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Department of Health and Human Services
Division of Health Care Financing and Policy

**2017-2019 Biennial
Agency Request Budget Presentation**

September 26, 2016



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.





Goals

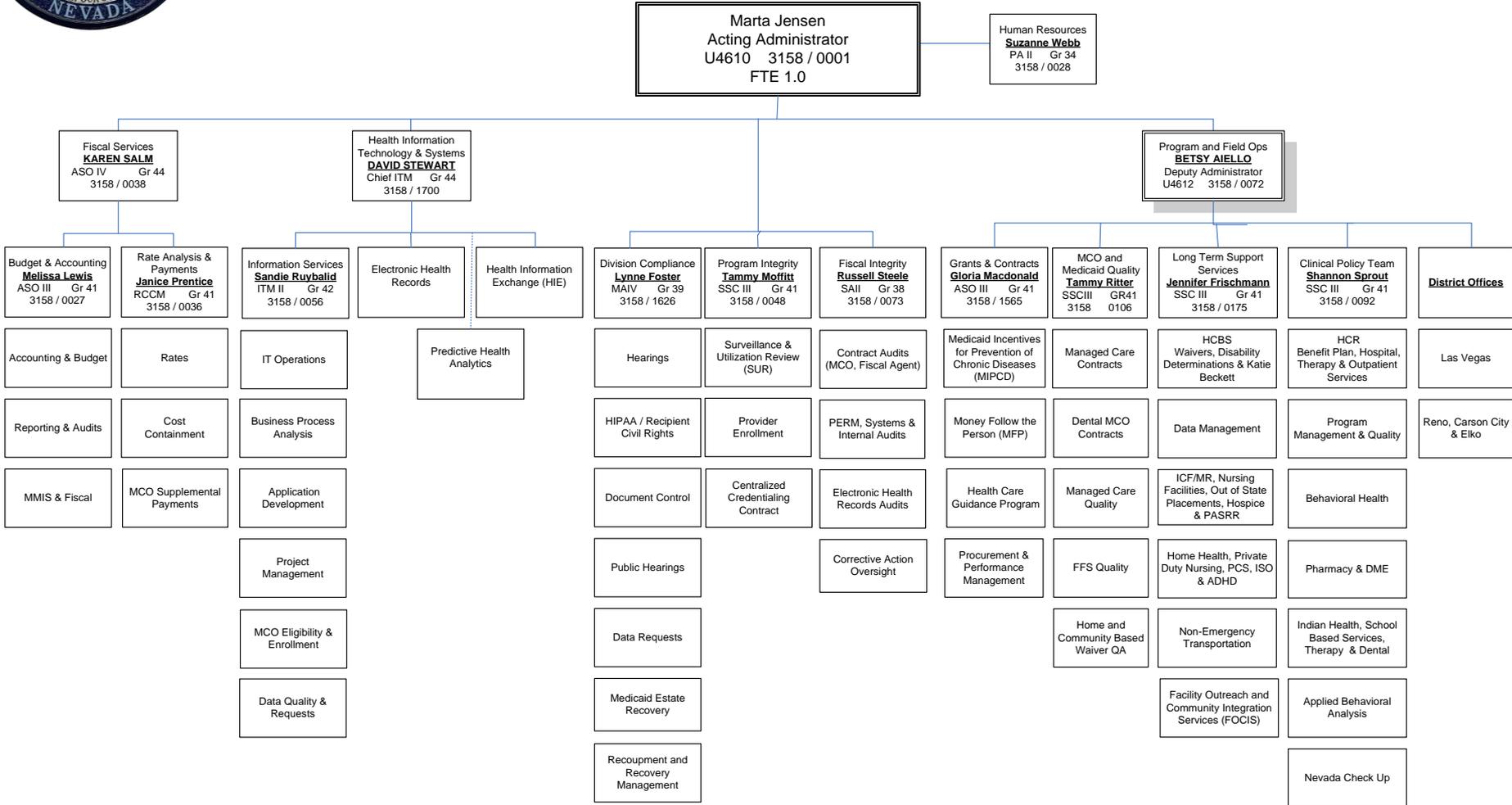
The Division of Health Care Financing and Policy works in partnership with the [Centers for Medicare & Medicaid Services](#) (CMS) to assist in providing quality medical care for eligible individuals and families with low income and limited resources. Services are provided through a combination of traditional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





Accomplishments

Service Expansion and/or Implementations

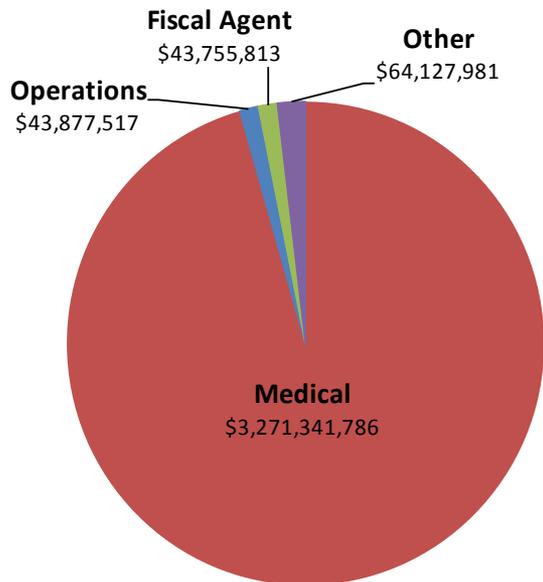
- Telemedicine
- Paramedicine
- Applied Behavioral Analysis (ABA)

Program Efficiencies/Savings

- Automated the Medicare Buy-In Process
- Collaborated with DHHS Agencies and Community Providers to Maximize Federal Funds
- 100% Claiming of Supplemental Payments



SFY16 Total Computable Spend by Type



Total Computable Spend: \$3,423,103,097

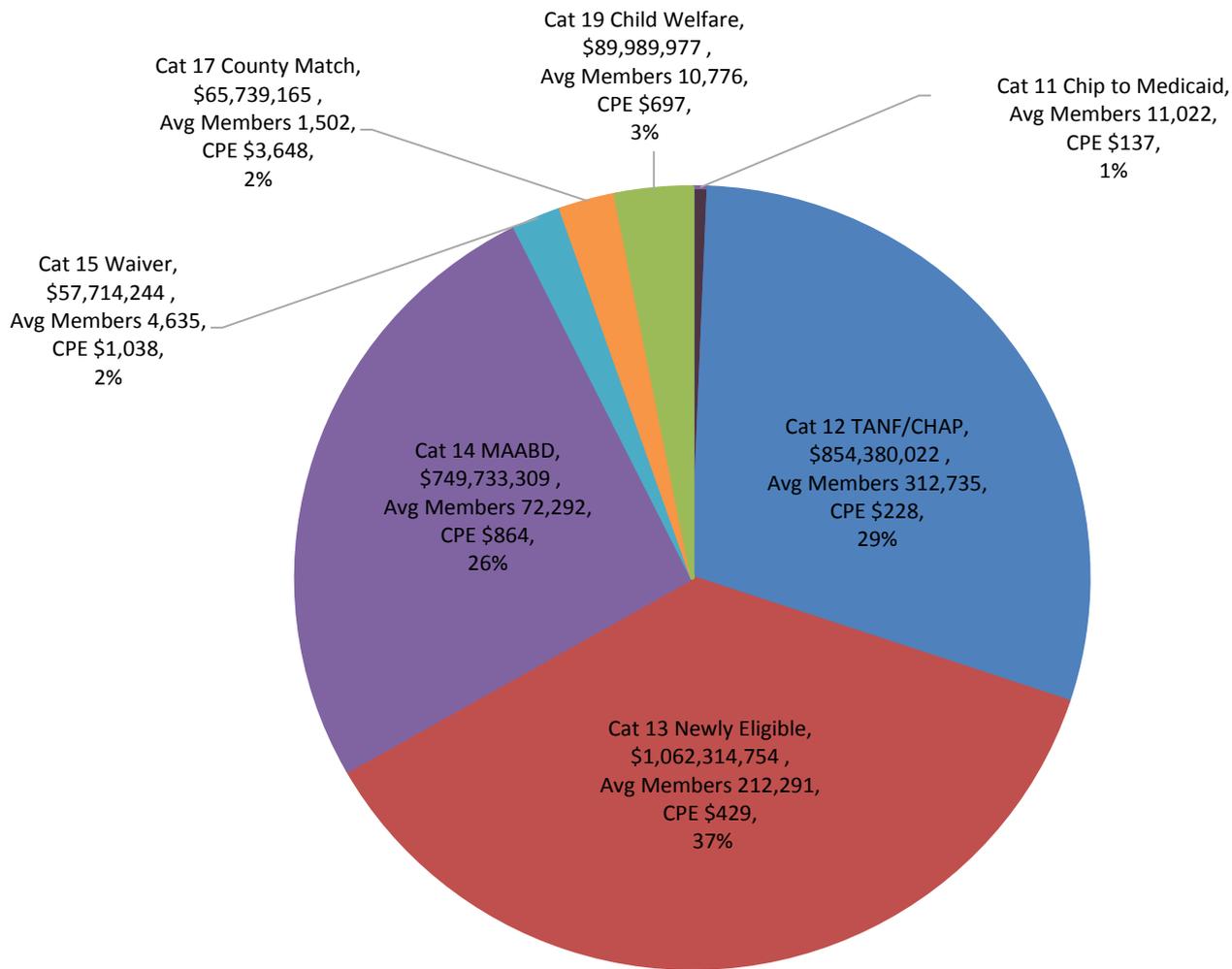
Medical (Medicaid and Nevada Check Up)	\$3,271,341,786	95.57%
DHCFP Operations	\$43,877,517	1.28%
DHCFP Fiscal Agent	\$43,755,813	1.28%
Public and Behavioral Health	\$1,542,423	0.05%
Division of Welfare and Supportive Services	\$49,956,597	1.46%
Division of Aging Admin	\$10,449,053	0.31%
Local Governments/Administrative Claiming	\$900,259	0.03%
Division of Child and Family Services	\$1,026,342	0.03%
Directors Office	\$204,410	0.01%
Department of Administration	\$28,097	0.00%
Transfer to Legislative Council Bureau	\$20,800	0.00%
TOTAL	\$3,423,103,097	100.00%

ADMIN OTHER
\$64,127,981
(Majority of these funds are pass through of federal dollars to sister & state agencies for administrative services)



SFY16 Medicaid Cost by Budget Category

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



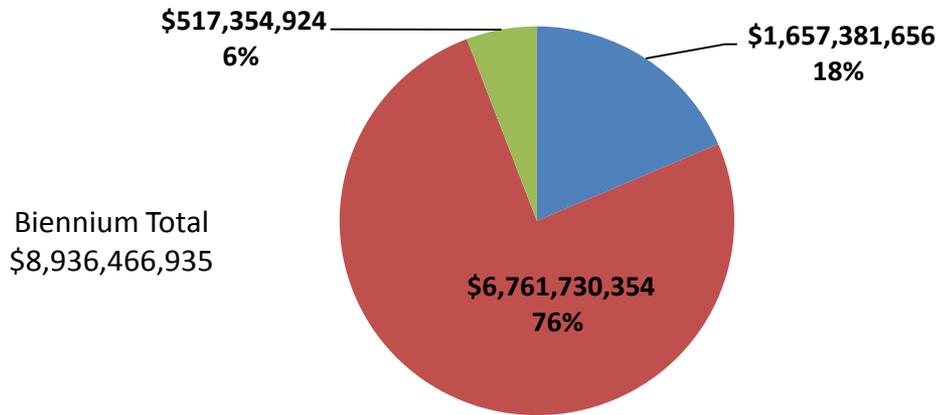


2017-2019 Biennium Budget Account Summary

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	-	178,930,679	178,930,679	-	-	172,133,397	172,133,397	-
3158	Medicaid Administration	29,389,211	173,404,405	202,793,616	292.51	27,858,769	165,083,003	192,941,772	292.51
3160	Increased Quality of Nursing Care	-	34,710,513	34,710,513	-	-	36,179,769	36,179,769	-
3178	Nevada Check Up	778,340	52,216,651	52,994,991	-	1,072,474	54,227,244	55,299,718	-
3243	Nevada Medicaid	763,783,141	3,549,217,077	4,313,000,218	-	834,499,720	3,284,936,899	4,119,436,619	-
TOTAL		793,950,692	3,988,479,325	4,782,430,017	292.51	863,430,963	3,712,560,312	4,575,991,275	292.51

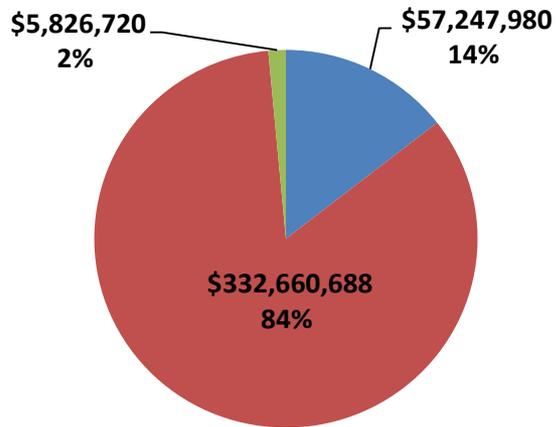


2017-2019 Biennium Total by Budget Account and Funding Source

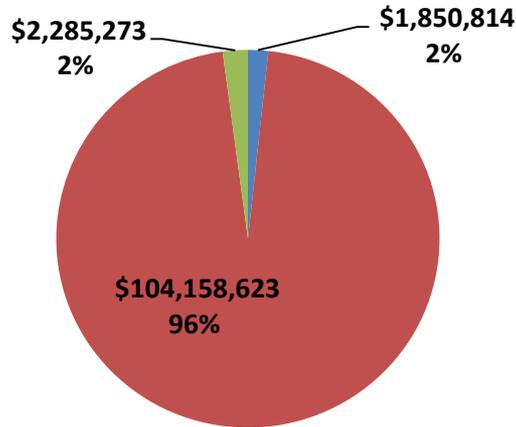


■ General Fund \$1,657,381,656 ■ Federal Funds \$6,761,730,354 ■ Other Funds \$517,354,924

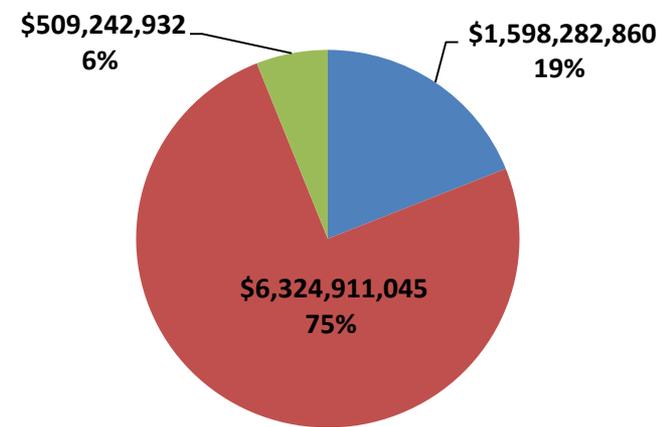
BA 3158
Administration Total



BA 3178
Nevada Check-Up Total



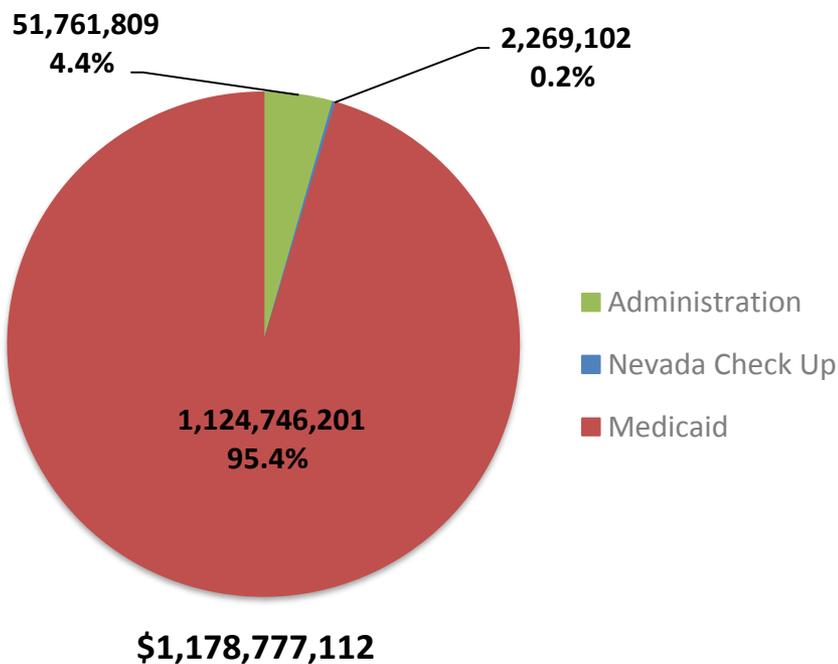
BA 3243
Nevada Medicaid Total



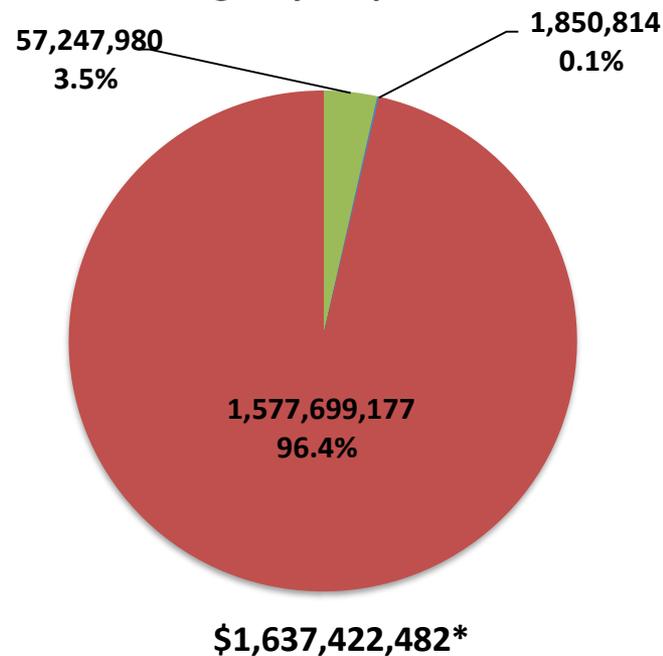


General Fund Comparison by Budget Account

**2015-2017 Biennium
Legislatively Approved**



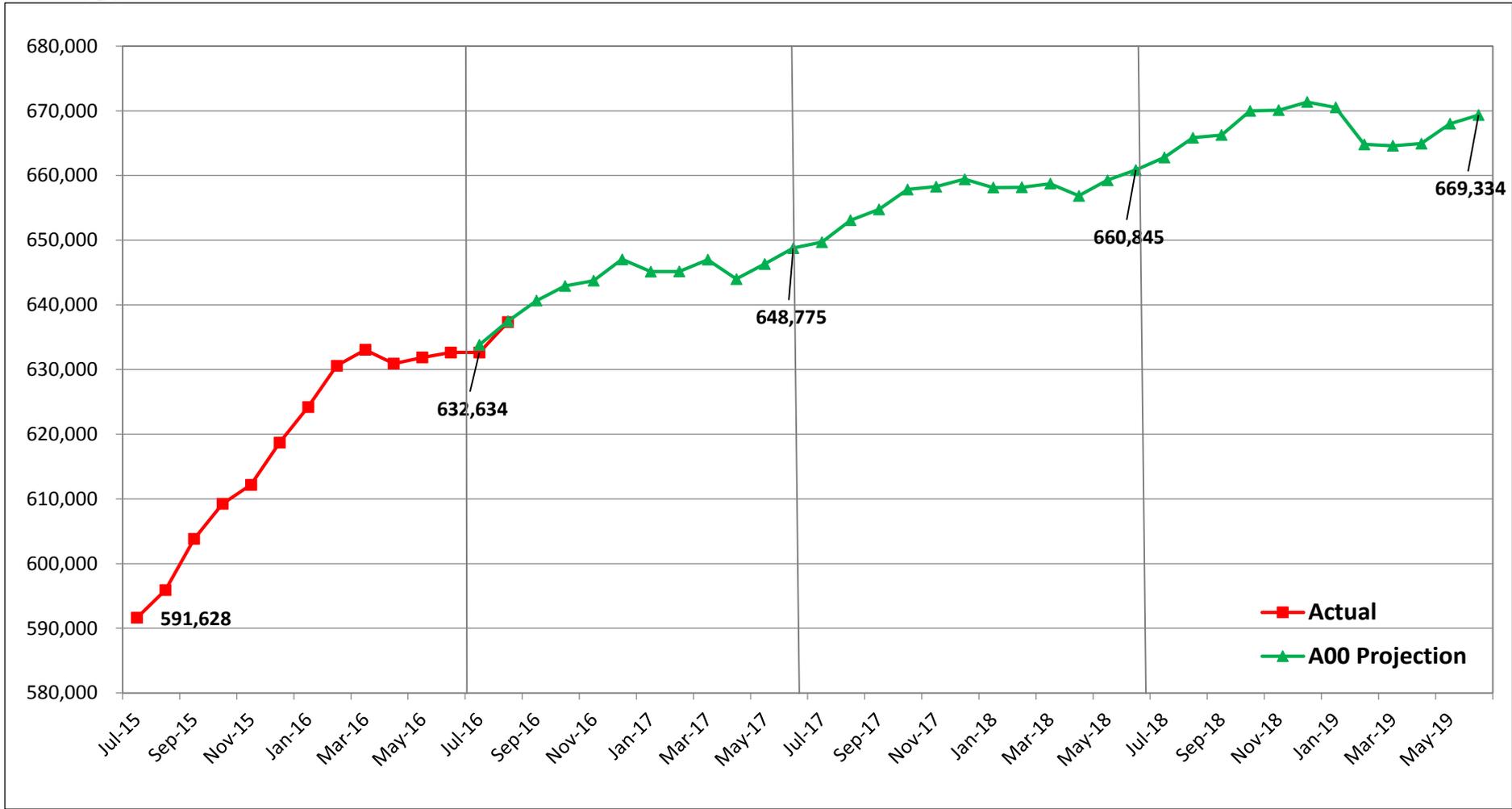
**2017-2019 Biennium
Agency Request**



* E877 Supplemental Appropriation omitted from total.



Caseload – Total Medicaid with Retro-Enrollments





Caseload – Medicaid

M200 – Increases for Caseload

Caseload is projected to increase from the legislatively approved caseload of 576,310 to 648,634 at the end of SFY17, an increase of 72,324 (12.55 percent).

SFY18 Total Cost – \$428,200,449

State General Funds – \$20,583,685

SFY19 Total Cost – \$428,200,449

State General Funds – \$20,583,685

M201 – Increases for Caseload

Caseload is projected to increase from the legislatively approved caseload of 648,634 at the end of SFY17 to 660,845 in SFY18 and 669,334 in SFY19. This is an increase of 84,535 (14.67 percent) in SFY18 and 93,024 (16.14 percent) in SFY19. This request also aligns with the SFY18 & SFY19 FMAP changes from SFY16.

SFY18 Total Cost – (\$79,058,121)

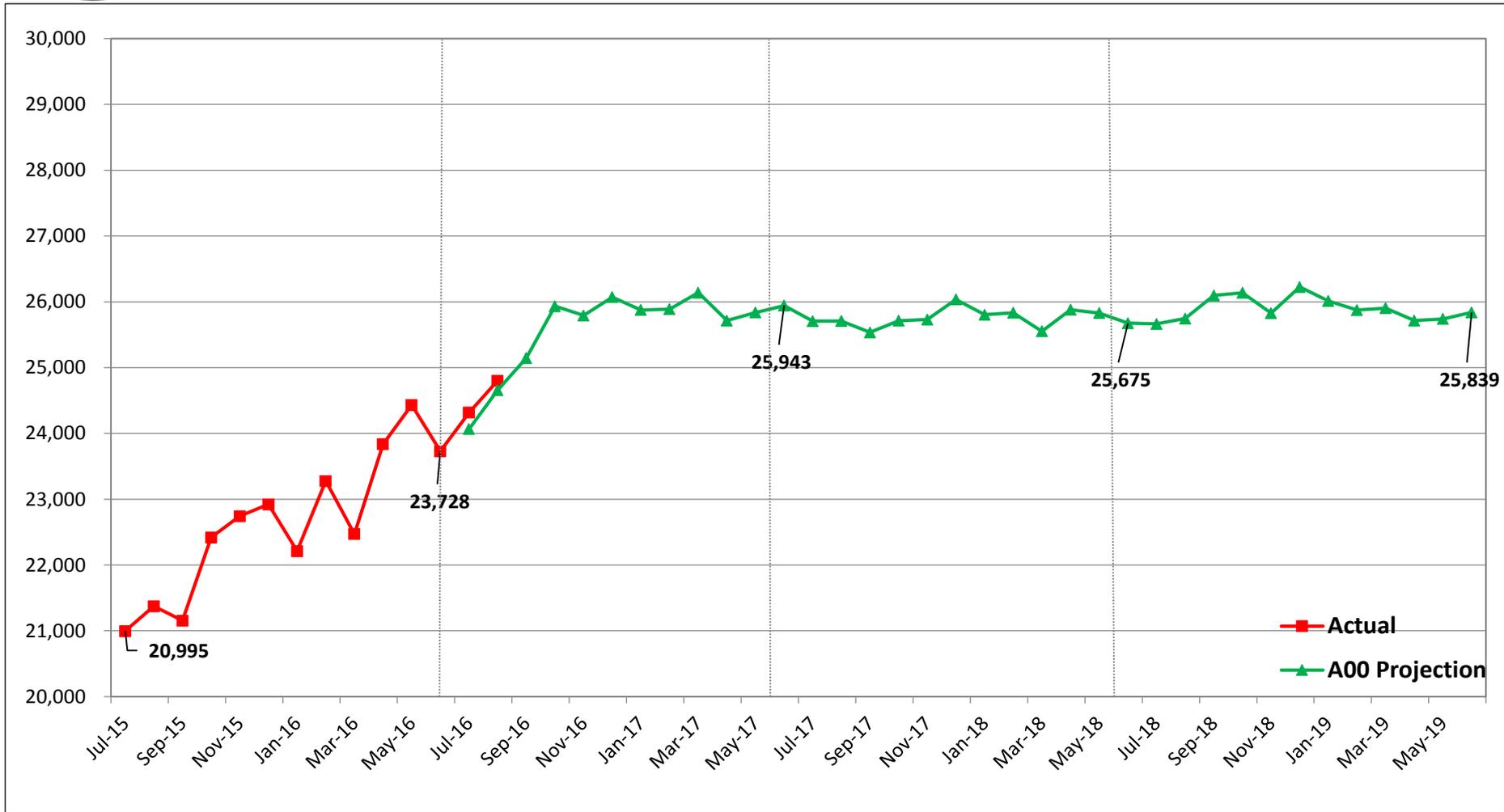
State General Funds – \$57,293,326

SFY19 Total Cost – \$18,558,841

State General Funds – \$113,557,434



Caseload – Total Nevada Check Up





Caseload – Nevada Check Up

M200 – Increases for Caseload

Caseload is projected to increase from the legislatively approved caseload of 18,980 to 25,943 at the end of SFY17, an increase of 6,963 (1.37 percent).

SFY18 Total Cost – \$15,164,786

State General Funds – \$203,452

SFY19 Total Cost – \$15,164,786

State General Funds – \$267,566

M201 – Increases for Caseload

Caseload is projected to increase from the legislatively approved caseload of 25,943 at the end of SFY17 to 25,675 in SFY18 and 25,839 in SFY19. This is an increase of 6,695 (1.35 percent) in SFY18 and 6,859 (1.36 percent) in SFY19. This request also aligns with the SFY18 & SFY19 FMAP changes from SFY16.

SFY18 Total Cost – (\$762,251)

State General Funds – \$66,386

SFY19 Total Cost – (\$480,326)

State General Funds – \$242,327



Blended Federal Medical Assistance Percentage (FMAP)

Updated March 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	64.78%	75.35%	98.35%	94.50%
FY19	64.05%	74.83%	97.83%	93.50%
FY20	62.75%	73.92%	79.67%	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 FY18 through FY20 are projections.



Mandatory - Services

M540 – Waiver Waitlist Elimination (BA 3158 & BA 3243)

This request funds additional slots to get the waiver waitlists within 90 days.

SFY18 Total Cost – \$14,472,455	State General Funds – \$2,826,487
SFY19 Total Cost – \$42,823,444	State General Funds – \$8,560,293

M503 – Nevada Check Up (NCU) Safety Net (BA 3243)

If CHIP funding is not reauthorized Nevada Medicaid will be subject to maintenance of effort requirements through 2019. This request is to move NCU children and the eligibility requirements into the Medicaid program.

SFY18 Total Cost – \$51,402,463	State General Funds – \$17,799,916
SFY19 Total Cost – \$53,708,767	State General Funds – \$18,996,189

M504 – Home Health and Durable Medical Equipment (DME) Services (BA 3243)

Expansion of CMS’ definition of Medical Supplies, Equipment, and Appliances to include "suitable for use in any non-institutional setting in which normal life activities take place". Additional face-to-face visit to be completed allowing for a recipient to obtain medical justification for an item up to 30 days after the item has been supplied.

SFY18 Total Cost – \$36,082,744	State General Funds – \$12,002,562
SFY19 Total Cost – \$37,147,184	State General Funds – \$12,632,443



Mandatory - Services

M505 – Federally Qualified Health Center (FQHC) Dental (BA 3243)

Expanded coverage to include examination, x-rays, and cleanings in a FQHC.

SFY18 Total Cost – \$1,019,818

State General Funds – \$235,237

SFY19 Total Cost – \$1,049,903

State General Funds – \$250,953

M506 – Transgender Services (BA 3243)

Expanded services associated with the coverage of hormone suppression, hormone therapy, and psychotherapy to include gender reassignment surgery for the transgender population.

SFY18 Total Cost – \$615,664

State General Funds – \$183,992

SFY19 Total Cost – \$625,303

State General Funds – \$191,688



Mandatory – New Positions

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

Three new Management Analyst positions to comply with quality reporting and monitoring regulations.

SFY18 Total Cost – \$924,505

SFY19 Total Cost – \$271,653

State General Funds – \$284,752

State General Funds – \$135,826

M501 – Access to Care (BA 3158)

Two Management Analyst 2 positions to fulfill new reporting and monitoring requirements for State Medicaid programs.

SFY18 Total Cost – \$457,543

SFY19 Total Cost – \$494,206

State General Funds – \$228,771

State General Funds – \$247,103



Enhancements – New Positions

E228 – Medical Director (BA 3158)

New Medical Director position to support DHCFP activities.

SFY18 Total Cost - \$200,857

State General Funds - \$100,428

SFY19 Total Cost - \$256,237

State General Funds - \$128,119

E227 – Compliance Deputy (BA 3158)

New Compliance Deputy position to support DHCFP activities.

SFY18 Total Cost - (\$34,226)

State General Funds - (\$17,113)

SFY19 Total Cost - (\$10,754)

State General Funds - (\$5,377)

E228 – Actuary (BA 3158)

New Actuary position to support DHCFP activities.

SFY18 Total Cost - \$66,979

State General Funds - \$33,490

SFY19 Total Cost - \$0

State General Funds - \$0

E226 – Housing Coordinator (BA 3158)

New Housing Coordinator position to support Money Follows the Person (MFP) Grant.

SFY18 Total Cost - \$70,583

State General Funds - \$0

SFY19 Total Cost - \$88,917

State General Funds - \$0



Enhancements – New Services

E279 – Certified Community Behavioral Health Clinics (CCBHC) (BA 3243)

New delivery service model to address the most costly population.

SFY18 Total Cost – \$22,954,200

State General Funds – \$3,272,500

SFY19 Total Cost – \$29,307,548

State General Funds – \$4,447,801

E289 – Alternative Opioid Therapies (BA 3243)

Addition of Alternative Opioid Therapy services.

SFY18 Total Cost – \$6,370,961

State General Funds – \$1,881,833

SFY19 Total Cost – \$6,707,347

State General Funds – \$2,033,619



Enhancements – New Services/Rate Increase

E281 – Medical Nutrition Therapy (MTN) (BA 3243)

Addition of MTN services through the use of Registered Dietitians.

SFY18 Total Cost – \$2,967,103

State General Funds – \$699,035

SFY19 Total Cost – \$3,013,688

State General Funds – \$732,560

E282 – Adult Podiatry (BA 3243)

Addition of Adult Podiatry services.

SFY18 Total Cost – \$264,231

State General Funds – \$71,400

SFY19 Total Cost – \$272,026

State General Funds – \$75,694

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

15% rate increase for pediatric surgery services.

SFY18 Total Cost – \$833,248

State General Funds – \$211,977

SFY19 Total Cost – \$903,603

State General Funds – \$236,452



Enhancements – Rate Increases

E275 – Adult Day Health Care Rates (BA 3243)

10% rate increase for Adult Day Health Care services

SFY18 Total Cost – \$729,066	State General Funds – \$255,284
SFY19 Total Cost – \$742,708	State General Funds – \$265,496

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.

SFY18 Total Cost – \$3,140,593	State General Funds – \$1,106,117
SFY19 Total Cost – \$3,140,593	State General Funds – \$1,129,043

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

5% rate increase for Skilled Nursing Facilities and Swing Bed services.

SFY18 Total Cost – \$5,578,810	State General Funds – \$1,267,507
SFY19 Total Cost – \$5,578,810	State General Funds – \$1,295,679



Enhancements – Equipment

E720 – New Equipment (BA 3158)

Upgraded software licensing.

SFY18 Total Cost – \$48,852

State General Funds – \$24,426

SFY19 Total Cost – \$48,852

State General Funds – \$24,426

E710 – Replacement Equipment (BA 3158)

Replacement equipment for DHCFP users.

SFY18 Total Cost – \$305,266

State General Funds – \$152,633

SFY19 Total Cost – \$172,091

State General Funds – \$ 86,046



Efficiencies in Government

E600 – Fiscal Agent Savings (BA 3158)

Cost savings for Fiscal Agent operations contract.

SFY18 Total Cost – (\$2,268,000) State General Funds – (\$867,000)

SFY19 Total Cost – (\$1,106,017) State General Funds – (\$824,004)

E600 – Non Emergency Transportation (NET) Capitation Decrease (BA 3243)

Cost savings for NET capitation reduction due to new contracted vendor.

SFY18 Total Cost – (\$1,959,876) State General Funds – (\$473,163)

SFY19 Total Cost – (\$1,990,591) State General Funds – (\$497,059)

E602 – Medicare Buy-In Project (BA 3243)

Cost savings for Medicare Buy-In project.

SFY18 Total Cost – (\$25,711,988) State General Funds – (\$8,082,799)

SFY19 Total Cost – (\$25,711,988) State General Funds – (\$8,281,461)

E603 – Asset Verification System (AVS) (BA 3243)

Cost savings for AVS implementation.

SFY18 Total Cost – (\$19,584,473) State General Funds – (\$6,879,651)

SFY19 Total Cost – (\$20,013,086) State General Funds – (\$7,194,704)



Efficiencies in Programs

E604 – Hospice Savings (BA 3243)

Cost savings for aligning hospice requirements with Medicare.

SFY18 Total Cost – (\$1,239,758)

State General Funds – (\$436,643)

SFY19 Total Cost – (\$1,239,758)

State General Funds – (\$436,643)

E605 – Case Management Savings (BA 3243)

Cost savings for case management services (PT 14) and adjusting hours of coverage.

SFY18 Total Cost – (\$1,052,116)

State General Funds – (\$363,239)

SFY19 Total Cost – (\$1,052,116)

State General Funds – (\$370,871)

E606 – Basic Skills Training Savings (BA 3178 & BA 3243)

Cost savings to rebase the BST rate to align with similar services (ABA).

SFY18 Total Cost – (\$3,563,569)

State General Funds – (\$1,225,349)

SFY19 Total Cost – (\$3,563,569)

State General Funds – (\$1,251,482)



Efficiencies in Programs

E607 – Orthodontia Savings (BA 3178 & BA 3243)

Cost savings for adjusting covered orthodontia services.

SFY18 Total Cost – (\$7,991,794)

State General Funds – (\$2,343,647)

SFY19 Total Cost – (\$7,991,794)

State General Funds – (\$2,399,518)

E608 – Ambulatory Surgery Centers (ASC) Savings (BA 3243)

Cost savings for ASC to Ambulatory Payment Classification (APC) facility rate.

SFY18 Total Cost – (\$3,550,359)

State General Funds – (\$1,002,362)

SFY19 Total Cost – (\$3,550,359)

State General Funds – (\$1,030,193)

E609 – Laboratory Savings (BA 3243)

Cost savings for realignment of laboratory services across provider types.

SFY18 Total Cost – (\$4,962,635)

State General Funds – (\$1,347,993)

SFY19 Total Cost – (\$5,115,239)

State General Funds – (\$1,430,398)



Savings Initiative

E601 – Supplemental Payment Claiming (BA 3243)

Cost savings for 100% FMAP claiming for supplemental payment programs.

SFY18 Total Cost – (\$8,791,111)	State General Funds – (\$8,791,111)
SFY19 Total Cost – (\$7,692,700)	State General Funds – (\$7,692,700)



MMIS Replacement – BA 3158

E550 – Technology Investment Request (TIR)

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.

SFY18 - \$18,291,605

SFY19 - \$5,526,681



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 – \$43,478,900

SFY19 – \$41,281,679

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



Bill Draft Request Summary

Budget BDR Summary			
BDR#	NRS	Description	Impact
17A4031038	422.4025	Revise NRS 422.4025 to eliminate sunset/expiration date to enable Medicaid to continue to collect supplemental drug rebates on antipsychotics, antidiabetics, and anticonvulsants that would otherwise not be on the Preferred Drug List.	Associated Dec Unit E229 in BA 3243 if BDR is not approved.