

**Brian Sandoval**  
*Governor*



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*Director*

State of Nevada  
**Department of Health and Human Services**

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2017-2019 Biennial Budget Pre Session Presentation  
Division of Health Care Financing and Policy  
Marta Jensen, Acting Administrator  
January 24, 2017

**Revised**



## Mission Statement

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.

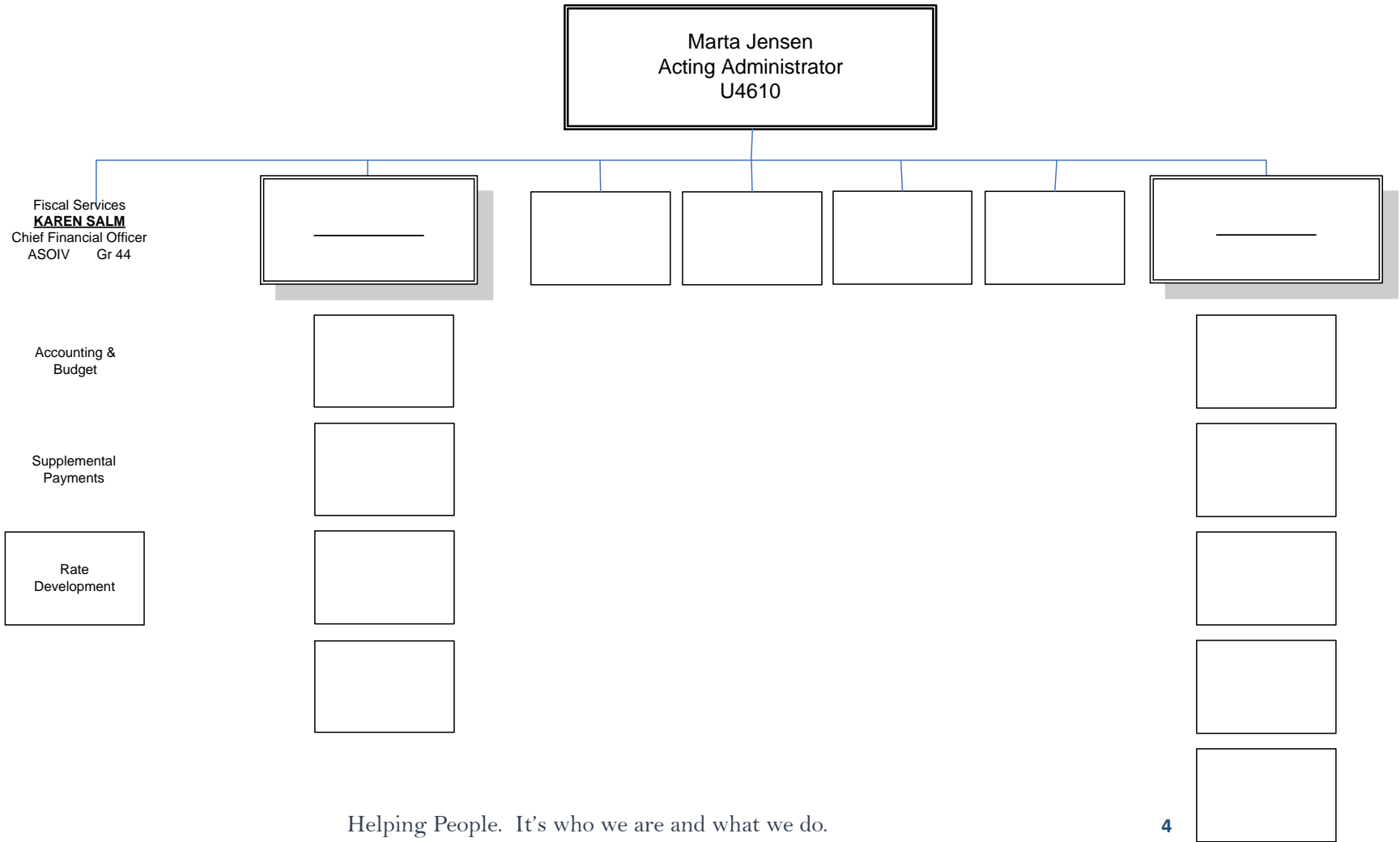
## Division Goals

The Division of Health Care Financing and Policy works in partnership with the [Centers for Medicare & Medicaid Services](#) (CMS) to assist in providing quality medical care for eligible individuals and families with low income and limited resources. Services are provided through a combination of traditional fee-for-service provider networks and managed care organizations.

***Governor's Priorities and Performance Based Budget Strategic Priority – Educated and Healthy Citizenry:***

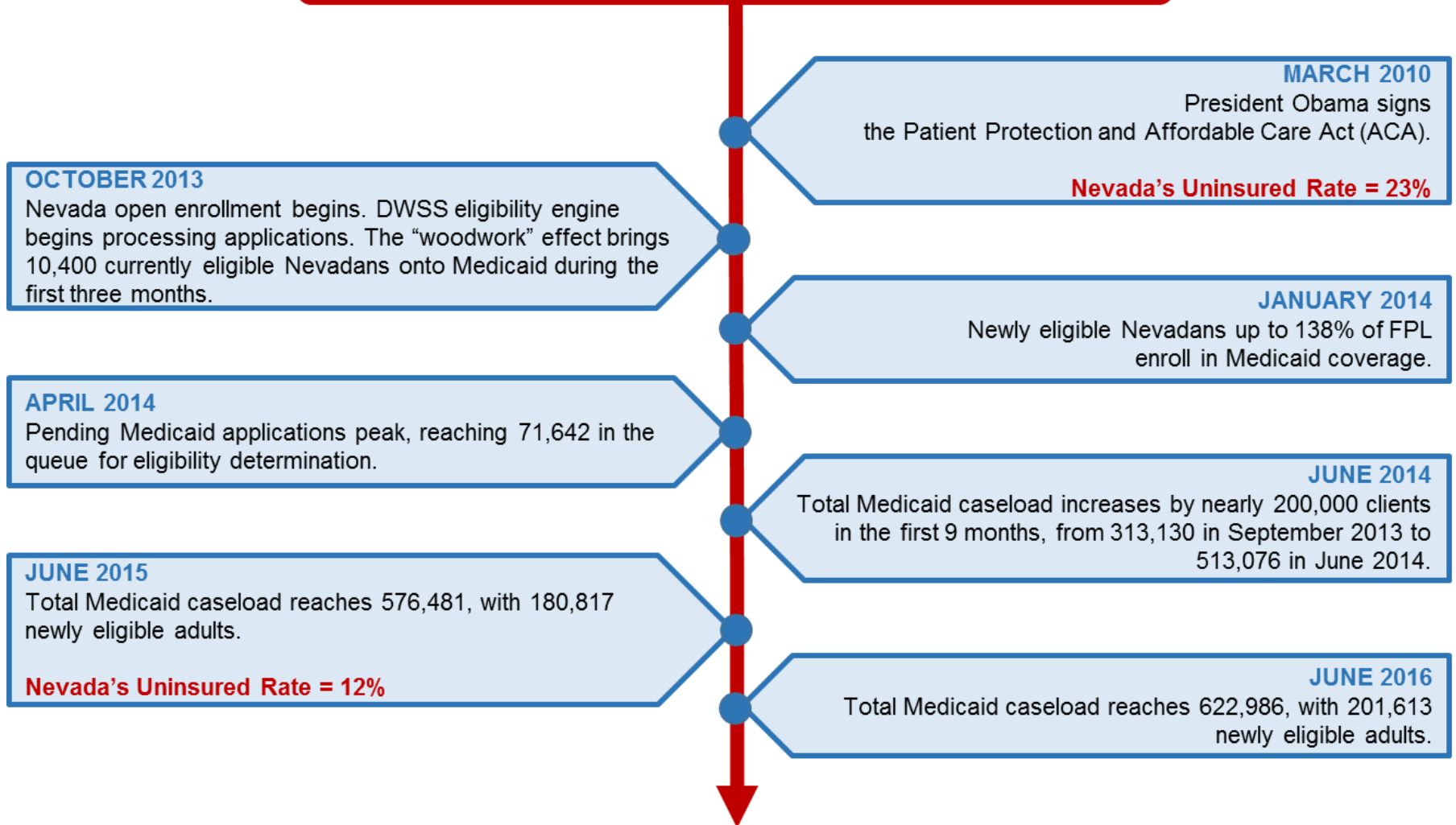
***Health Services*** - Programs and services that help Nevadans and their communities achieve optimum lifelong health, including physical, mental, and social well-being, through prevention and access to quality, affordable healthcare.

# Organizational Chart

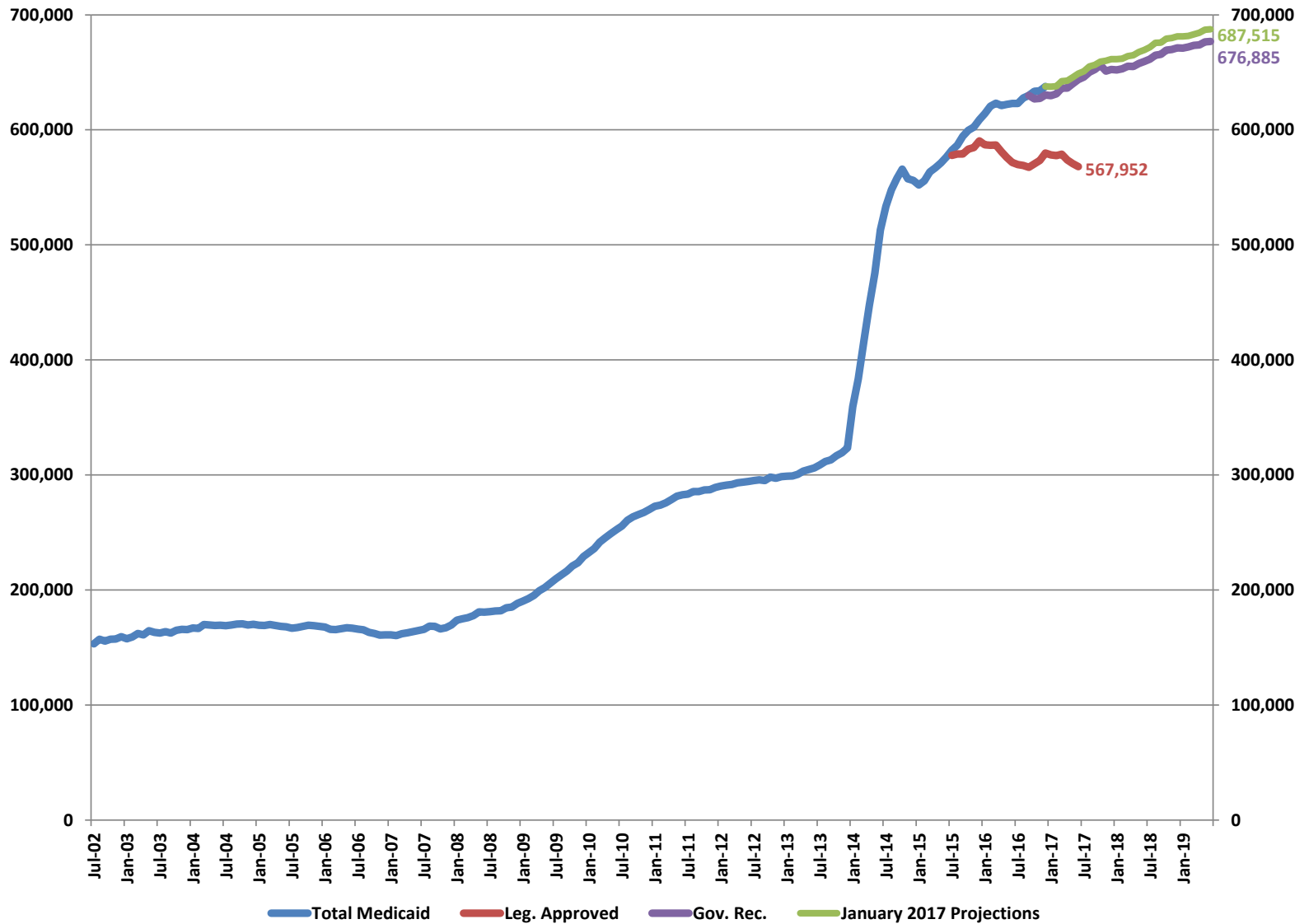


Helping People. It's who we are and what we do.

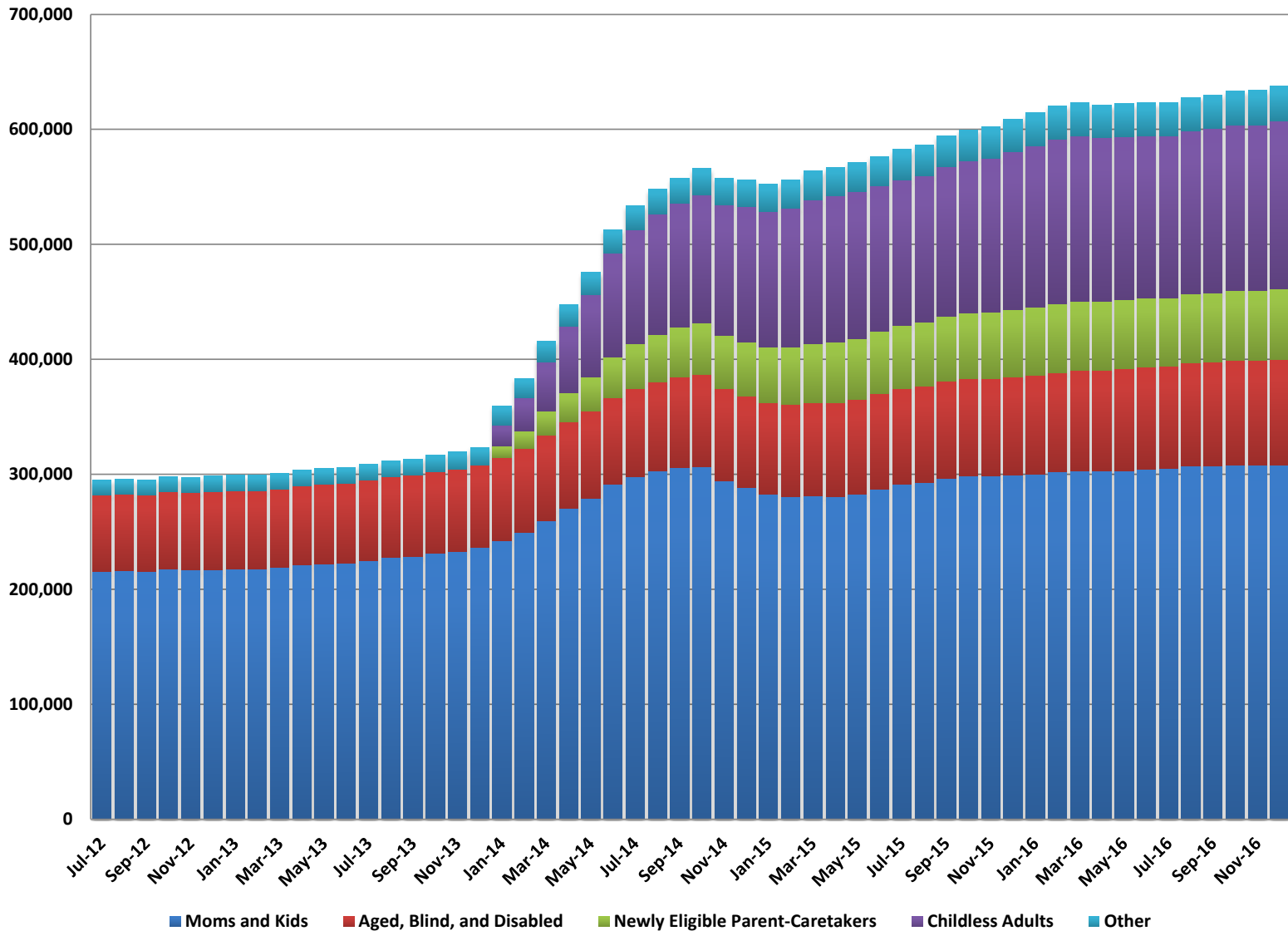
# Affordable Care Act (ACA) Timeline



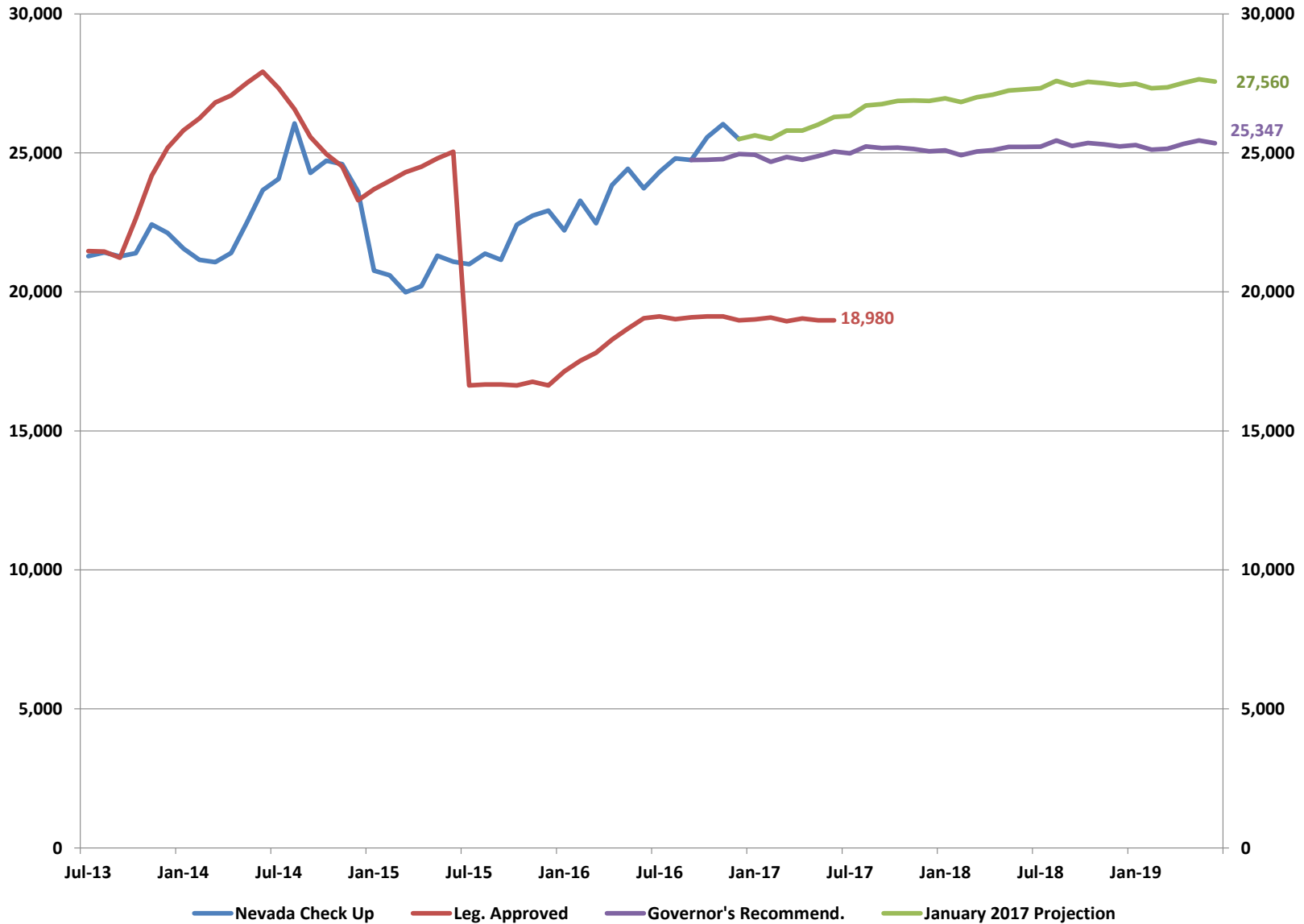
# Medicaid Caseload



# Medicaid Caseload

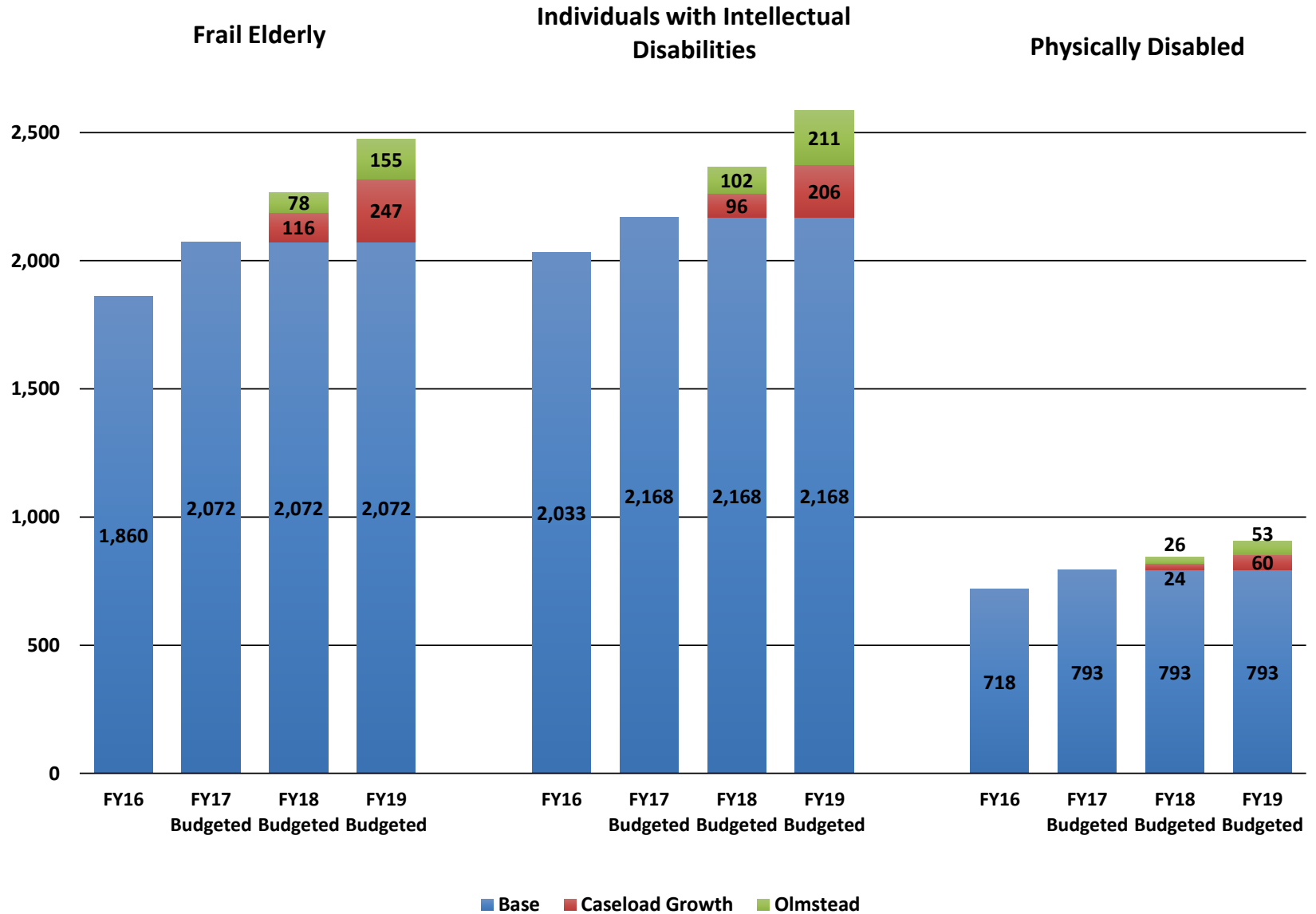


# Nevada Check Up Caseload





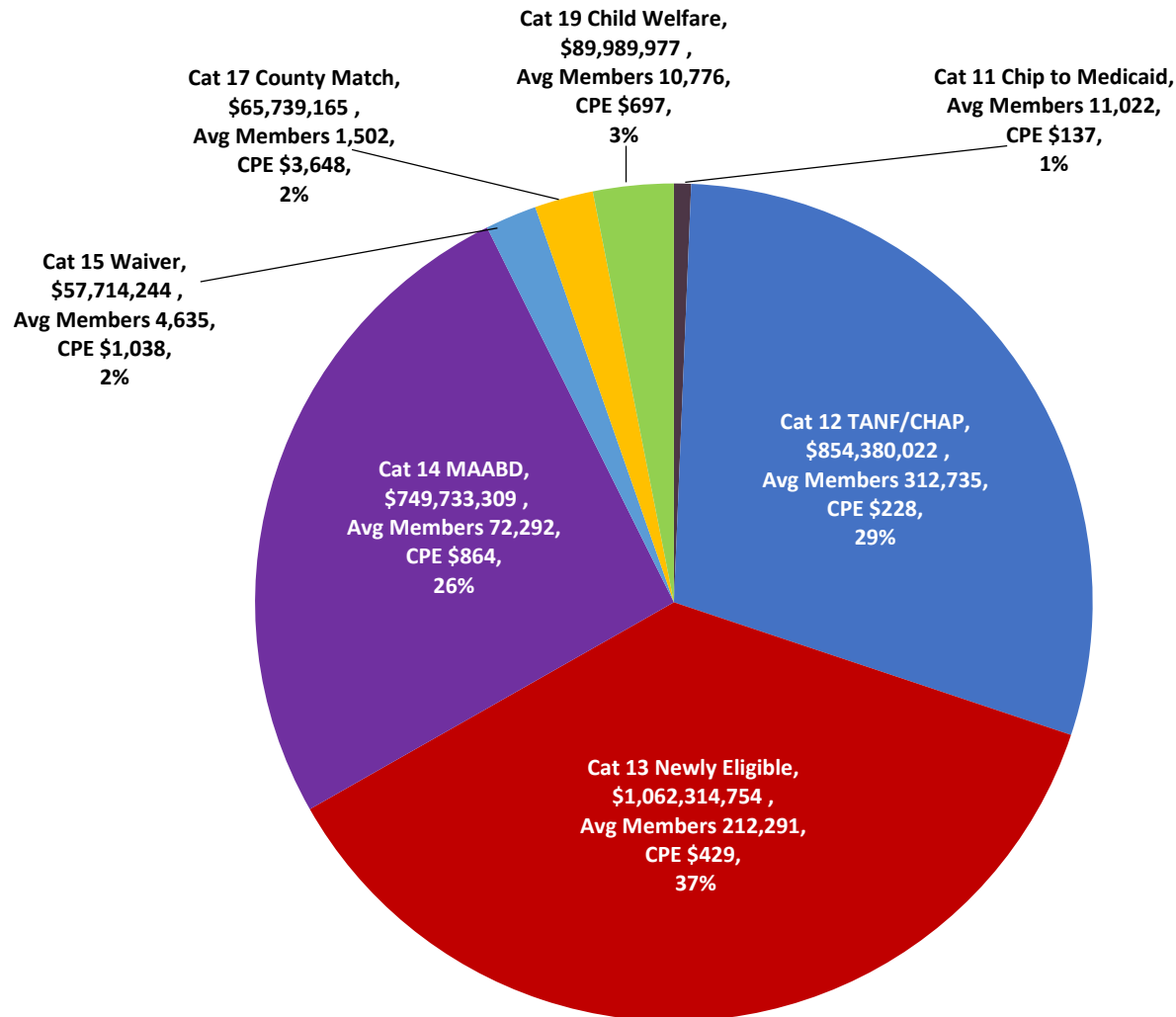
# Waiver Slots





# SFY16 Medicaid Cost by Budget Category

Average Members per Month and Average Monthly Cost Per Eligible (CPE)



# Blended Federal Medical Assistance Percentage (FMAP)

Updated September 2016

State Fiscal Year	FMAP	Enhanced (CHIP) FMAP	ACA Enhanced (CHIP) FMAP	New Eligibles FMAP
FY03	51.79%	66.25%		
	52.53%	66.77%		
FY04	54.30%	68.01%		
	55.34%	68.74%		
FY05	55.66%	68.96%		
FY06	55.05%	68.53%		
FY07	54.14%	67.90%		
FY08	52.96%	67.07%		
FY09	50.66%	65.46%		
	61.11%	72.78%		
FY10	50.12%	65.08%		
	63.93%	74.75%		
FY11	51.25%	65.87%		
	62.05%	70.44%		
FY12	55.05%	68.54%		
FY13	58.86%	71.20%		
FY14	62.26%	73.58%		100.00%
FY15	64.04%	74.83%		100.00%
FY16	64.79%	75.35%	92.60%	100.00%
FY17	64.74%	75.32%	98.32%	97.50%
FY18	65.48%	75.84%	98.84%	94.50%
FY19	65.56%	75.90%	98.90%	93.50%
FY20	64.98%	75.48%	81.23%	91.50%

*Note: The green cells reflect a 2.95% increase for the period April 2003 through June 2004. The blue cells reflect the ARRA stimulus adjusted FMAP for October 2008 through December 2010. The FMAP values for FY19 through FY20 are projections.*

## Accomplishments

- Implemented the Paramedicine Program
- Expanded Telemedicine
- Implemented the Applied Behavioral Analysis (ABA) Program
- Developing Certified Community Behavioral Health Clinic Program
- Partnered with DHHS agencies and community providers to maximize federal funds
- 100% Claiming of Supplemental Payments

## Program Efficiencies

- Fiscal Agent Contract Savings (BA 3158)
- Non Emergency Transportation (NET) Capitation Decrease (BA 3243)
- Medicare Buy-In Project (BA 3243)
- Asset Verification System (AVS) (BA 3243)

## Federally Mandated Services

### **M504 – Home Health & Durable Medical Equipment (DME) Services (BA 3243)**

Expanded services to include items that are “suitable for use in any non-institutional setting in which normal life activities take place”.

### **M506 – Transgender Services (BA 3243)**

Expanded to cover medically necessary required services.

## New Services

### **E281 – Medical Nutrition Therapy (BA 3243)**

Addition of services through the use of Registered Dietitians.

### **E282 – Adult Podiatry (BA 3243)**

Addition of Adult Podiatry services.



## Rate Increases

### **E275 – Adult Day Health Care Rates (BA 3243)**

*5% rate increase for Adult Day Health Care services*

### **M528 – Supported Living Arrangement Rates (BA 3243)**

*Federal funding to support a behavioral complex rate in ADSD budget*

### **E276 – Assisted Living Rates (BA 3243)**

*15% rate increase for Assisted Living services, and the addition of a level 4 for the behaviorally complex patients.*

### **E285 – Skilled Nursing Facility & Swing Bed Rates (BA 3243)**

*10% rate increase for Skilled Nursing Facilities and Swing Bed services.*

### **E290 – Pediatric Surgery Rates (BA 3178 & BA 3243)**

*15% rate increase for pediatric surgery services.*

## MMIS Replacement – BA 3158

### **One Shot Appropriation**

Continuation and completion of Phase III of the Medicaid Management Information System (MMIS) Replacement Project.

**Phase III, Design, Development and Implementation (DDI)** – Design, development and deploy automated solutions and fiscal agent services to support the Nevada Medicaid program. Begin implementation of MITA aligned solution(s) compliant with CMS certification criteria. Final deployment and CMS certification will not occur until SFY18.

Estimated Costs Total Computable – Funding is a 90/10 split with 10% SGF.

## New Positions

**E227 – Compliance Deputy (BA 3158)**

**E228 – Actuary (BA 3158)**

**E240 – ADSD Claims Review (BA 3158)**

*Three new Management Analysts and one new Administrative Assistant position*

**E226 – Housing Coordinator (BA 3158)**

*One Social Service Program Specialist*

**M502 – Managed Care Organization (MCO) Quality (BA 3158)**

*Three new Management Analyst positions*

**M501 – Access to Care (BA 3158)**

*Two new Management Analyst positions*

## Bill Draft Request

**Submitted a BDR to allow the Division to assess a fee to one or more provider types to improve the quality and access to health care services in Nevada.**

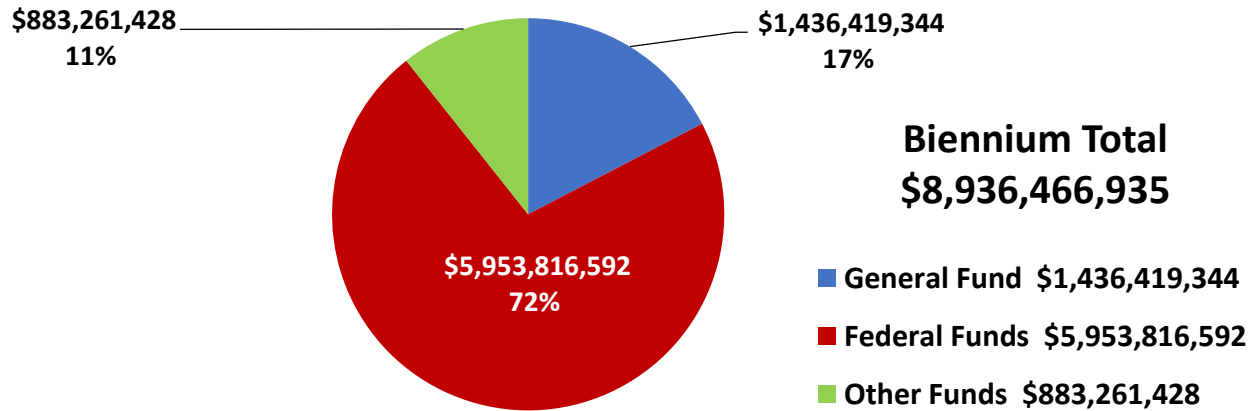
- Forty of the fifty states have a additional Provider Fee programs.
- Some states have created Provider Fee programs to fund the increased costs associated with ACA expansion.
- Eight Medicaid expansion states have indicated they have plans to use provider taxes or fees to fund all or part of the increasing state share of costs of the ACA Medicaid expansion. (Arkansas, Arizona, Colorado, Illinois, Indiana, Louisiana, New Hampshire and Ohio).
- Some states have used Provider Fees to prevent rate decreases; however Nevada would like to partner with Nevada providers to create an innovative approach for funding to enhance current reimbursement to Medicaid-participating providers.

# Addendum

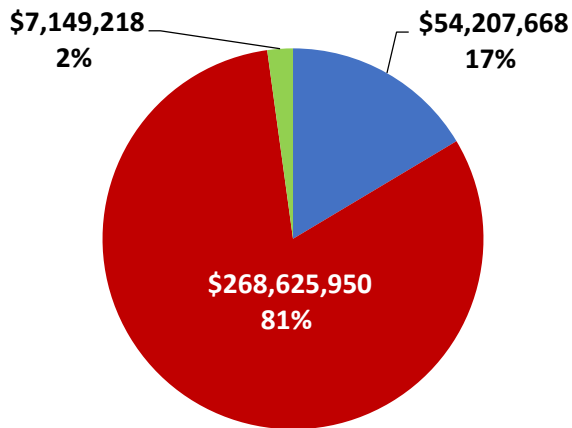
## 2017-2019 Biennium Budget Account Summary

BA	Budget Account Name	SFY 18				SFY 19			
		General Fund	Other Funds	Total	# of FTE	General Fund	Other Funds	Total	# of FTE
3157	Intergovernmental Transfer	-	171,880,216	171,880,216	-	-	173,530,340	173,530,340	-
3158	Medicaid Administration	26,803,048	136,829,480	163,632,528	295.51	27,404,620	138,945,688	166,350	295.51
3160	Increased Quality of Nursing Care	-	34,707,326	34,707,326	-	-	36,176,443	36,176,443	-
3178	Nevada Check Up	509,555	50,631,577	51,141,132	-	508,136	52,936,602	53,444,738	-
3243	Nevada Medicaid	659,743,519	2,952,104,464	3,611,847,983	-	721,450,466	3,089,335,882	3,810,786,348	-
<b>TOTAL</b>		<b>687,056,122</b>	<b>3,346,153,063</b>	<b>4,033,209,185</b>	<b>295.51</b>	<b>749,363,222</b>	<b>3,490,924,955</b>	<b>4,074,104,219</b>	<b>295.51</b>

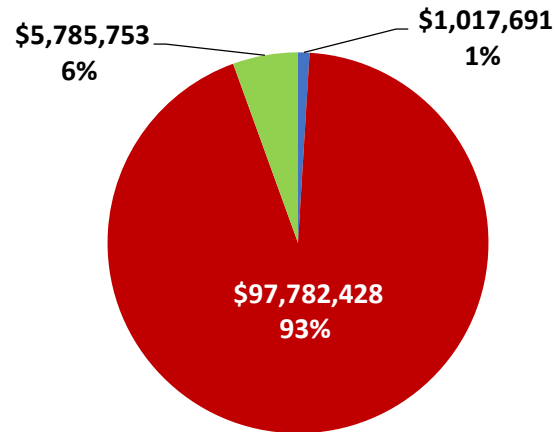
# 2017-2019 Biennium Total by Budget Account and Funding Source



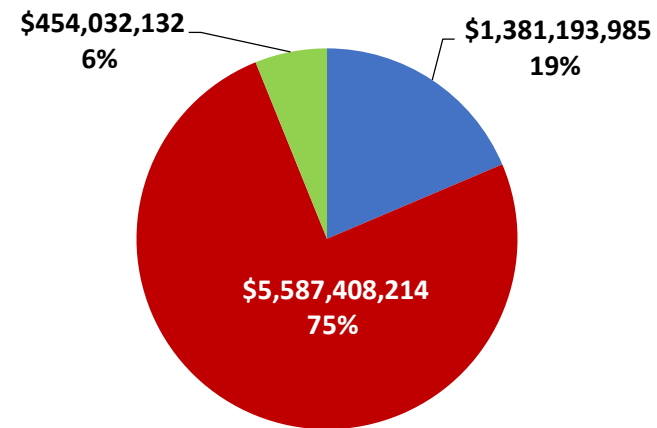
**BA 3158**  
**Administration Total**



**BA 3178**  
**Nevada Check-Up Total**

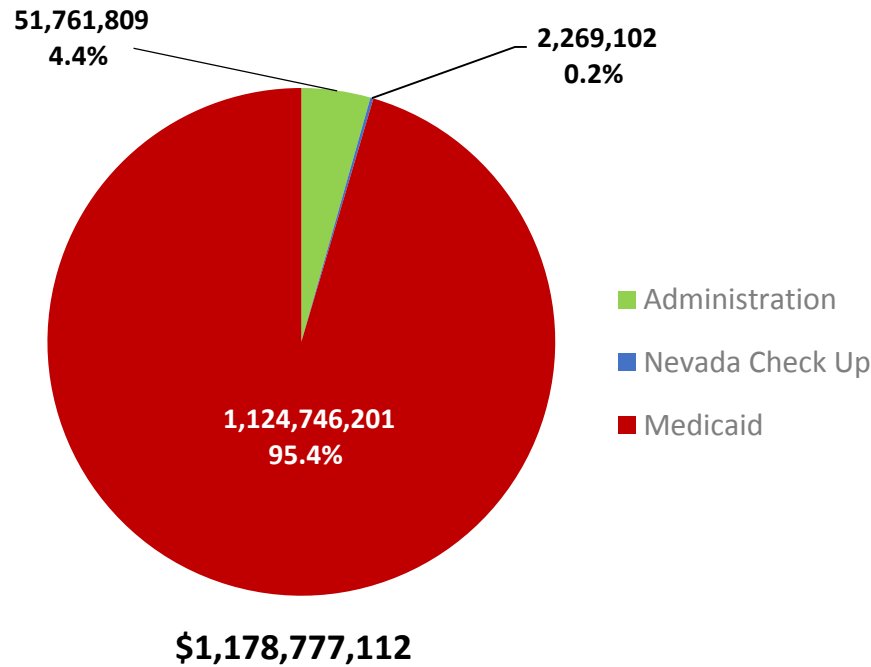


**BA 3243**  
**Nevada Medicaid Total**

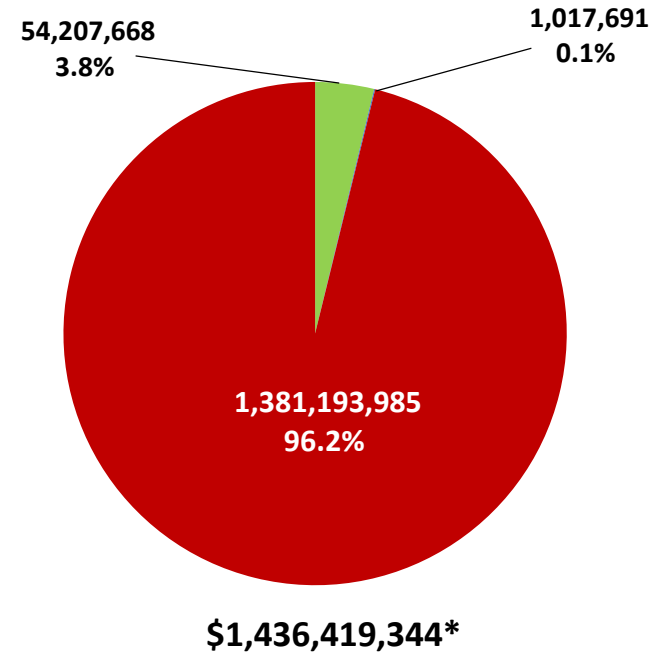


# General Fund Comparison by Budget Account

**2015-2017 Biennium  
Legislatively Approved**



**2017-2019 Biennium  
Agency Request**



\* E877 Supplemental Appropriation omitted from total.



## BA 3157 – Upper Payment Limit (UPL) Program

The UPL is the federal limit placed on fee-for-service reimbursement of Medicaid provider type. This limit is computed by calculating what Medicare would pay for a service in aggregate and comparing that to what Medicaid would pay for the same service in aggregate. Any difference in those two amounts is referred to as the UPL gap. The UPL gap can be decreased/filled by either increasing fee-for-service Medicaid reimbursement rates or developing supplemental payments.

# Pass - Through Budget Accounts

## **BA 3157 – Intergovernmental Transfer (IGT)**

Account to receive funds provided by governmental entities to be used as the state share for a variety of supplemental payment programs. Supplemental payment programs that have a State Net Benefit (SNB) are Disproportionate Share Hospital (DSH), Graduate Medical Education (GME), Enhanced Managed Care Organization (MCO) Rate, and Public Upper Payment Limit (UPL) Programs.

Total State Net Benefit (SFY16 SNB \$43.4 million)

SFY18 - \$48,872,224

SFY19 - \$49,008,009

## **BA 3160 – Increased Quality of Nursing Care**

**SFY18**    Projected Provider Tax – \$33,792,874  
              Projected Total Computable Supplemental Payment - \$94,988,487

**SFY19**    Projected Provider Tax – \$35,262,129  
              Projected Total Computable Supplemental Payment - \$98,086,590

## BA 3157 – Nursing Facility Provider Tax Program

- Nevada is currently one of 49 states in the nation to have a provider tax program.
- DHCFP has been working with Nevada Free Standing Nursing Facilities since early 2002 with a provider tax program.
- Originally Nursing Facilities proposed to set the tax at a percentage lower than the federally allowable maximum of 6% of net patient revenues which did not maximize the potential supplemental reimbursement.
- It was later decided that it would be in the best interest of the nursing facilities to increase the provider tax rate to 6%.
- In SFY 2016, \$31.5 million was collected from Nursing Facilities in Provider Taxes which became over \$87 million in supplemental payments to Medicaid-participating Nursing Facilities.