



Provider Fees

October 17th, 2017



Senate Bill 509

- DHCFP proposed a Bill Draft Request (BDR 38-980/SB 509) in the 2017 Legislative Session that included permissive language allowing provider fee programs to be developed. SB509(v2) was approved by Governor Sandoval on 6/1/2017.
- In the next legislative session, potentially eligible provider groups can ask to be included in future programs by becoming a part of qualified groups.
- Currently, the groups that are eligible to develop provider fee programs are medical facilities and operators of an agency to provide personal care assistance services.
- The programs are developed at the request of a group of providers and would only proceed with a supermajority approval of the provider group of 67%.



Provider Fees

- Provider fees are a valuable tool to leverage federal funds to increase reimbursement to providers.
- Provider fees can provide enhanced reimbursement for a provider group, but they require communication and collaboration with providers to successfully implement and operate.



Provider Fees

- Permissible health care fees must be broad based and apply to all providers in a group.
- The provider fee funds will be collected from providers and then returned to providers as reimbursement via supplemental payments or enhanced Medicaid rates. Providers that do not participate with Medicaid will pay the fee, but will not receive any benefit.
- These enhanced payments or rates can be an incentive for providers to see the benefit the fee yields and choose to participate.



Provider Fees

Provider fees are collected from a provider group

Fees are federally matched

Reimbursement is returned to Medicaid participating providers via supplemental payments or enhanced Medicaid rates.



Provider Fees

Certain provider groups will be more likely to recognize and benefit from a provider fee.

- Organized and cohesive provider groups are more likely to understand a provider fee and how it may benefit their industry.
- Provider groups that are more dependent on Medicaid funding will be more likely to see a benefit to their industry.
 - Hospitals, Intermediate Care Facilities and Nursing Facilities all rely heavily on Medicaid reimbursement; therefore these are the provider types that most commonly participate in provider fees programs nationwide.



Provider Fees

- Even with industry support, provider fee programs can be a controversial form of supplemental funding and there may likely be some opposition.
- Without established coordination between Medicaid and the provider group subject to the provider fee, the success of a program is unlikely.



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