BDR 38-412
SB 54

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 11, 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
Systems Costs (MMIS) (Expense) (Expense)		$95,000		
Medical Services (Expense) (Expense)			$26,048,164	$52,096,328
Vendor Services (Expense) (Expense)		$250,000		
Total	0	$345,000	$26,048,164	$52,096,328

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 eligible for Medicaid who are experiencing homelessness.

Based on a fiscal analysis by DHCFP, the bill would result in a total of $3,527,041 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 $95,000 for systems-related changes, and $250,000 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. The population of Nevada residents who would be eligible for this benefit was estimated using census data on the Nevada population of homeless residents and internal data on recipients with “General Delivery” mailing addresses. It assumes a 6 month ramp up period following the January 1st, 2026 effective date.

In sum, adding a medical respite benefit would result in $152,000 in new General Fund costs for Medicaid for FY26 and $3,375,041 in FY27. Additionally, $26,387,545 would be paid for with federal Title XIX funds in the FY26-27 biennium.

Name Stacie Weeks

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Monday, February 10, 2025

The agency's response appears reasonable.

Name Tiffany Greenameyer

Title Director

Fiscal Impact Analysis

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

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	$26,048,164	$22,672,504	$3,375,041	$619
Total	$26,048,164	$22,672,504	$3,375,041	$619

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, I estimated the utilization from a public document posted by Utah (UT). UT was the only state with estimated Utilization for MRC. I am not sure how they came up with their number as that information wasn't public. UT estimated 400-500 individuals would use the service. UT has a homeless population of 3557, per https://worldpopulationreview.com/state-rankings/homeless-population-by-state. I used 450 / 3557 to get a percentage of use of 13%. I applied the 13% estimated usage to Nevada's homeless population and broke it down by rural and urban per this article https://thenevadaindependent.com/article/annual-homeless-census-shows-increases-across-state-full-picture-incomplete. The total was 8,656, with 410 in rural and 8,246 in urban.

2) Fee for Service (FFS) Patient by Category counts were estimated 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. The FFS count was also used for Managed Care Organization (MCO) as Data Warehouse would not bring up "General Delivery" address.

3) Washington state posted an article showing the average daily rate paid by MCO's to an MRC ranges from $225 to $350. I used the midpoint of $288 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. I took the estimated homeless population for FFS (rural) and MCO (urban) and multiplied each by 90 days. Additionally, I multiplied the estimated total daily utilization by the estimated daily rate of $288 to determine the total estimated FFS and MCO fiscal impact. This estimate is only for 1-year since the effective date is January 1, 2026.

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).