the SFY 2012 base amount indexed by projected caseload growth.

Medicare part A, B and D premiums, as well as Administrative costs are charged to the counties for these recipients.

Division of Health Care Financing and Policy

Estimated Amount by County

	County Impact - New Population					County Impact - Original Population				
	2012 Actuals	2013 Frcst	2014	2015	Biennium	2012 Actuals	2013 Frcst	2014	2015	Biennium
Carson City	249,982	351,363	450,193	449,394	899,586	1,096,616	860,845	1,135,069	1,135,201	2,270,270
Churchill	63,123	88,723	112,425	112,226	224,651	254,751	185,084	283,458	283,491	566,949
Clark	3,920,090	5,509,900	5,461,716	5,452,023	10,913,739	16,070,580	13,952,489	13,770,606	13,772,200	27,542,807
Douglas	95,043	133,589	147,528	147,266	294,794	453,189	340,683	371,961	372,004	743,965
Elko	97,554	137,117	184,103	183,776	367,879	472,013	445,824	464,178	464,231	928,409
Esmeralda	717	1,008	6,137	6,126	12,263	13,534	13,268	15,473	15,474	30,947
Eureka	6,456	9,074	15,465	15,437	30,902	10,531	245	38,991	38,995	77,986
Humboldt	49,853	70,071	117,826	117,617	235,442	312,905	276,978	297,074	297,108	594,182
Lander	19,009	26,718	28,229	28,179	56,408	37,605	15,212	71,174	71,182	142,356
Lincoln	15,063	21,173	17,428	17,397	34,826	170,588	110,445	43,942	43,947	87,889
Lyon	172,871	242,980	219,941	219,551	439,493	760,174	643,561	554,538	554,602	1,109,140
Mineral	22,698	49,403	28,475	28,424	56,899	188,004	327,639	71,793	71,801	143,594
Nye	123,377	173,413	174,038	173,730	347,768	572,760	424,103	438,803	438,853	877,656
Pershing	18,650	26,214	15,710	15,682	31,392	104,085	115,781	39,610	39,614	79,224
Storey	7,890	11,090	15,219	15,192	30,411	51,321	42,289	38,372	38,376	76,748
Washoe	1,102,144	1,549,124	1,613,231	1,610,368	3,223,600	3,101,800	2,730,949	4,067,435	4,067,906	8,135,340
White Pine	69,579	97,797	82,233	82,087	164,319	265,071	218,948	207,333	207,357	414,689
Total Revenue	6,034,099	8,498,757	8,689,897	8,674,476	17,364,372	23,935,528	20,704,343	21,909,808	21,912,344	43,822,153

Estimates only based on SFY 2012 number of patients

Division of Health Care Financing and Policy

Historic Rate/Service Reductions – SFY 09-13

Historic Rate/Service Reductions				Savings					Caseloaded		SGF	SGF
Dec Unit	Rate Reductions/Service Limits	Eff Date	2009	2010	2011	2012	2013*	2014*	2015*	2014	2015	
2009-2011	E640	Anesthesia Rate Reduction	3/12/2010	-	894,250	2,860,140	439,889	455,055	488,285	533,265	184,279	194,429
	E640	PCS Physical Therapy Assessment	3/1/2010	-	2,326,516	4,741,705	On Hold	On Hold	-	-	-	-
	E640	Expand PDL	7/1/2010	-	-	1,140,000	702,451	727,436	780,557	852,461	294,582	310,807
	E640	Lower incontinence supply	3/1/2010	-	356,225	1,188,251	1,262,930	1,173,677	1,259,384	1,375,397	475,291	501,470
	E640	Eliminate Disposable gloves	3/1/2010	-	1,296,333	1,536,618	106,750	109,324	117,307	128,114	44,272	46,710
	E640	Revise Behavioral Health Rates	3/1/2010	-	5,204,857	18,334,468	15,674,017	17,069,055	18,315,511	20,002,719	6,912,274	7,292,991
	E651	Elim Ped/OB Rate Enhancement	9/8/2008	5,337,777	10,675,534	11,192,934	11,350,826	11,408,136	12,241,207	13,368,856	4,619,831	4,874,285
	E652	Reduce In-Patient Hospital 5%	9/8/2008	6,754,469	7,566,232	7,954,946	6,455,180	7,205,063	7,731,207	8,443,399	2,917,758	3,078,463
	E657	Reduce PCS Rates .80%	11/1/2010	-	-	3,935,239	5,974,144	5,840,713	6,267,227	6,844,558	2,365,251	2,495,526
2011-2013	E650	NF Rate Reduced Vent \$5 per day	8/1/2011	-	-	-	4,138,546	6,303,824	6,764,156	7,387,264	2,552,793	2,693,397
	E663	Reduce Oxygen DME Codes	7/15/2011	-	-	-	590,310	590,598	633,726	633,726	239,168	231,057
	E690	Hospice Rate Reduction	10/1/2011	-	-	-	2,109,833	1,916,783	2,056,755	2,056,755	776,219	749,893
	E694	Reduce Dental and DME .70%	8/1/2011	-	-	-	334,834	365,041	391,698	391,698	147,827	142,813
	E697	Reduce ASC & ESRD Rates 15%	8/1/2011	-	-	-	1,218,069	1,387,323	1,488,631	1,488,631	561,809	542,755
Total				12,092,246	28,319,946	52,884,301	50,357,779	54,552,027	58,535,651	63,506,844	22,091,355	23,154,595

* 2013 Projected Annualized/2014-2015 Projected

Decision Unit E640 Reductions Continued in Decision Unit M160 in 2011-2013

Division of Health Care Financing and Policy

Primary Care Physician Rate Increase

- *ACA mandate effective January 1, 2013.*
- *Estimated average increase of approximately 36%.*
- *Rates will not increase proportionately, some rates will increase some rates will decrease.*
- *Primary care specialties include Family Medicine, General Internal Medicine and Pediatric Medicine.*
- *Services include Evaluation and Management codes as well as vaccine administration codes.*
- *100% federally funded for the Medicaid Program for two calendar years.*
- *The projected cost for the first 18-months of the biennium is \$66,970,280 in federal funds.*
- *SGF in the amount of \$8,900,989 to cover the remaining 6-months of the biennium.*
- *The Division is also requesting to increase rates for the Nevada Check Up Program for consistency requesting \$783,130 in SGF for the biennium.*
- *To date 332 requests for the rate increase; 1,135 currently enrolled who may be eligible.*
- *Payments to be made in a monthly supplemental payment starting April 1, 2013 retro to January 1, 2013.*

Division of Health Care Financing and Policy

Use of Indigent Accident Fund (IAF) for Hospital Rate Increase

- Potential to increase hospital rates using IAF and matching it with federal funds
Example: \$20 million IAF at an FMAP rate of 62% would allow \$52.6 million available to increase rates.
- All inclusive per diem rates would increase proportionately (approx 10% - 20%).
- A Trauma II and Trauma III rate would be developed.
- A Trauma activation rate of \$3,000 would be established.
- All 23 Medicaid participating hospitals would receive the new increased rate.
- Critical Access Hospitals don't benefit due to being cost settled.
- Hospital Association working on a method to ensure CAHS and non-hospital service costs would be made whole.

Issues/Concerns

- *How do we adjust for future decreases in FMAP rates?*
- *What is the impact to UPL and State Net Benefit?*
- *How do we adjust for increases in Caseload and Managed Care Rates?*
- *A Medicaid State Plan Amendment needs to be submitted and approved.*
- *26 Out-of-State providers in catchment areas are reimbursed under the same per diem in-state hospital rate methodology; these hospitals are paid approximately 3% of the total expenditures for this provider type.*

Division of Health Care Financing and Policy

Cost Sharing

- Cost Sharing has many different forms:
 - Premiums
 - Co-Payments
 - Deductibles

- The Division currently administers the following cost sharing methods:
 - Premiums for Nevada Check UP and Health Insurance for Work Advancement (HIWA)
 - Parental Obligation for Katie Becket Waiver Program
 - Patient Liability for recipients in Long Term Care Facilities

- Current Regulations are very complex with two different methods Regular and Alternative.

- Proposed regulations released January 14, 2013 to simplify policies.

- Proposed rules change certain aspects of the current methodologies;
 - From a tiered co-payment amount to a flat rate based on FPL for out-patient services.
 - Current analysis under the regular method no 5% household cap, proposed regulations apply a 5% cap.
 - Current analysis has co-payment for Native Americans for non-Indian Health Servicing providers, proposed regulations excludes Native Americans regardless of servicing provider.

Division of Health Care Financing and Policy

Cost Sharing(Continued)

- Dec Unit E235 in BA 3158 includes potential programming costs if all aspects of cost sharing are implemented such as:
 - Different amount of co-pay based on Household Income
 - Different amount of co-pay based on service type
 - Exemption of certain populations
 - Exemption of certain services
 - Co-insurance (premiums, deductibles and co-payments) capped at 5% of Household Income.

- Dec Unit E235 in BA 3243, which is an offset to expenditures, was determined by applying a \$3.00 co-payment per Doctor visit.

- Cost estimate from current fiscal agent has decreased based on a simplified method of cost sharing (costs are estimated to reduce more than ½ of original estimate).

Division of Health Care Financing and Policy

BA 3157 Inter-Governmental Transfer

➤ **Upper Payment Limit (UPL)**

- The UPL Supplemental Payment programs pay the gap between Medicaid reimbursement and the Medicare rate.
 - **Public Hospitals for In-Patient Services**
 - **Public Hospitals for Out-Patient Services**
 - **Graduate Medical Education (GME)**
 - **University of Nevada School of Medicine (UNSOM)**

➤ **Disproportionate Share Hospital (DSH)**

- DSH pays for uncompensated care to hospitals for in-patient hospital services.

The Division receives a State Net Benefit to administer the programs:

Example:

Total DSH payments to hospitals in SFY 2012 was \$85 million; IGT received is 70% of total payments = \$60 million; Non-federal share of DSH expenditures (at an FMAP rate of 55.05%/SMAP rate of 44.95%) \$38.5 million; State Net Benefit (IGT minus State's Share = SNB) \$21.5 million. Hospital Net Benefit (DHS Payment – IGT) = \$25 million.

ACA provides that there will be reductions in DSH allotments beginning in 2014. The unknown that states are facing is the methodology that the Federal Secretary of Health and Human Services will use to reduce each State's allotment.

Division of Health Care Financing and Policy

BA 3157 – Inter-Governmental Transfer

BA 3157 - Intergovernmental Transfer State Net Benefit for DSH and UPL

Other Hospitals										
SFY 14						SFY 15				
Other Hospitals	Total Pymnt	IGT (Excluding UMC)	State Share	*State Net Benefit	**Hospital Net Benefit (Excluding UMC)	Total Pymnt	IGT (Excluding UMC)	State Share	*State Net Benefit	**Hospital Net Benefit (Excluding UMC)
UPL - Public O/P	2,223,383	1,334,030	839,105	494,925	889,353	2,452,866	1,471,720	894,315	577,405	981,146
UPL- Public I/P	1,293,009	487,982	487,982	0	805,027	1,426,464	520,089	520,089	0	906,375
DSH	8,383,477	1,465,996	3,163,924	(1,697,928)	6,917,481	8,097,186	1,415,933	2,952,234	(1,536,301)	6,681,253
Other Sub Total	11,899,869	3,288,008	4,491,011	(1,203,003)	8,611,861	11,976,516	3,407,742	4,366,638	(958,896)	8,568,774
UMC/Clark County										
SFY 14						SFY 15				
UMC Hospital	Total Pymnt	UMC IGT	State Share	*State Net Benefit	**UMC Hospital Net Benefit	Total Pymnt	UMC IGT	State Share	*State Net Benefit	**UMC Hospital Net Benefit
UPL - Public O/P	8,532,689	4,692,979	3,220,237	1,472,742	3,839,710	9,413,374	5,177,356	3,432,116	1,745,240	4,236,018
GME	13,223,719	7,273,045	4,990,632	2,282,413	5,950,674	14,541,329	7,997,731	5,301,769	2,695,962	6,543,598
UPL - Public I/P	69,117,777	38,014,777	26,085,049	11,929,728	31,103,000	76,251,630	41,938,397	27,801,344	14,137,053	34,313,233
DSH	66,795,790	51,527,870	25,208,731	26,319,139	15,267,920	64,514,757	49,768,226	23,522,080	26,246,146	14,746,531
UMC Sub Total	157,669,975	101,508,671	59,504,649	42,004,022	56,161,304	164,721,090	104,881,710	60,057,309	44,824,401	59,839,380
Grand Total										
DSH- UPL Grand Total	SFY 14					SFY 15				
	169,569,844	104,796,679	63,995,660	40,801,019	64,773,165	176,697,606	108,289,452	64,423,947	43,865,505	68,408,154

Dec Unit E740 Newly Eligible Under ACA increase to Supplemental Payment Programs										
All Providers/All Programs	3,686,977	2,023,692	1,391,465	632,227	1,663,285	11,494,659	6,307,476	4,190,953	2,116,524	5,187,183

* State Net Benefit is IGT minus State Share.

** Hospital/UMC Net Benefit is Total Payment minus IGT.

Division of Health Care Financing and Policy

BA 3160 – Increase Quality of Nursing Care

➤ **Provider Tax**

- Provider Tax is assessed to Nursing Facilities
- The Provider Tax is matched with federal funds
- Supplemental Payments are made on a monthly basis to Nursing Facilities
- A State Net Benefit is not realized through the Provider Tax Program

➤ **SFY 2014 projected Provider Tax \$30 million/supplemental payments from BA 3243 \$85 million**

➤ **SFY 2015 projected Provider Tax \$31 million/supplemental payments from BA 3243 \$91 million**

Division of Health Care Financing and Policy

Supplemental Appropriation

Supplemental Appropriation						
	Total	2501	3511	4103	4750	4752
2501 - SGF Appropriation	(26,912,910)	(26,912,910)				
3511 - Title XIX	(58,807,067)		(58,807,067)			
4103 - County Reimbursement	(263,508)			(263,508)		
4750 - Transfer from IGT	(22,517,919)				(22,517,919)	
4752 - Provider Tax	(1,275,115)					(1,275,115)
	(109,776,519)	(26,912,910)	(58,807,067)	(263,508)	(22,517,919)	(1,275,115)
12 - TANF/CHAP	(8,270,585)	(3,922,756)	(4,347,829)			
14 - MAABD	(54,608,191)	(42,249,219)	(30,459,094)		(2,089,499)	20,189,621
15 - Waiver	8,327,965	3,222,591	5,105,374			
17 - County Match	12,199,954		2,520,022	2,950,058		6,729,874
18 - MHDS Med Payments						
19 - Child Welfare	6,450,130	2,337,978	4,112,152			
20 - School Based	(594,801)		(443,464)		(151,337)	
24 - Pass Thru Local Govt						
28 - Offline	(73,280,991)	13,698,496	(35,294,228)	(3,213,566)	(20,277,083)	(28,194,610)
29 - DCFS Medical Payments						
	(109,776,519)	(26,912,910)	(58,807,067)	(263,508)	(22,517,919)	(1,275,115)

Division of Health Care Financing and Policy

Letters of Intent

Division	Subject	Description	Report	Instructions Per Governor's Office	
				Provide Information	When
DHCFP	Care Management for Aged, Blind, and Disabled	Report to IFC on the development and implementation of the care management program and the General Fund savings achieved through the implementation of the program.	Quarterly, beginning October 2011	Yes - End of FY12 information	9/30/2012
DHCFP	New Positions for ACA Mandates	Requests semi-annual reports documenting the performance of the new positions, including the number of new cases investigated, clearance of the backlog of pending investigations, recoveries made as a result of the investigations performed, the number of audits performed, and corrective action recommendations made.	Semi-Annual, beginning January 2012	Yes - End of FY12 information	9/30/2012
DHCFP	UPL - Private Hospitals	Instructs DHCFP to report to IFC on the status of the State Plan Amendment to expand the UPL program to include private hospitals and the state benefit resulting from the program expansion.	Semi-Annual, beginning January 2012	Yes	Semi-annual

Non-Budget BDR Summary

BDR#	DOA#	DHHS#	Division	NRS	Description	Impact
			Division of Welfare and Supportive Services (DWSS)	422.042 – 422.29308 422A.065 – 422A.360	Revise NRS 422 Health Care Finance and Policy and NRS 422A Welfare and Supportive Services to appropriately reflect the responsibilities of each Division and update outdated language.	