

Joe Lombardo  
*Governor*



Richard Whitley  
*Director*

# 2025-2027 Governor's Recommended Budget Legislative Commission's Budget Subcommittee

Division of Health Care Financing and Policy

Stacie Weeks, JD, MPH, Administrator

January 27, 2025



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Department of Health and Human Services

*Helping people. It's who we are and what we do.*



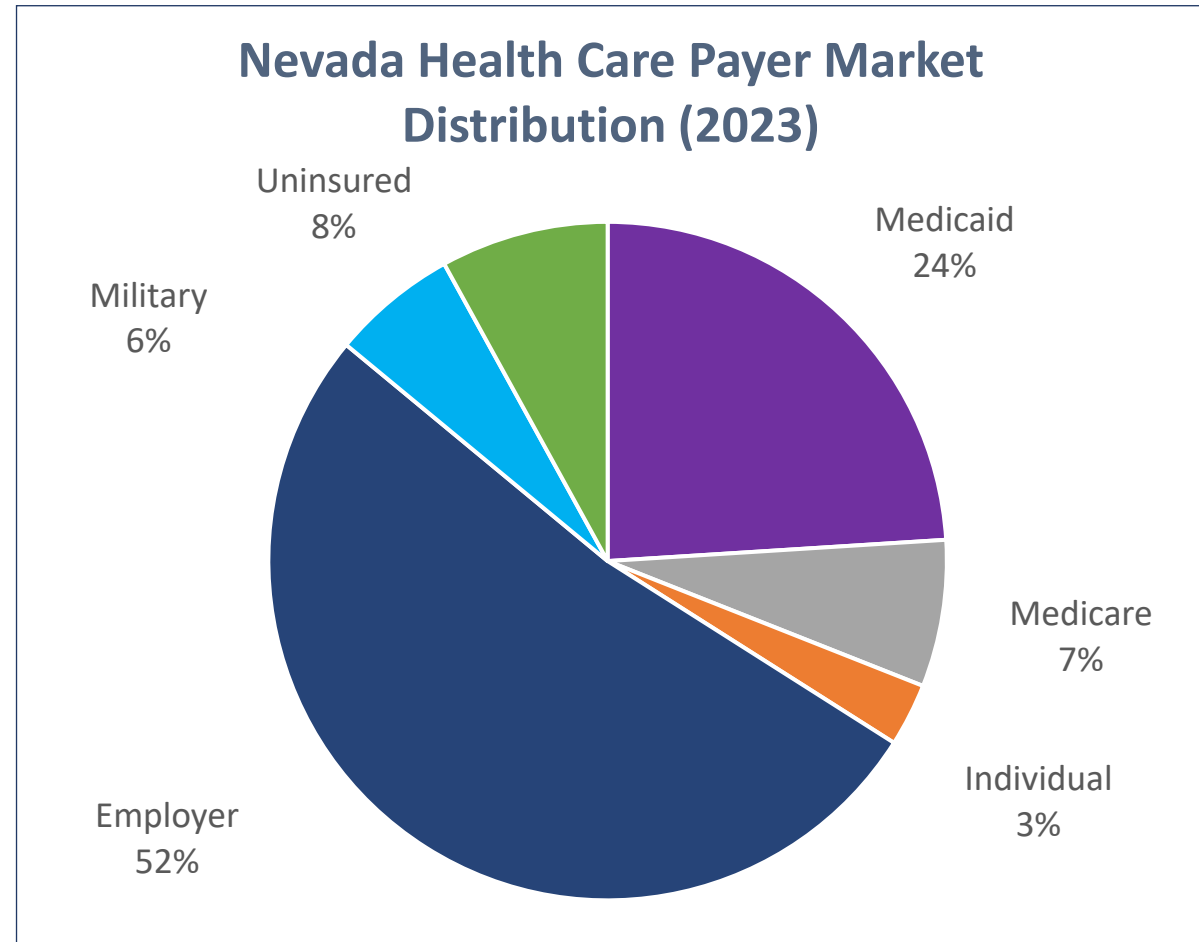
# Mission and Vision

- **Vision:** A Healthier Nevada
- **Mission:** Ensuring Medicaid is provided in the most **efficient manner** to the State, including maximizing available **federal share**; promoting **access to quality health care** to Nevadans; and **restraining the growth** of the cost of health care in the State
- (NRS 422.061)



# Nevada Medicaid Overview

- **State & Federal taxpayer-funded** health insurance
- Covers **core set of benefits** for recipients at no cost
- Covers about **1 in 4 Nevadans**; nearly half are children
- Covers **1 in 2 births** in Nevada
- Payer of last resort, **making up about a quarter** of Nevada's insurance market
- Largest source of **federal funds** for health care in the State (60/40)
- Creates policies for payment; payment models can **drive performance of health system**



Source: Data compiled from Nevada Division of Insurance, 2023.



# Program Goals



Reduce  
administrative  
burdens for  
providers &  
recipients



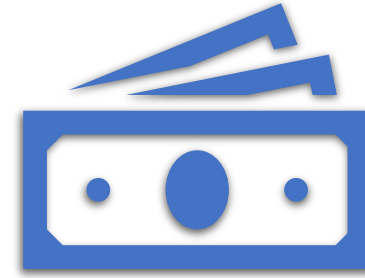
Improve access  
to community  
behavioral  
health care



Improve  
maternal and  
child health  
outcomes



Support access  
to care for  
communities,  
statewide



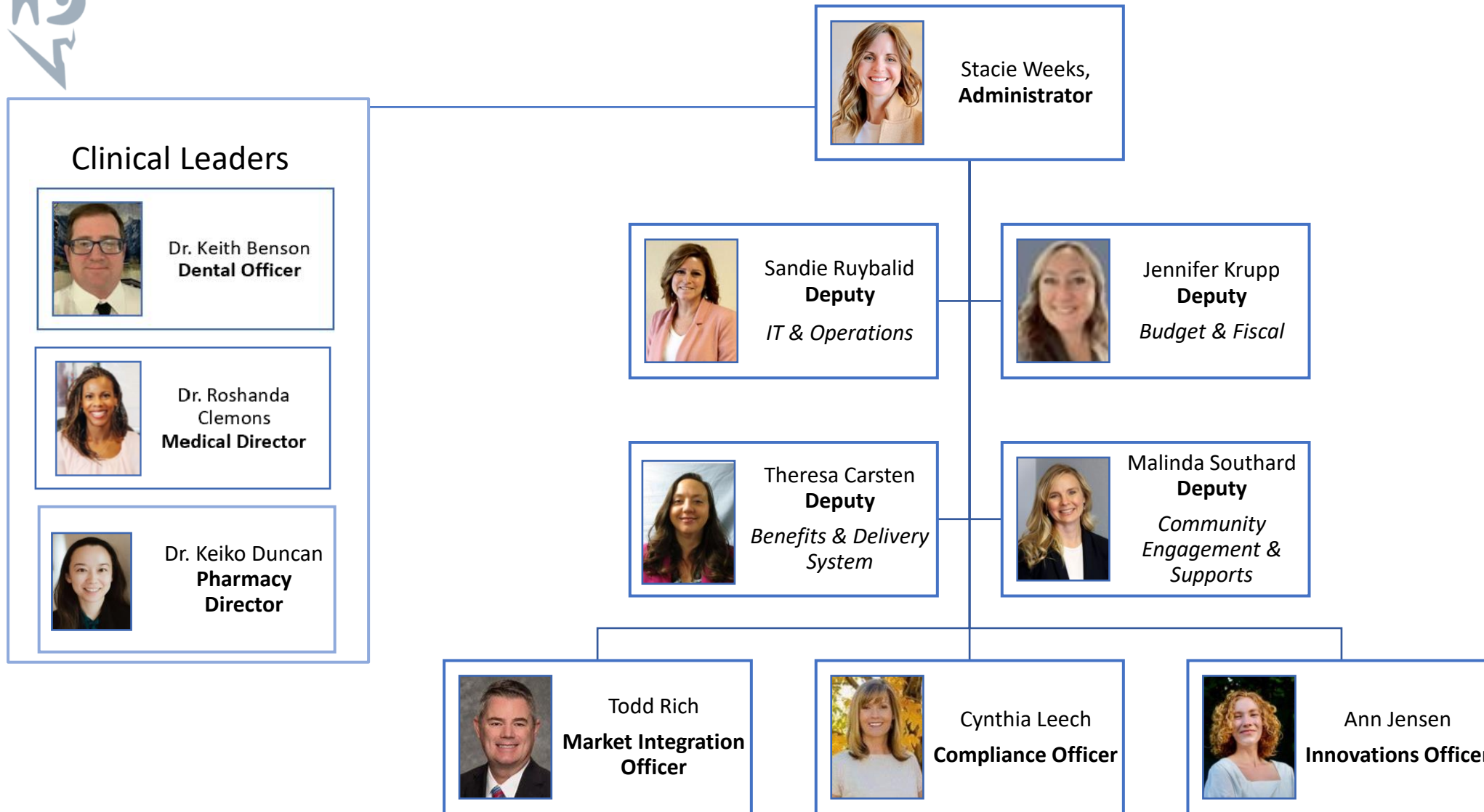
Modernize  
how we pay for  
care to drive  
better value &  
outcomes



Improve access  
to preventative  
and primary  
care services



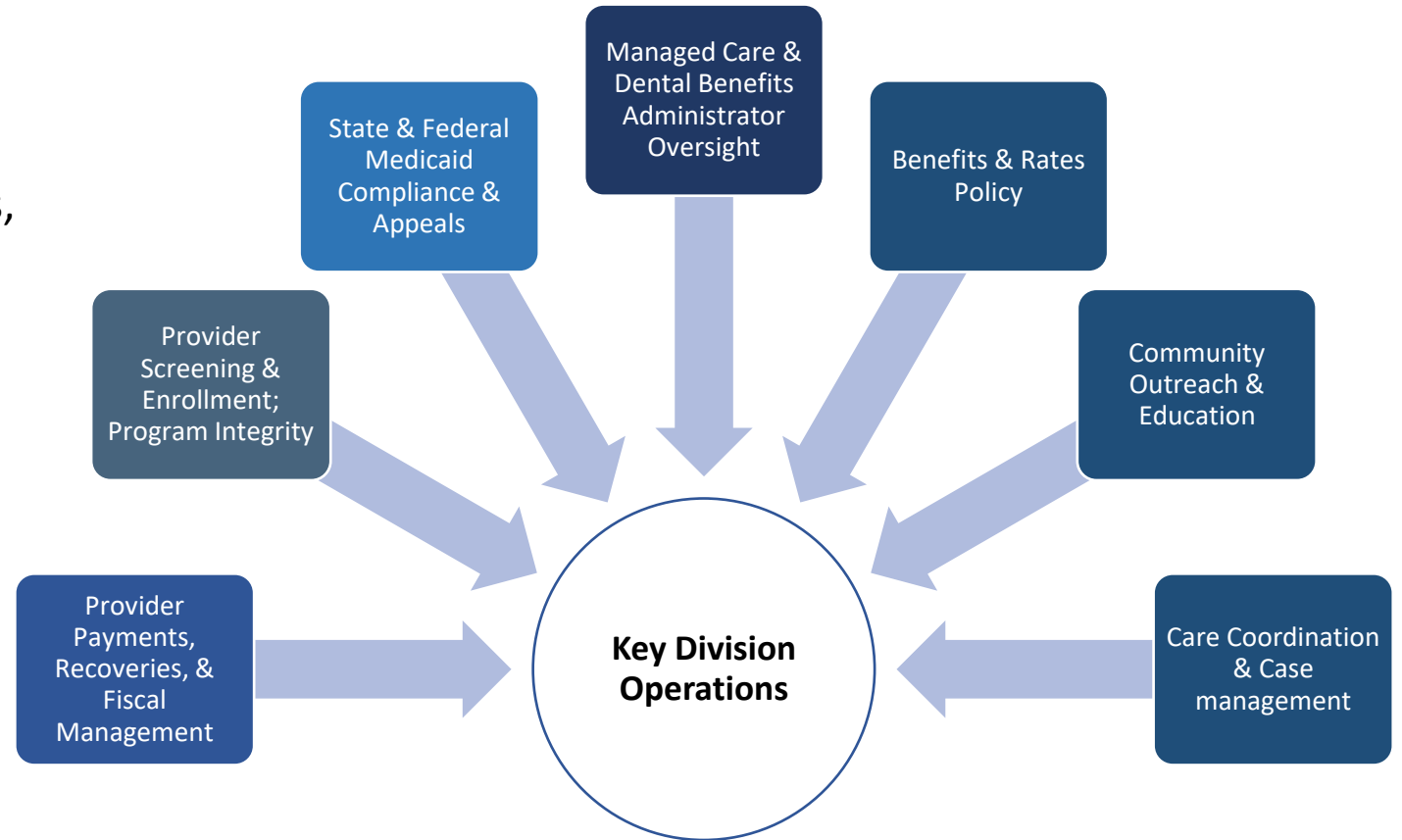
# Organizational Leadership





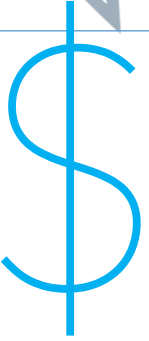
# Summary of Agency Operations

- Work in partnership with the Centers for Medicare & Medicaid Services (CMS) to provide coverage of quality health care to eligible Nevadans.
- Develop payment policies, benefits and rates, reimburse providers, manage budget and Medicaid finances, screen and enroll providers, comply with state and federal law, deliver care coordination services for certain beneficiaries, oversee managed care plans/contracts, and handle appeals from providers and enrollees.
- Eligibility and enrollment is currently conducted by Division of Welfare and Supportive Services.





# Accomplishments



## New Private Hospital Tax Program

- **\$363 million in SFY24** and **\$830 million for SFY25** for Nevada hospitals
- **\$28 million in SFY24** and **\$59 million in SFY25** Medicaid funded behavioral health services



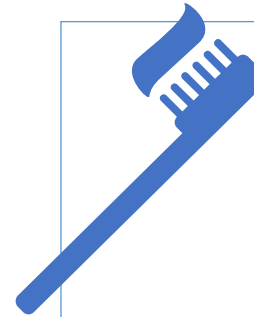
## Coverage of School Health Services

- \$2.5 million in new federal grant funds for efforts to increase schools billing Medicaid
- Expanded coverage of school health providers
- New school health services manual



## Children's Behavioral Health Transformation

- U.S. DOJ Settlement Agreement signed
- With federal funds, new investments will total \$200 million over biennium

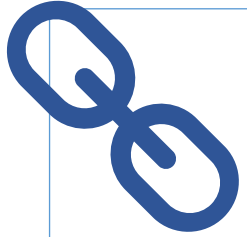


## Dental Coverage Enhancements

- Federal waiver approved for new coverage of adult dental for recipients with diabetes
- New CDC grant for oral health (\$1.1 million)
- New dental coverage for IDD population

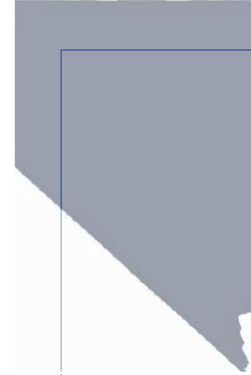


# Accomplishments



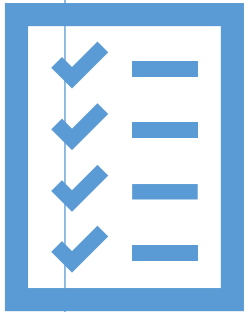
## Medicaid-Medicare Integration

- D-SNP Contracting – New procurement to identify quality plans (4 awarded vendors)
- Additional services, e.g., dental, personal emergency response system, meals, fitness, over counter prescription costs



## Statewide Managed Care

- Procurement underway; awards expected in March/April
- Expands managed care to approx. 75,000 Nevadans in rural areas



## 1332 Waiver Approval

- Received federal approval of waiver submitted by DHCFP per SB 420 (2021)
- \$300 million in new federal funds for Governor's Market Stabilization Program



## Coverage of Treatment for Serious Mental Illness in IMDs

- Amendment to 1115 waiver for new coverage of SMI treatment in IMDs submitted for CMS approval





# Accomplishments



## Coverage for Justice Involved

- 1115 waiver for federal approval submitted in December
- \$5 million competitive federal grant award for implementation activities



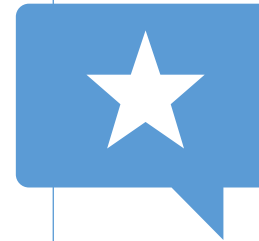
## Centralized Credentialing

- Simplified credentialing process for providers
- Streamlining across carriers in Medicaid



## Housing Supports & Services

- Managed care coverage this year
- 1115 waiver amendment for coverage in fee for service (for Fall 2025 coverage)

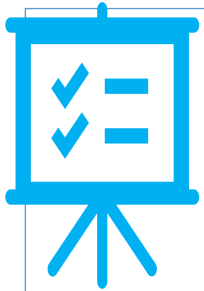


## Hospital Quality Collaborative

- Kicked off new quality collaborative for hospitals and managed care organizations
- Focus on maternal/infant health outcomes and community transitions



# Accomplishments



## 2023 Session Implementation

- 64 State Plan Amendments submitted since 2023 session.
- 34 bills fully implemented with 8 on track for implementation



## Staffing & Hiring

- 90 percent fully staffed as of January
- 26% to 10% vacancy rate since last session



## Public Health Emergency Unwind

- Completed in September of 2024
- Nearly half of those disenrolled have re-enrolled

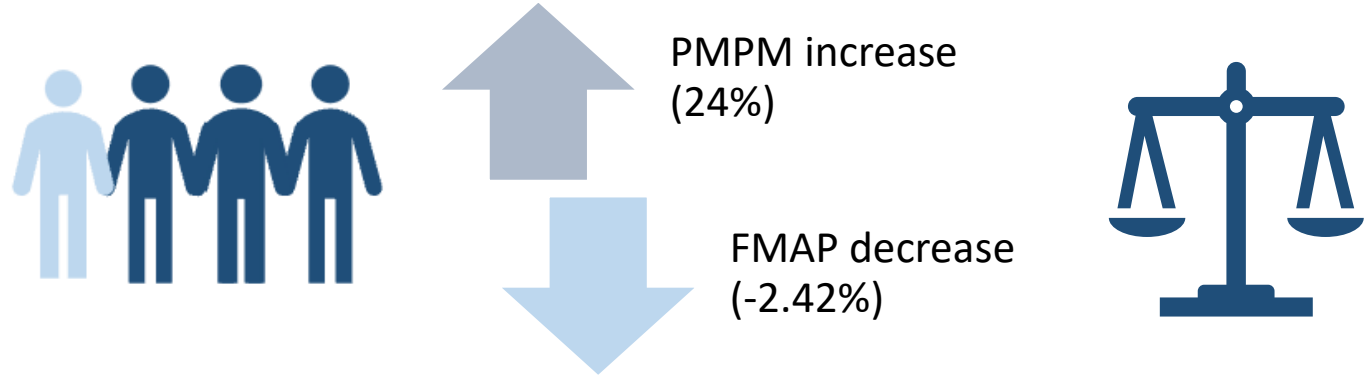
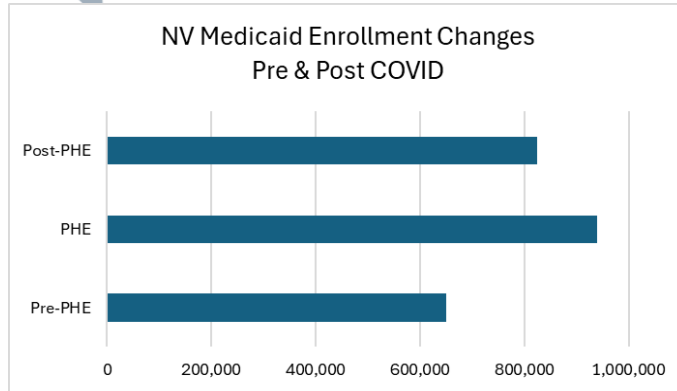


## Data Security

- Successfully navigated months of a national cyberattack on health care clearinghouse
- Affected thousands of provider payments



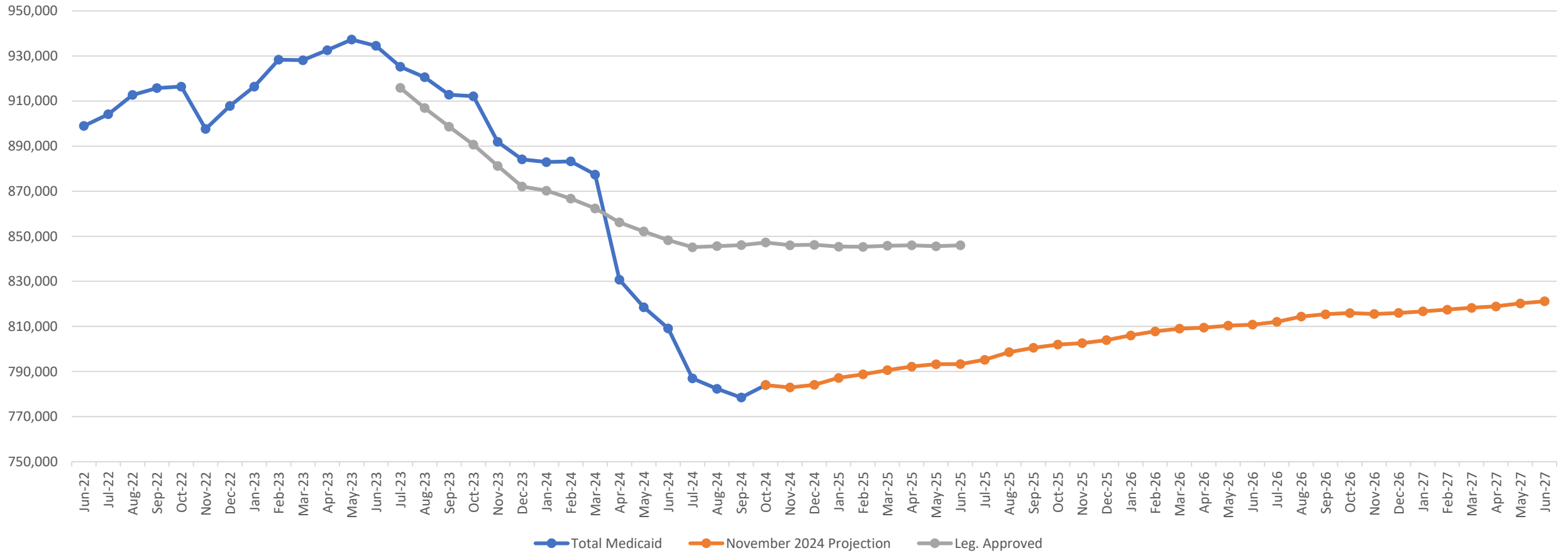
# New Nevada Medicaid Budget Impacts



- By end of pandemic, program grew by about **40%**.
- No eligibility redeterminations until last April when unwind of public health emergency began.
- About **300,000 disenrolled**, with more than half being disenrolled for procedural reasons.
- Already **nearly half** disenrolled have been re-enrolled as eligible for Medicaid.
- During pandemic, **6.2% increase in federal share** until March 31, 2023; recent reductions in FMAP
- Today, Nevada Medicaid covers approximately **one in four** Nevadans (800,000+)
- PHE unwind has resulted in a smaller population, many of whom are sicker as a whole as compared to PHE
- New federal Access Rules with new oversight and reporting and technology requirements (FFS and MCO impacts)

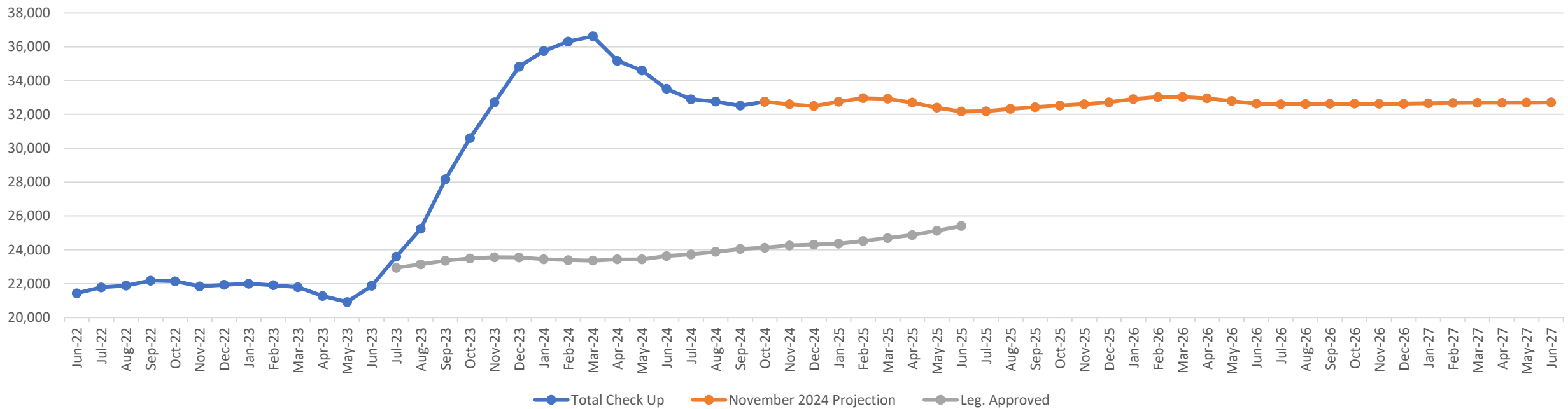


# Projected Medicaid Caseload





# Projected Check Up Caseload





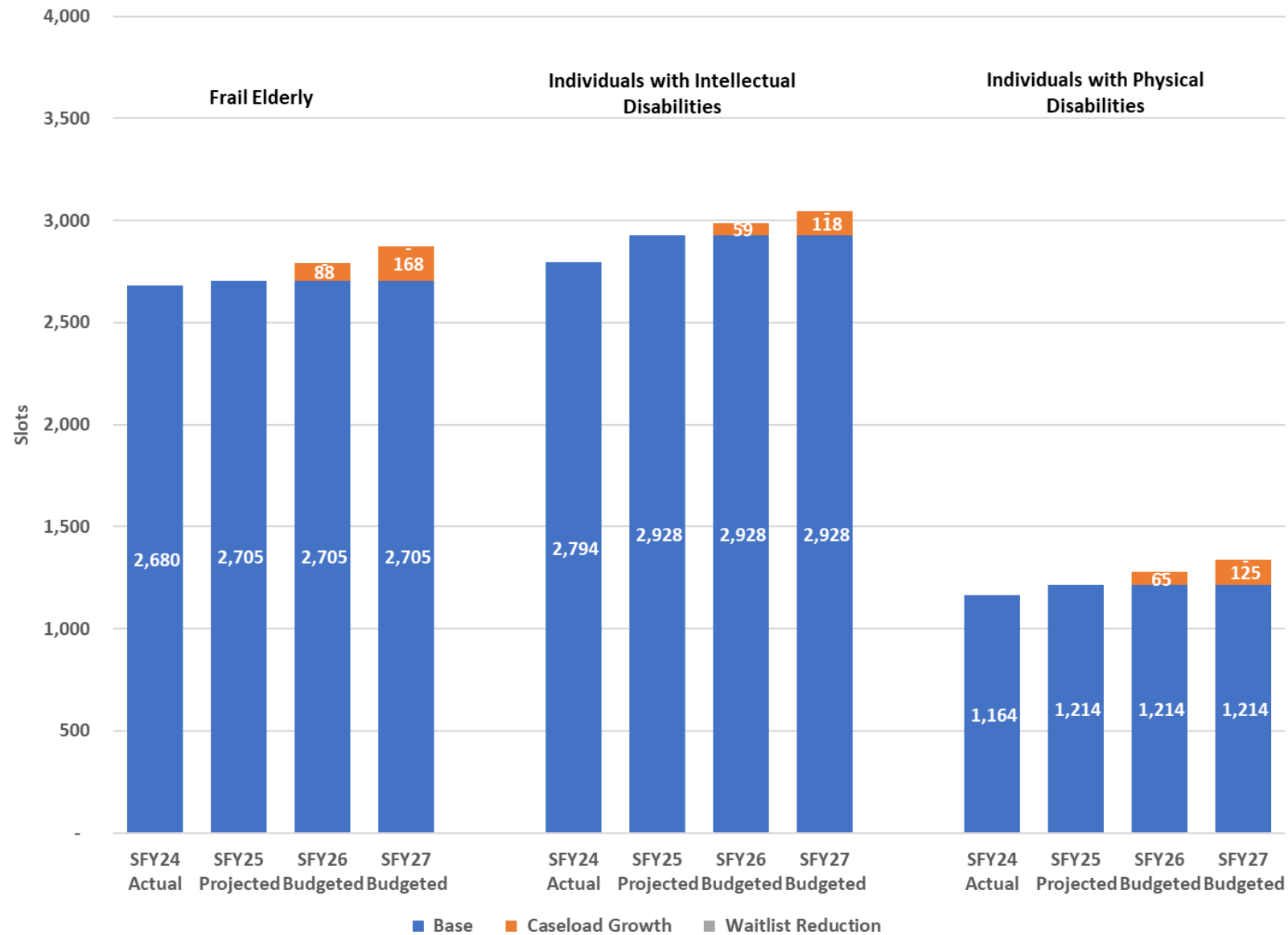
# Blended Federal Medical Assistance Percentage

State Fiscal Year	FMAP	Enhanced (CHIP) FMAP	Newly Eligible FMAP
SFY22	62.77%	73.94%	90.00%
SFY22 with FFCRA	68.97%	78.28%	90.00%
SFY23	62.64%	73.85%	90.00%
SFY23 with FFCRA	68.54%	77.98%	90.00%
SFY24	61.24%	72.87%	90.00%
SFY24 with FFCRA	62.24%	73.57%	90.00%
SFY25	60.36%	72.25%	90.00%
SFY26	59.91%	71.93%	90.00%
SFY27	59.82%	71.87%	90.00%

Families First Coronavirus Response Act (FFCRA) represents the enhanced FMAP available to state during pandemic, pre-unwind period.



# Medicaid Member Waiver Caseloads

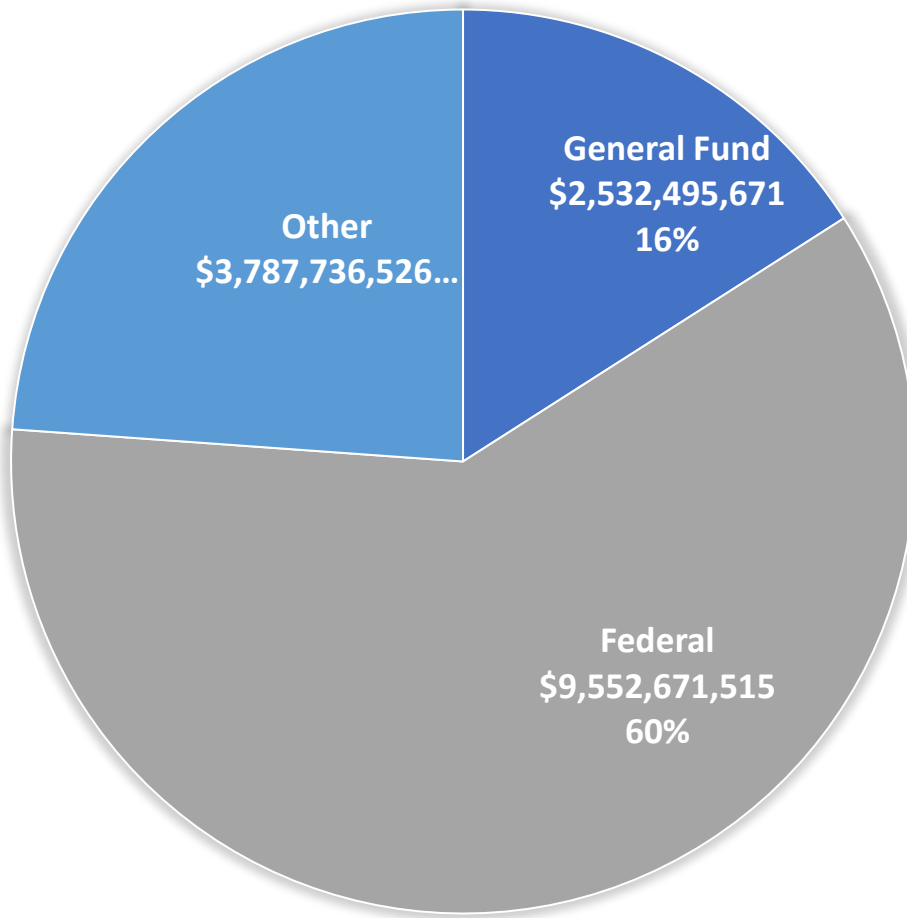




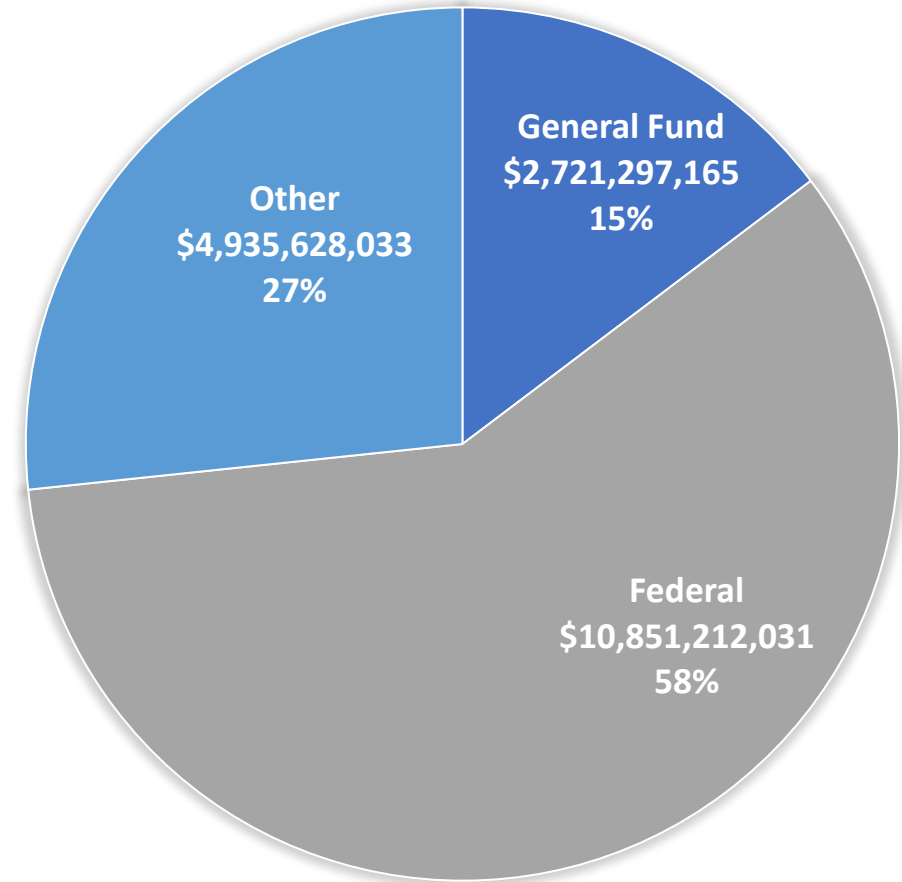
# Budgeted Funding Sources

LEGISLATIVE APPROVED FY24-FY25 BIENNIUM

GOVERNOR RECOMMENDS FY26-FY27 BIENNIUM



**\$15,872,903,712**



**\$18,508,137,229**





# Budget Priorities

## **New Medicaid investments to:**

- Improve Access to Care
- Strengthen State's Community Behavioral Health Care System
- Maximize Prescription Drug Rebates
- Fill the Coverage Gap in Adult Dental Care
- Increase Access to Medicaid for Uninsured & Eligible
- Strengthen Medicaid Program Operations



# Major Enhancements

## Improve Access to Care

- **Address Health Care Workforce Gaps (E-262)**
  - Budget requests new revenue from increased prescription drug rebates that DHCFP generates in SFY27 from the implementation of a Single Prescription Drug List in 2026 to support new efforts by Medicaid to address the state's gaps in the health care workforce
  - This is achieved by matching new rebate dollars with federal Medicaid funds to support special reimbursement methods designed to support workforce initiatives
- **Improve Access to Non-Emergency Medical Transportation (E-253)**
  - Budget requests new state investments to improve access to the NEMT benefit for Medicaid recipients by establishing a more accountable and transparent model for Medicaid payments to contracted vendor(s) and providers of these services



# Major Enhancements

## Strengthen the State's Mental Health Care System

- **Mobile Crisis System (E-258)**
  - Increased funding to strengthen mobile crisis response system
- **Assertive Community Treatment (ACT) (E-260)**
  - Increases funding to develop a new reimbursement methodology to support expanded access to these services
- **Community Paramedicine (E-266)**
  - Rate reform and increases in reimbursement to build out this service line in Nevada
- **Behavioral Health Complex Add-On & Quality Increase (E-275)**
  - Rate increase for BCCP program tied to new quality initiative for skilled nursing facilities that accept recipients with complex behavioral health needs and meet certain quality standards for this population



# Major Enhancements

## **Strengthen the State's Mental Health Care System (continued)**

- **Partial Hospitalization Program (PHP) (E-271)**
  - Rate increases to address rate deficiencies noted in the Quadrennial Rate Review
- **Day Treatment (E-272)**
  - Rate increases to address rate deficiencies noted in the Quadrennial Rate Review
- **First Episode Psychosis Program (E-274)**
  - Medicaid reimbursement for first episode psychosis (FEP) treatment programs
- **Inpatient Psychiatric/Detoxification Rate Increase (E-273)**
  - Funds an increase to inpatient psychiatric and detox services in an acute hospital or freestanding psychiatric hospital



# Major Enhancements

## Prescription Drug Rebate Maximization

- **Single Preferred Drug List (E-252)**

- Budget requests funding for staffing and vendor costs to implement a single preferred drug list across all Medicaid programs. Provides for:
  - Administrative ease for providers, patients, and pharmacies;
  - Rebate maximization by selecting drugs with the lowest cost or maximum rebate potential;
  - Rebate transparency for more accurate cost management; and
  - Fewer disruptions for patients who may switch between managed care plans.



# Major Enhancements

## Fill Gaps in Dental Care for Medicaid

- **New Adult Dental Coverage (E-267)**

- This request funds basic dental coverage for adults in Medicaid
- Fiscal impact analysis from actuarial vendor found dental benefits for adults to be cost-effective and anticipated to result in savings
- Once covered for dental, this adult population is projected to reduce its utilization of high-cost emergency or inpatient care and improvements in health of recipients with chronic conditions, like diabetes and heart disease



# Major Enhancements

## Increase Access to Medicaid for the Uninsured & Eligible

- **Modernize Medicaid Eligibility and Enrollment via Exchange (E-301)**

- This request funds staff and vendor support to modernize Medicaid eligibility and enrollment in real-time through the Exchange online platform
- Recipients still notified of other social services programs with file transfer available for DWSS for eligibility for these programs
- Removes any unintended stigma of the existing welfare eligibility system for Medicaid recipients
- Allows Medicaid managed care recipients to “shop” when selecting a plan
- State would be eligible for 90/10 federal/state matching funding for implementation and 75/25 federal/state matching funds for ongoing operations



# Opportunities & Challenges

- Sufficient Training for Staffing for Complex Programming
- New Federal Access, Managed Care, and Home and Community-Based Waiver Requirements
- New National Cyberattack and Ransomware Risks to State Medicaid Agencies
- Continued Growth in Health Care Costs, Especially Pharmacy Spend
- Provider Workforce Shortages for Health Care
- U.S. Dept. of Justice Settlement Agreement – Major Project
- New Agency Reorganization





# 2025-2027 Biennium Budget Account Summary

Governor Recommends Budget (G01)		Fiscal Year 2026				Fiscal Year 2027			
403	Division of Health Care Financing and Policy	General Fund	Federal	Other	Total	General Fund	Federal	Other	Total
3157	Intergovernmental Transfer Program	-	-	231,958,238	231,958,238	-	-	234,686,380	234,686,380
3158	DHCFP Administration	45,184,296	195,067,111	38,247,725	278,499,132	46,841,745	196,817,287	38,553,930	282,212,962
3160	Increased Quality Of Nursing Care	-	-	54,301,678	54,301,678	-	-	55,972,494	55,972,494
3164	Public Option	2,360,131	-	-	2,360,131	2,377,204	-	-	2,377,204
3177	Improve Health Care Quality & Access	-	-	484,130,805	484,130,805	-	-	485,807,562	485,807,562
3178	Nevada Check Up Program	19,191,208	60,332,979	5,048,708	84,572,895	19,801,194	62,550,736	5,188,233	87,540,163
3243	Nevada Medicaid	1,264,419,608	5,124,648,859	1,148,583,890	7,537,652,357	1,321,121,779	5,211,795,059	1,172,631,782	7,705,548,620
3245	Prescription Drug Rebate	-	-	484,008,304	484,008,304	-	-	496,508,304	496,508,304
	<i>DHCFP Total</i>	<i>1,331,155,243</i>	<i>5,380,048,949</i>	<i>2,446,279,348</i>	<i>9,157,483,540</i>	<i>1,390,141,922</i>	<i>5,471,163,082</i>	<i>2,489,348,685</i>	<i>9,350,653,689</i>
					<i>Biennial Total</i>	<i>2,721,297,165</i>	<i>10,851,212,031</i>	<i>4,935,628,033</i>	<i>18,508,137,229</i>



# Position Summary

Budget	Base	Mandate	Enhancement	Total FTE
3158 New Agency Transfers			13.0	13.0
3158 New Agency Positions			10.0	10.0
3158 DHCFP Administration	349.51	16.0	21.49	387
<b>Total FTE</b>	<b>349.51</b>	<b>16.0</b>	<b>44.49</b>	<b>410</b>



# Bill Draft Requests

Bill #	NRS	Description	Impact
AB 36	NRS 422.306	Clarifies state law and timeline for providers	Improves Due Process Procedures
AB 42	NRS 422.2369	Increases administrative simplification in state and federal mandates; reduces implementation process timeline	Decreases administrative burden
SB 9	NRS 689A.430	Clarifies law regarding third-party payment requirements under federal law with respect to prior authorizations	Federal compliance



# Questions?



# Contact Information

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<https://dhhs.nv.gov/>



# Acronyms

- BCCP: Behaviorally Complex Care Program
- CDC: Centers for Disease Control and Prevention
- CHIP: Children's Health Insurance Program
- CMS: Centers for Medicare and Medicaid Services
- DHCFP: Division of Health Care Financing and Policy
- DOJ: Department of Justice
- D-SNP: Dual Special Needs Plan
- DWSS: Division of Welfare and Supportive Services
- FFCRA: Family First Coronavirus Response Act
- FFS: Fee-for-Service
- FMAP: Federal Medical Assistance Percentage
- FTE: Full Time Employee
- IDD: Intellectual and Developmental Disabilities
- IMD: Institution for Mental Disease
- MCO: Managed Care Organization
- NEMT: Non-Emergency Medical Transportation
- PHE: Public Health Emergency
- PMPM: Per Member Per Month
- SMI: Serious Mental Illness