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State of Nevada  
**Department of Health and  
Human Services**

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**Special Session**

**Proposed FY 2021 Budget Reductions**

**July 8, 2020**



7/7/2020

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

# Methodology & Prioritization of Reductions

## Methodology:

1. Prioritize Direct Services and Staffing Required for Direct Service Delivery (reducing services versus entirely eliminating when available)
2. Maximize use of Coronavirus Relief Fund (CRF) dollars to support payroll expenses for staff substantially dedicated to responding to the COVID-19 public health emergency (i.e., Division of Welfare and Supportive Service, eligibility staff)

## Prioritization:

1. FMAP Increase, Vacancy Savings and Reversions
2. Identify Alternate Sources of Funding (i.e., Federal and/or Fees)
3. Reduce or Eliminate One-Shots, Deferred Maintenance, and Operating Expenditures
4. Reduce Rate Increases, Freeze Caseload, and Eliminate Optional Services
5. Eliminate and/or Hold Positions Vacant
6. Eliminate Filled Positions and/or Layoff Staff
7. Eliminate Services and/or Positions





# DHHS Highlights

- Majority of DHHS budget reductions were largely due to leveraging the enhanced Federal Medical Assistance Percentages (FMAP) to protect and preserve Medicaid coverage to ensure continuous eligibility during the public health emergency
- Benefit of Coronavirus Relief Fund (CRF) dollars allowed the preservation of Welfare Eligibility Services
- DHHS did not propose eliminating any filled positions

# Budget Reduction Totals by Division

- Director's Office **\$18.4 M**
- Aging and Disability Services **\$30.2 M**
- Child and Family Services **\$9.4 M**
- Health Care Financing and Policy **\$140.4 M**
- Public and Behavioral Health **\$19.1 M**
- Welfare and Supportive Services **\$15.7 M**

**DHHS Total \$233 M**





# Director's Office Highlights

- Family Planning Services Reduction \$1.5M
- Healthy Nevada Fund Reserve Sweep \$16.8M



# Aging & Disability Services Division Highlights

- Maintain flat caseloads
  - Autism Treatment Assistance (ATAP) \$5.7M
  - Personal Assistance Program (PAS) \$415K
  - Community Options for the Elderly (COPE) \$264K
  - Regional Centers Supported Living arrangements (SLA) and Jobs and Day Training (JDT) \$3.9M
- Defer provider rate increase for supported living arrangement (SLA) \$2.9M
- Reduce Regional Center respite services from \$125 to \$100 per month \$527K
- Reduce Family Preservation Program (FPP) payments from \$374 to \$356 per month \$247K



# Aging & Disability Services Division Highlights

- Increased FMAP \$3.8M
- Freeze 138 vacant positions \$7.9M
- Elimination of travel and training \$13K
- Deferred facilities maintenance and operating costs \$498K



# Division of Health Care Financing and Policy Highlights

- Enhanced Federal Medical Assistance Percentage (FMAP)
- Decreased utilization due to pandemic
- Increases in caseload





# Division of Health Care Financing and Policy Highlights

- Rate Reductions:
  - Six percent across the board rate reduction beginning August 2020, for projected state general fund savings of \$53 million through the end of SFY 2021.
- Additional Rate Changes:
  - Rate change for habilitation services: (\$0.3 M)
  - Defer rate increases from the 2019 legislative session that were implemented January of 2020:
    - Acute Hospital Services: 2.5% Increase (\$5.5 M)
    - Neonatal Intensive Care Services: 25% increase (\$5.2M)
    - Pediatric Intensive Care Services: 15% increase (\$0.5 M)
    - Personal Care Services: 3.3% Increase (\$1.2 M)
- Managed Care Changes:
  - Managed care risk mitigation payments will be delayed (\$22.5 M)
  - Managed care capitation payments will need to be recalculated, certified, and approved by CMS to reflect all approved budget reductions including rate changes, eliminated service, and service limitations.



# Division of Health Care Financing and Policy Highlights

- Limitation of Services:
  - Eliminate adult dental and limit dental services for pregnant women and children: (\$28.1 M)
  - Physical therapy for adults: limited to twelve sessions (\$1.2 M)
  - Hospice: eliminates certain duplicative services from being provided in the home (\$0.9 M)



# Division of Health Care Financing and Policy Highlights

- Elimination of Optional Services:
  - Delay implementation of Tenancy Support Services: (\$1.3 M)
  - Biofeedback & Neuropathy (\$6.9 M)
  - Optometry for adults: (\$3.2 M)
  - Prosthetic Devices for Adults: (\$2.1 M)
  - Psychosocial Rehabilitation Services for Adults (\$1.6 M)
  - Basic Skills Training for Adults: (\$1.0 M)
  - Private Duty Nursing for Adults: (\$1.0 M)
  - Occupational Therapy for Adults (\$0.7 M)
  - Podiatry for Adults (\$0.5 M)
  - Behavioral Health Case Management for non SMI: (\$0.2 M)
  - Bariatric surgery for adults: (\$0.2 M)
  - Chiropractic services for adults (\$15K)



# Division of Public and Behavioral Health Highlights

- Direct Service Programs
  - SNAMHS – \$8.4 M (freeze vacant positions, residential reductions)
  - NNAMHS - \$1.9 M (freeze vacant positions)
  - Rural Clinics - \$1.6 M (deferred start dates for personnel)
- One time appropriations and other savings
  - SB263 Tobacco prevention (\$1.5 M)
  - Problem Gambling (\$1.6 M)
  - Funds/Reserve Sweeps (\$2.3 M)



# Division of Welfare & Supportive Services Highlights

- Fund Salary Cost in Field Services for Eligibility Workers under the CARES Act for the period of July through December 2020 (\$14 M General Fund/\$26.5 M Other Funds)
- Reduce General Fund match in Child Support (\$1.1M)
- Administration (\$0.6 M)
  - Freeze sixteen vacant positions
  - Elimination of Travel and Training
  - Operating costs
  - Information Services



# Division of Child and Family Services Highlights

- Child Welfare (\$5,067,440)
  - Reduction in Washoe and Clark County Child Welfare Incentive Funds
  - Maintain vacancies in Rural Child Welfare
  - UNITY project costs transfer from General Fund to federal grant
- Juvenile Correctional Facility Budgeted Capacity (\$3,667,390)
  - Freeze 53 vacant positions
  - Caliente Youth Center – 112 beds to 64 beds
  - Nevada Youth Training Center – 64 beds to 48 beds
  - Summit View Youth Center – Maintain 48 beds
  - Total Capacity Change – 224 beds to 160 beds
- Child & Adolescent Services (\$635,707)
  - Freeze 11 vacant positions





# Questions?

