

EXECUTIVE AGENCY
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

Date Tuesday, March 07, 2017

The agency's response appears reasonable.

Name Nikki Hovden

Title Exec. Branch Budget Officer

82.60% of all Deliveries	Breast pump, manual, any type
82.60% of all Deliveries	Tubing for breast pump, replacement
82.60% of all Deliveries	Adapter for breast pump, replacement
82.60% of all Deliveries	Cap for breast pump bottle, replacement
100% of all Pregnancies	Fetal Chromolm aneuploidy
100% of all Pregnancies	Fetal chromolm microdel[t] (New code)
100% of all Pregnancies	Fetal aneuploidy trisom risk
	Loss of Drug Rebates
	Increased Contraceptive Costs
	Pharmacy system programming changes
	TOTALS:

Cannot be determined at this time

\$0.00

\$0.00

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 an analysis 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 calculated at this time

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