BDR 38-412
SB 54(R1)

UNSOLICITED

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: May 9, 2025

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

Items of Revenue or Expense, or Both	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Effect on Future Biennia
Medical Services (Expense) (Expense)			$4,244,743	$8,489,486
Systems Costs (Expense) (Expense)		$95,000		
Vendor Support (Expense)		$200,000		
Total	0	$295,000	$4,244,743	$8,489,486

Explanation (Use Additional Sheets of Attachments, if required)

If enacted, this bill would have a fiscal impact on the Division. Specifically, the bill would require the Division to provide coverage for a new benefit--Medical Respite-for persons experiencing homelessness.

Based on a fiscal analysis, the bill would result in a total of $665,597 in new General Fund expenditures in the upcoming biennium. A portion of these expenditures would be used to fund administrative costs associated with these changes, including $23,750 for systems-related changes, and $100,000 in expenses for contracting with necessary expert vendors related to the required 1115 Federal Waiver.

The fiscal analysis of medical costs was developed based on publicly available details from states that currently cover this benefit, including Washington and Utah. Utilization assumptions were developed based on bed availability for an existing respite provider that would enroll in Medicaid should Federal approval be granted. It assumes a 12 month ramp up period following the July 1st, 2026, effective date.

In sum, adding a medical respite benefit would result in $123,750 in new General Fund costs for Medicaid for FY25/26 and $541,847 in FY26/27. Additionally, $3,874,146 would be paid for with federal Title XIX funds in the FY25-27 biennium.

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Fiscal Impact Analysis

Division of Health Care Financing and Policy
SB054 BDR 38-412 Medical Respite for Homelessness
Analysis Summary - REPRINT 1

Estimated Fiscal Impact FY24-FY25 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY24	$0	$0	$0	$0
FY25	$0	$0	$0	$0
Total	$0	$0	$0	$0

Estimated Fiscal Impact FY26-FY27 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY26	$0	$0	$0	$0
FY27	$13,178,629	$11,463,764	$1,714,441	$424
Total	$13,178,629	$11,463,764	$1,714,441	$424

Description of Budget Concept

The analysis estimates the cost of adding a new provider type and service for Medical Respite Care (MRC) for homeless individuals on Medicaid.

Methodology

1) This is a new service with no utilization. The utilization is estimated based on data published by Utah Medicaid, which has a similar program. UT estimated 400-500 individuals would use the service, which is 13% of their estimated total homeless population in the state (World Population Review data). The 13% estimated usage was applied to Nevada's homeless population (8,656) per the Point in Time Annual Homeless Census, including a breakdown of rural and urban recipients.

2) The Federal Match FFS and MCO counts were determined by identifying patients with an address listed as "General Delivery," as this is what the Division of Welfare and Supportive Services (DWSS) uses for homeless individuals without a mailing address.

3) The rate was selected based on data published by Washington state Medicaid noting the average daily rate paid by MCO's to an MRC ranges from $225 to $350. The midpoint of $288 was used for the daily rate Nevada might pay an MRC. Per the bill, an individual can use this service for a maximum of 90 days in a 12 month period. The estimated homeless population for FFS (rural) and MCO (urban) was multiplied by 90 days. Additionally, the estimated total daily utilization by the estimated daily rate of $288 was multiplied to determine the total estimated FFS and MCO fiscal impact.

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

5) 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).

State and Federal Shares - SB054 Reprint 1

	Total			General Fund			Authorized Funds		
	FY26	FY27	Biennium	FY26	FY27	Biennium	FY26	FY27	Biennium
Medical Services	$0	$13,178,629	$13,178,629	$0	$1,714,441	$1,714,441	$0	$11,463,764	$11,463,764
Actuarial Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0
Systems Costs	$95,000	$0	$95,000	$23,750	$0	$23,750	$71,250	$0	$71,250
Vendor Support	$200,000	$0	$200,000	$100,000	$0	$100,000	$100,000	$0	$100,000
MCO Contract	$0	$0	$0	$0	$0	$0	$0	$0	$0
Personnel Services	$0	$0	$0	$0	$0	$0	$0	$0	$0
Personnel Services (Professionals)	$0	$0	$0	$0	$0	$0	$0	$0	$0
In-State Travel	$0	$0	$0	$0	$0	$0	$0	$0	$0
Operating	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0
Information Services	$0	$0	$0	$0	$0	$0	$0	$0	$0
Training	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	$295,000	$13,178,629	$13,473,629	$123,750	$1,714,441	$1,838,191	$171,250	$11,463,764	$11,635,014