

Under Reimbursed Hospital Care

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Uncompensated / Under Reimbursed Care



19 Nevada Hospitals provided \$1.26 billion in care that was not paid by government programs or the individuals who received the care.

\$1.26 Billion

Source: Nevada Hospital Annual Report, 2022

Who are those individuals?

- Medicare patients
- Medicaid patients
- Underinsured patients
- Uninsured patients
- Undocumented patients



Hospitals' patient mix



- Medicaid patients
- Medicare patients
- Underinsured patients
- Uninsured patients
- Undocumented patients

These patients represent approx. **75%** of the care provided at Nevada's 19 acute care hospitals.

Cost Shift



Cost
shifting
video

Medicare



17% of Nevadans
are Medicare
beneficiaries

They are the largest
utilizers of hospital
services.

They represent 40%
of hospital patients.

Source: Nevada Division of Insurance, 2021 Insurance Market Report,
p.10

Medicare



Medicare is a federal program.

The Nevada Legislature cannot control its reimbursement levels.

Uncompensated / Under Reimbursed Care



The Legislature can control payments related to:

- Medicaid patients
- Underinsured patients
- Uninsured patients
- Undocumented patients

\$1.1 Billion

Source: Nevada Hospital Annual Report, 2022

Medicaid



1 in 3 Nevadans
are Medicaid
beneficiaries.

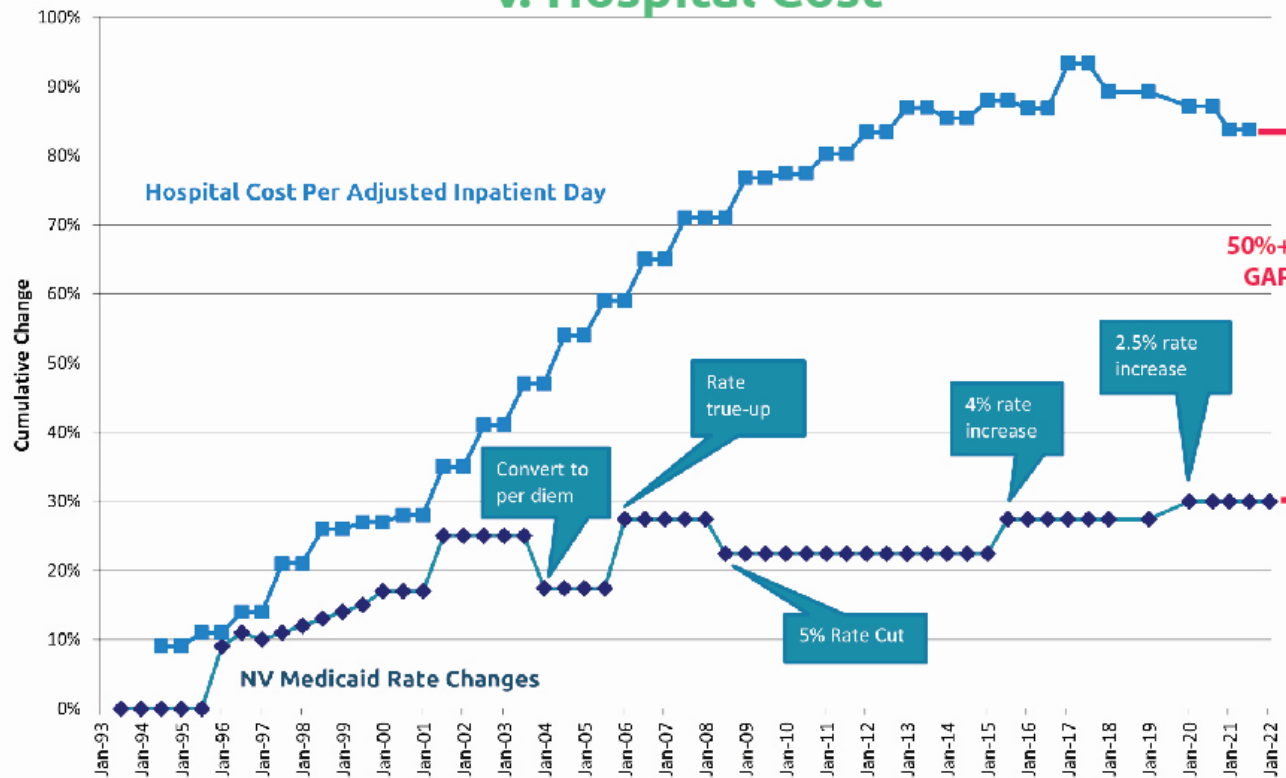
The number of Medicaid enrollees is expected to decrease when the Public Health Emergency ends.

Medicaid pays
approximately 51%
of a hospital's cost
to provide a
service.

Medicaid Rates vs. Hospital Costs



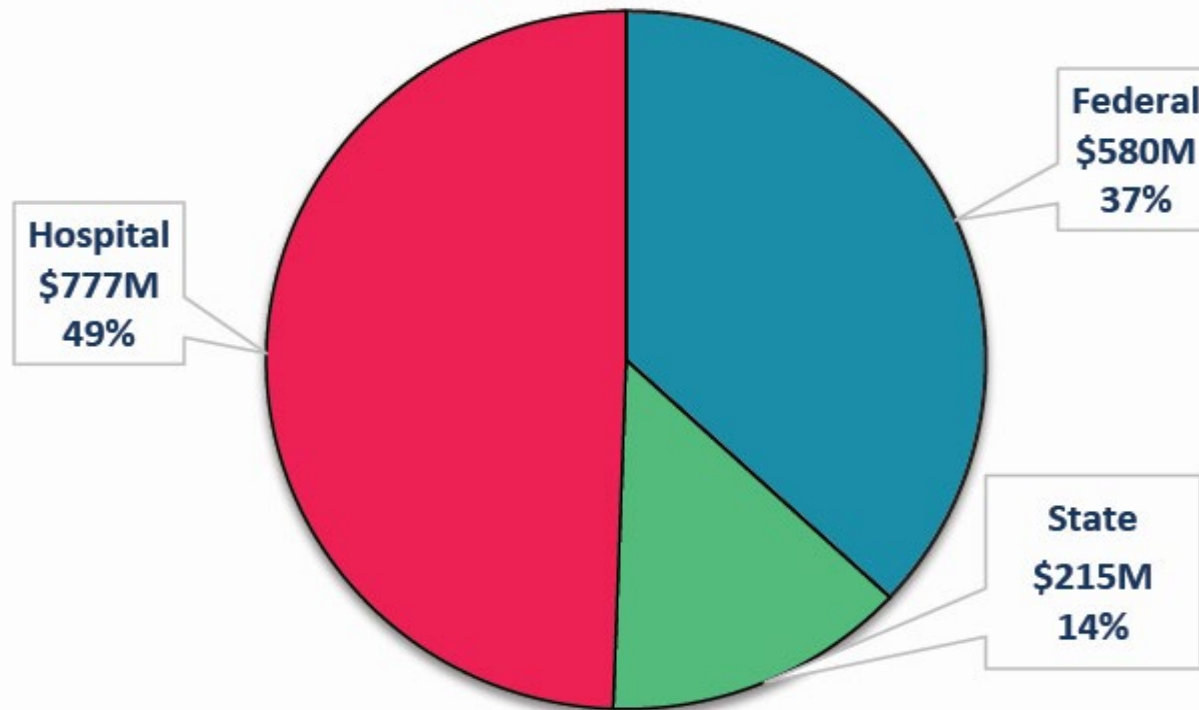
Nevada Medicaid Rate Changes v. Hospital Cost



In 2021, Hospitals Funded More of the Cost to Care for Medicaid Patients than the Feds or the State



2021 Hospital Medicaid Cost



Dual Eligible



77,800 Nevadans
are both Medicaid
and Medicare
beneficiaries

Medicare is the primary insurer. It pays for the beneficiary's hospitalization. In other states Medicaid pays deductibles and copays. It does not in Nevada.

Underinsured - High Deductible Plans



The IRS defines a high deductible as:
\$1,400 individual
\$2,800 family

45% of Nevada workers were enrolled in High-Deductible Health Plans in 2021

Source: <https://www.valuepenguin.com/high-deductible-health-plan-study>

Underinsured - High Share Plans



80/20 and 70/30
Health Insurance
Plans are gaining
popularity.

Individuals and
families are
responsible for
20-30% of the
costs

Uninsured



13% of nonelderly Nevadans were uninsured in 2021

Source: U.S. Census Bureau QuickFacts and Kaiser Family Foundation, State Health Facts, 2021

83% of uninsured Nevadans are eligible for Medicaid or subsidies on the Silver State Health Insurance Exchange.

Source: Manatt, Senate Concurrent Resolution No. 10 Study: Evaluating Public Option Public Health Insurance Plan Options for Nevada Residents, January 2021

Charity Care



All acute care hospitals in Nevada have charity care policies.

Charity Care policy is based on the Federal Poverty Level (FPL):

Maximum discount is 100%

Discount policy:

Ranges from 30% to 100% depending on the charity care FPL

Undocumented



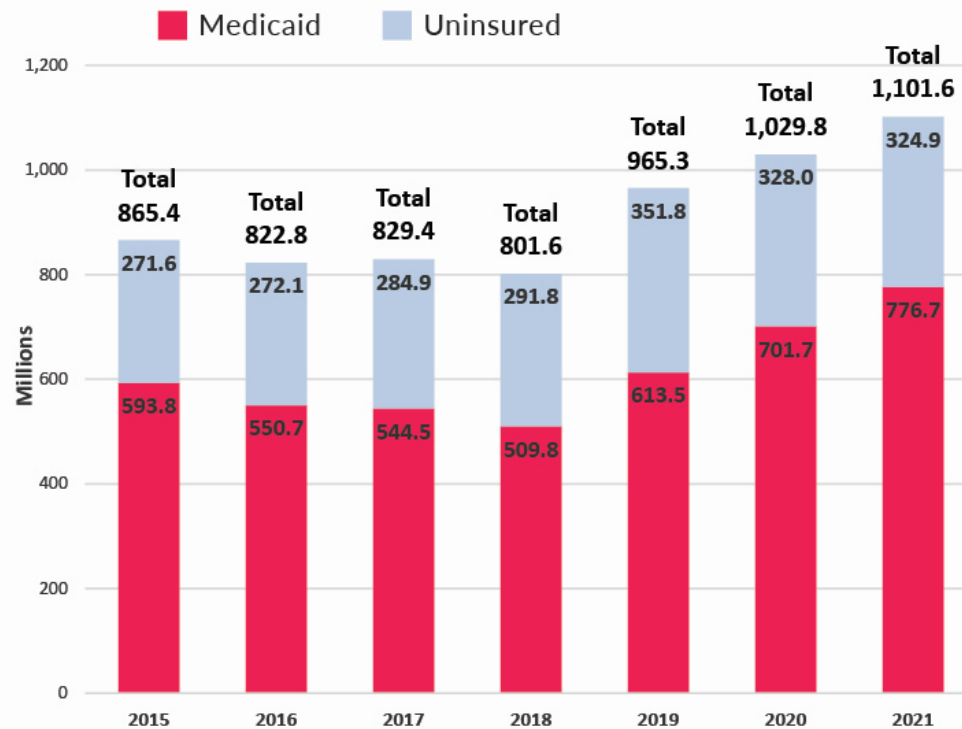
The number of undocumented hospital patients is unknown.

Medicaid Emergency Services - Medicaid pays for undocumented persons to receive emergency medical care, but it does not pay for care after the patient is stabilized.

Uncompensated Care Costs are Increasing in Nevada!



Nevada's Hospitals Continue to Experience Significant Uncompensated Cost



Benefits of closing the uncompensated care gap



Individuals with private, commercial insurance will no longer have to subsidize the care of others.

Questions?



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