BDR 38-130
SB 332

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 11, 2023

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

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
System Costs (MMIS) (Expense)		$67,200		
Medical Services (Expense)		$419,047	$1,017,375	$2,034,750
Total	0	$486,247	$1,017,375	$2,034,750

Explanation (Use Additional Sheets of Attachments, if required)

The Division has reviewed this BDR and determined that it will have a fiscal impact. Based on the intent of the bill as expressed by the author, the changes prescribed would allow children under guardianship who are not currently covered to become eligible for Medicaid. The bill specifies that the child is not covered by health insurance or is not eligible for coverage under the guardian's health insurance.

The Division lacks adequate data on how many children would be eligible for Medicaid under the provisions of the bill. To estimate costs, the Division compared the total number of children in Nevada to those currently covered by Medicaid. The Division assumes at least 0.3% of children in Nevada, not currently covered by Medicaid, which is 846 children, could become eligible under this bill.

The Division used historical data to determine the annual cost of coverage for children on Medicaid (Fee for Service/Managed Care, Medicaid/Check-Up coverage). Data on Managed Care utilization rates and the current breakdown of recipients enrolled in Medicaid and Check-Up programs were used in the estimates. The number of children added for each category was multiplied by the estimated annual cost of coverage to determine the impact to medical spending. A ramp up of 12 months was applied to account for time for impacted potential recipients to become aware of the eligibility change and apply for coverage. The estimated impact for medical services in the FY 24-25 biennium is $1,436,422 ($513,071 in State Funds).

The Division also anticipates needing to create a new aid code in MMIS to align with configuration changes made by DWSS to track expenditures by category for this new population. This would result in system costs of approximately $67,200 ($16,800 in State Funds). The Division also assumes that all other eligibility requirements for children including income limits and residency requirements under federal eligibility rules for Medicaid will still apply.

Name Stacie Weeks

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Monday, April 10, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director

FN 9263

Fiscal Impact Analysis

Division of Health Care Financing and Policy
SB 332 Children under Guardianship Elig. Expansion
Analysis Summary

Percent of all non-Medicaid children added

0.3%

Total Children Added

846

Estimated Fiscal Impact FY22-FY23 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY22	$0	$0	$0	$0
FY23	$0	$0	$0	$0
Total	$0	$0	$0	$0

Estimated Fiscal Impact FY24-FY25 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY24	$419,047	$272,470	$146,572	$5
FY25	$1,017,375	$650,848	$366,499	$28
Total	$1,436,422	$923,318	$513,071	$33

Description of Budget Concept

This fiscal note estimates the cost of expanding Medicaid eligibility to children under a guardianship if the child does not have/qualify for other health insurance through their guardian.

Methodology

1) Fee-For-Service (FFS) utilization and managed care encounter were captured by running a report out of the MMIS using the following parameters for this provider type/service:
SFY22 (07/01/2021 - 06/30/2022) Incurred with Runoff, Net Allowed Amount, *Annual cost of coverage for children*

2) Patient by Category counts were captured by running a report out of the MMIS to include FFS patients and Managed Care (MCO) patients.

3) The annual cost of coverage for children was divided by the number of children to estimate annual costs per person for FFS/MCO children covered under Medicaid (3243) or Checkup (3178).

4) DHCFP compared the number of children on Medicaid to the estimated number of children in Nevada per resources from the Census Bureau. The Division assumed that a small percentage of children not currently on Medicaid would be added under the terms of this bill.

5) Data on the managed care penetration rate and the split of children on Medicaid/Checkup was used to estimate the breakdown of patients. The number of projected patients by category (FFS/MCO, Medicaid/Checkup) was multiplied by the respective annual cost to estimate expenditures.

6) Total computable expenditures are grown forward based on the DHHS Office of Analytics caseload projections.

7) FMAP rates were applied to determine the federal share of estimated costs. Note that the COVID-19 enhanced FMAP (+6.2%) for Medicaid is used through March 31, 2023. Enhanced COVID FMAP amounts are tiered down across CY 2023 to align with the 2023 Federal FY Omnibus Appropriations Bill, which allows the following enhanced FMAP amounts: 6.2% (CY23 Q1); 5.0% (CY23 Q2); 2.5% (CY23 Q3); 1.5% (CY23 Q4).