FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 14, 2017

Agency Submitting: Department of Health and Human Services, Health Care Financing and Policy

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia	
BA 3243 Medical providers (Expense)		\$84,888,897	\$86,943,208	\$171,832,105	
Total	0	\$84,888,897	\$86,943,208	\$171,832,105	

Explanation

(Use Additional Sheets of Attachments, if required)

This bill requires all health insurance plans including Nevada Medicaid to provide certain benefits relating to reproductive health care, hormone replacement therapy, sterilization and preventative health care at no additional cost to the insured.

Additional services such as breastfeeding supplies and fetal testing are not currently covered by Nevada Medicaid while contraceptives are currently covered.

The bill will result in additional medical expenditures to Nevada Medicaid in excess of \$84,888,897 in fiscal year 2017-18, \$86,999,967 in fiscal year 2018-19, for a total cost of \$171,832,105 for the 2017-2019 biennium. In addition, the impact of prohibiting the Drug Use Review Board (as required in the Social Security Act) from applying safety and precautionary measures to the Medicaid drug list will risk the Division losing drug rebates. The magnitude of the loss in rebates is being researched with CMS but if it is determined to apply only to contraceptive rebates it would be of \$2,561,653 in fiscal year 2017-18, \$2,623,645 in fiscal year 2018-19, for a total cost of \$5,185,299 for the 2017-2019 biennium (included in the totals above). If the loss in rebates is determined by CMS to be for the entire Medicaid program, that would be an additional \$526,173,352 over the entire biennium.

	Name	Karen Salm		
	Title	ASO IV		
GOVERNOR'S OFFICE OF FINANCE COMMENTS The agency's response appears reasonable.	Date	Tuesday, March 07, 2017		
	Name	Nikki Hovden		
	Title	Exec. Branch Budget Officer		

						Caseload	Increase	3.78%	Caseload	Increase	3.26%	Caseload	Increase	2.42%
		Blue = Rates from DMEPOS & CLAB	SFY 16			SFY 17			SFY 18			SFY 19		
			Deliveries			Deliveries			Deliveries			Deliveries		
			FFS	MCO	TOTAL	FFS	мсо	TOTAL	FFS	мсо	TOTAL	FFS	MCO	TOTAL
			5,259	11,753	17,012	5,458	12,197	17,655	5,636	12,595	18,231	5,772	12,900	18,672
			Pregnancies			Pregnancies			Pregnancies			Pregnancies		
			FFS	MCO	TOTAL	FFS	MCO	TOTAL	FFS	MCO	TOTAL	FFS	MCO	TOTAL
			13,116	23,054	36,170	13,612	23,925	37,537	14,056	24,705	38,761	14,396	25,303	39,699
	oc Code	Description	x FFS	x MCO	x TOTAL	x FFS	x MCO	x TOTAL	x FFS	x MCO	x TOTAL	x FFS	x MCO	x TOTAL
\$32.86	E0602	Breast pump, manual, any type	\$172,810.74	\$386,203.58	\$559,014.32	\$179,342.99	\$400,802.08	\$580,145.06	\$185,189.57	\$413,868.22	\$599,057.79	\$189,671.15	\$423,883.83	\$613,554.99
\$3.54	A4281	Tubing for breast pump, replacement	\$18,616.86	\$41,605.62	\$60,222.48	\$19,320.58	\$43,178.31	\$62,498.89	\$19,950.43	\$44,585.93	\$64,536.35	\$20,433.23	\$45,664.90	\$66,098.13
\$5.51	A4282	Adapter for breast pump, replacement	\$28,977.09	\$64,759.03	\$93,736.12	\$30,072.42	\$67,206.92	\$97,279.35	\$31,052.79	\$69,397.87	\$100,450.65	\$31,804.26	\$71,077.30	\$102,881.56
\$0.65	A4283	Cap for breast pump bottle, replacement	\$3,418.35	\$7,639.45	\$11,057.80	\$3,547.56	\$7,928.22	\$11,475.78	\$3,663.21	\$8,186.68	\$11,849.90	\$3,751.86	\$8,384.80	\$12,136.66
\$802.33	81420	Fetal Chrmoml aneuploidy	\$2,742,644.76	\$18,496,915.82	\$21,239,560.58	\$10,921,143.30	\$19,196,099.24	\$30,117,242.54	\$11,277,172.57	\$19,821,892.07	\$31,099,064.64	\$11,550,080.15	\$20,301,581.86	\$31,851,662.01
\$802.33	81422	Fetal chrmoml microdeltj (New code)	\$10,523,360.28	\$18,496,915.82	\$29,020,276.10	\$10,921,143.30	\$19,196,099.24	\$30,117,242.54	\$11,277,172.57	\$19,821,892.07	\$31,099,064.64	\$11,550,080.15	\$20,301,581.86	\$31,851,662.01
\$502.78	81507	Fetal aneuploidy trisom risk	\$6,594,462.48	\$11,591,090.12	\$18,185,552.60	\$6,843,733.16	\$12,029,233.33	\$18,872,966.49	\$7,066,838.86	\$12,421,386.33	\$19,488,225.20	\$7,237,856.36	\$12,721,983.88	\$19,959,840.25
		Loss of Drug Rebates	\$1,386,444.84	\$1,003,977.30	\$2,390,422.14	\$1,438,852.46	\$1,041,927.64	\$2,480,780.10	\$1,485,759.05	\$1,075,894.48	\$2,561,653.53	\$1,521,714.42	\$1,101,931.13	\$2,623,645.54
		Increased Contraceptive Costs												
		Pharmacy system programming changes									•			
							, and the second							
		TOTALS:	\$21 470 735 40	\$50.080.106.74	\$71 550 8/12 1/1	\$30 357 155 77	\$51 082 474 07	\$82 330 630 74	\$31 346 700 04	\$53 677 103 66	\$85,023,002,70	\$32 105 301 58	\$54 976 089 57	\$87.081.481.15

82.60% Breastfeeding rate for Nevada (from CDC 2016 report)

nttps://www.cdc.gov/breastfeeding/pdf/2016breastfeedingreportcard.pdf								
SFY 18			SFY 19					
Deliveries			Deliveries					
FFS	MCO	TOTAL	FFS	MCO	TOTAL			
4,655	10,403	15,058	4,768	10,655	15,423			
Pregnancies			Pregnancies					
FFS	MCO	TOTAL	FFS	FFS MCO				
14,056	24,705	38,761	14,396	25,303	39,699			
x FFS	x MCO	x TOTAL	x FFS	x MCO	x TOTAL			
\$152,966.58	\$341,855.15	\$494,821.73	\$156,668.37	\$350,128.05	\$506,796.42			
\$16,479.05	\$36,827.97	\$53,307.03	\$16,877.85	\$37,719.21	\$54,597.06			
\$25,649.60	\$57,322.64	\$82,972.24	\$26,270.32	\$58,709.85	\$84,980.17			
\$3,025.81	\$6,762.20	\$9,788.01	\$3,099.04	\$6,925.84	\$10,024.88			
\$11,277,172.57	\$19,821,892.07	\$31,099,064.64	\$11,550,080.15	\$20,301,581.86	\$31,851,662.01			
\$11,277,172.57	\$19,821,892.07	\$31,099,064.64	\$11,550,080.15	\$20,301,581.86	\$31,851,662.01			
\$7,066,838.86	\$12,421,386.33	\$19,488,225.20	\$7,237,856.36	\$12,721,983.88	\$19,959,840.25			
\$1,485,759.05	\$1,075,894.48	\$2,561,653.53	\$1,521,714.42	\$1,101,931.13	\$2,623,645.54			
\$31,305,064.10	\$53,583,832.92	\$84,888,897.03	\$32,062,646.65	\$54,880,561.68	\$86,943,208.33			

Cannot be determined at this time Cannot be determined at this time

\$0.00

\$0.00

82.60% of all Deliveries Adapter for breast pump, replacement 100% of all Pregnancies Fetal Chrmoml aneuploidy
100% of all Pregnancies Fetal chrmoml microdeltj (New code) 100% of all Pregnancies Fetal aneuploidy trisom risk Loss of Drug Rebates Increased Contraceptive Costs Pharmacy system programming changes

TOTALS:

82.60% of all Deliveries Breast pump, manual, any type 82.60% of all Deliveries Tubing for breast pump, replacement

		STATE -	TOTAL	FEDERAL	GRAND TOTAL	
	2018	34.52%	\$29,303,647.25	65.48%	\$55,585,249.77	\$84,888,897.0
FMAP	2019	34.44%	\$29,943,240.95	65.56%	\$56,999,967.38	\$86,943,208.3
	Total Biennium		\$59,246,888.20		\$112,585,217,16	\$171.832.105.3

Data Analytics ran a report for number of deliveries/births in 2016 for FFS and MCO

Data Analytics ran a report for number of pregnancy episodes in 2016 for FFS and extrapolated date for MCO

PDPM provided procedure codes to use for analysis.

Electric breast pumps were not included in ananlysis due to the fact that manual pumps and supplies will be covered supplies. In the event electric pumps meet medical necessity, those items would be covered via EPSDT.

The rates for breastfeeding supplies used were determined by the following:

- >> 2017 DMEPOS Fee Schedule (CMS)
- >> 2017 Clinical Diagnostic Laboratory Fee Schedule (CMS)
- >> For those procedures where there were no rates available, the median rate was used from researching surrounding states Medicaid fee schedules (California, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington and Wyoming).

The rates were used, multiplying the number of delivery/births by those rates.

The Breastfeeding Report Card for 2016 issued by the Centers for Disease Control and Prevention (CDC), the breastfeeding rate for Nevada is 82.6%. This percentage was used for the analysis.

FMAP for SFY 2018-2019 were based on September 2016 projections

Caseload for SFY 2017-2019 were based on G01 projections (September 2016 actuals and October 2016 projections)

Increased costs for 12 month supply of contraceptives could not be calucated at this time

Pharmacy system programming change costs could not be calcualted at this time