DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or library@lcb.state.nv.us.

DIVISION OF HEALTH CARE FINANCING AND POLICY

BUDGET PRESENTATION
TO
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND THE SENATE COMMITTEE ON FINANCE
JOINT SUBCOMMITTEE ON K-12/HUMAN RESOURCES

FEBRUARY 27, 2003

SUBCOMMITTEE K-12/Human Resources
DATE: 2/27/03 ROOM 3137 EXHIBIT D
SUBMITTED BY: Michael Willden

D 1 of 4

D2 of 4

STATE OF NEVADA
DEPARTEMENT OF HUMAN RESOURCES
DIVISON OF HEALTH CARE FINANCING AND POLICY
BUDGET PRESENTATION

Budget Account Title: Division of Health Care Financing and Policy – Administration
Budget Account Number: 3158
Name of Agency or Program: Health Care Financing and Policy

SECTION 1 - STATUTORY MANDATE, PROGRAM DESCRIPTIONS, PUBLIC PURPOSE AND CRITICAL NEED

1A – Statutory Mandate
The Division of Health Care Financing and Policy was formed and receives its general authority under NRS 422. The specific services and programs of the Division within the Department of Human Resources are described in NRS 422.001 – 422.065; 422.151 – 422.155; 422.2352 – 422.2374; 422.240 – 422.293; 422.301 – 422.306; 422.361 - 422.369; and 422.380 – 422.390. Federal requirements relating to the division include Title XIX and Title XXI of the Social Security Act and 42CFR.

1B – Program Descriptions
The mission of the Division of Health Care Financing and Policy is to purchase and ensure the provision of quality health care services, including Medicaid, to low-income Nevadans in the most efficient manner; promote equal access to health care at an affordable cost to the taxpayers of Nevada; to restrain the growth of health care costs; and to review Medicaid and other state health care programs to determine opportunities for federal revenue maximization. This budget contains the costs associated with the cost containment function required under NRS 439B. This budget is funded through cost allocation of the functions in the budget to the three benefiting programs; Title XIX Medicaid, Title XXI Check Up and Cost Containment fees (100% non-federal).

1C – Public Purpose and Critical Need
The administration of the division has overall responsibility for achieving the mission of the agency and its health coverage programs including oversight of health care purchasing activities, and ensuring the quality of services rendered to eligible Nevadans. The administration assures fiscal accountability for the use of state and federal funds, as well as ensuring that federal revenues are maximized in achieving the division's goals. It is responsible for maintaining the division's information systems and overseeing information technology projects critical for program operations and management. Additionally, it is responsible for cost containment activities required under NRS 439B.

SECTION 2 – PERFORMANCE MEASUREMENTS
The Division is less than satisfied with their performance measures but is continuing to work to improve them. Last biennium this account had one measurement indicator which related to the number of revenue enhancement opportunities identified. This performance indicator was eliminated because it is unclear and difficult to define.
In lieu of the one indicator reported last biennium, the division is proposing nine indicators which cover the IT function (numbers one to three), the rates and cost containment function (four and five) and the accounting and budget function (six to nine). Personnel related functions are also covered in number seven.

D3 of 4

STATE OF NEVADA
DEPARTEMENT OF HUMAN RESOURCES
DIVISON OF HEALTH CARE FINANCING AND POLICY
BUDGET PRESENTATION

SECTION 3 – WORKLOAD STATISTICS

	FY 02	FY 04	FY 05
Total Division Employees:	200.01	212.01	217.01
Total Transactions Processed:	8,800	9,200	9,700

SECTION 4 – DECISION UNITS

MAINTENANCE UNITS

The following maintenance units are included in the Executive Budget for this budget account (excluding standard or Budget Division prepared units):

M-501 HIPAA – HEALTH INSURANCE PORTABILITY

This decision unit requests the addition of a Management Analyst IV to serve as the division's HIPAA Privacy Officer. The existing Administrative Services Officer III will serve as the security officer reviewing computer-related privacy and security. This position would be responsible for ensuring staff complies with the privacy procedures required by the Health Insurance Portability and Accountability Act (HIPAA). HIPAA is a sweeping set of government regulations addressing portability, availability and renewability of health insurance coverage. Additionally, the administrative simplification portion addresses patient privacy rights and the development of standards and requirements for electronic transmission of certain financial and health information. Included in the patient privacy rights are requirements relating to security standards, both electronic and physical standards. The privacy standards must be implemented by April 2003 and the electronic transmissions standards must be implemented by October 2003. Page 11 of Tab 1 illustrates the location of our existing positions, page 12 represents the location of the proposed position.

	2003-04	2004-05
General Fund	$25,034	$31,689

ENHANCEMENT UNITS

E-710 GOVERNMENT RECOMMENDATIONS

This decision unit recommends the replacement of computers for the "power" users of the unit in accordance with the Department of Information Technology standards. It is estimated that ten percent of the staff in the unit are power users. Power users consist of the management analysts, ASO's and program managers. 65 staff *10% = 6.5 (rounded to 6). These costs are allocated between the Medicaid, Nevada Check Up and Cost Containment functions.

STATE OF NEVADA
DEPARTEMENT OF HUMAN RESOURCES
DIVISON OF HEALTH CARE FINANCING AND POLICY
BUDGET PRESENTATION

D 4 of 4

E-805 MAJOR RECLASSIFICATIONS

This decision unit requests to reclassify certain positions within the Accounting Unit to reflect the actual workload and responsibilities within the unit. The following reclassifications are requested: 1) Reclassify PCN 10 (currently vacant) from an Accounting Technician III (grade 34) to an Accounting Technician I (grade 30). This reclassification will accomplish two objectives: reflect the decreased complexity of the work to be completed by the position, and provide a better advancement path for the accounting staff. 2) Reclassify two Accounting Assistant I's (PCN 20 and 24) to Accounting Assistant II's. One of these positions is responsible for all vendor payments except travel related, and the other is responsible for all deposits and purchasing. In order to accomplish these duties, the staff must be able to assign accounting codes, which are in compliance with complex rules, regulations and procedures, including contractual and grant limitations. The level of complexity of the accounting for Medicaid supports upgrading these positions. If transactions are improperly coded, the state, as a whole, could be impacted by the misreporting of federal funds. 3) Reclassify Accountant I to Accountant II (PCN 41): The existing Accountant I is responsible for preparation of the federal financial reports, including the CMS 64 and 21, the Payment Management System reports, monitoring the cash status of the division and drawing in all funds from the federal government, including Title XIX Medicaid and Title XXI Nevada Check Up. The level of complexity and responsibility of this position supports the requested reclassification. Note: this position is currently in BA 3178. E 900 requests to transfer the position to BA 3158.

	2003-04	2004-05
General Fund	$913	$980

E-900 - 906 TRANSFER STAFF FROM BA 3243 AND BA 3178

This decision unit recommends the transfer of staff in BA 3178 Check Up and BA 3243 – Medicaid to BA 3158 Division of Health Care Financing and Policy – Administration. This transfer will allow the division to consolidate all multiple function support staff (Check Up, Medicaid, and Cost Containment) within one budget account, which will aid the cost allocation process. This transfer does not affect organizational structure, only budget structure. This decision unit transfers in staff at the same funding sources as were transferred out. Decision Unit E-909, will reflect the results of the revised cost allocation between funding sources for all activities that have been transferred to this budget. Pages 1, 2, 10, 11 and 12 illustrate the proposed positions to be transferred to this account.

	2003-04	2004-05
General Fund	$1,041,463	$1,009,502

E-909 CORRECT COST ALLOCATION TO FUNDING SOURCES

This decision unit reallocates the costs in this budget to the programs benefiting from the resources. The three staff in Cost Containment (PCN's 11, 07, 14) were charged directly to cost containment. The Administrator, Deputy Administrator, ASO IV and the rates unit were allocated 60% XIX, 20% XXI and 20% cost containment. General clerical support was allocated based upon percentage of staff in each function. The accounting and budget unit were allocated based upon actual time spent on each function: 80% XIX, 15% XXI and 5% cost containment. Information technology staff were allocated based upon number of