

# BDR 38-972 AB 293

## EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 4, 2023

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

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Medical-Legal Services (Expense)			\$85,260	\$398,983
Personnel Services (Expense)		\$59,177	\$81,628	\$163,256
In-State Travel (Expense)		\$5,582	\$6,776	\$13,552
Operating (Expense)		\$4,038	\$5,623	\$11,246
Equipment/Furniture (Expense)		\$4,908		
Information Services (Expense)		\$5,972	\$713	\$1,426
Vendor Support (Expense)		\$250,000		
Independent Assessment (Expense)		\$500,000		
Actuarial Services (Expense)		\$30,000		
Total	0	\$859,677	\$180,000	\$588,463

Explanation

(Use Additional Sheets of Attachments, if required)

The Division has reviewed this BDR and determined it will have a fiscal impact. The bill would require Nevada Medicaid to cover certain services provided to recipients through a medical-legal partnerships (MLPs). The Division assumes an MLP would bill for eligible services under the medical provider enrolled in Medicaid. The Division also assumes most MLP services would likely be provided in affiliation with Federally Qualified Health Centers (FQHC) and Certified Community Behavioral Health Centers (CCBHC). DHCFP assumes 0.5% of all CCBHC/FQHC patients would utilize MLP services. Costs were determined by multiplying the target population by an estimated rate and projected number of units of service. The rate was based on a program in North Carolina where Medicaid pays for these services. To receive federal funds for this new benefit, the Division will need to seek a federal waiver. Costs associated with the development and implementation of a new federal waiver have been included.

The total computable impact for medical services in the FY 24-25 biennium is \$85,260. The state estimates that \$21,439 of the medical impact would be attributed to State General Funds; however, that is contingent upon federal approval of a waiver for MLP services. Staffing costs for the FY24-25 biennium are projected at \$174,417. Vendor support, independent assessment, and actuarial costs are projected at \$780,000 for the upcoming biennium.

Name Stacie Weeks  
Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Tuesday, April 04, 2023

The agency's response appears reasonable.

Name Amy Stephenson  
Title Director

## Fiscal Impact Analysis

**Division of Health Care Financing and Policy  
Medical Legal Partnership  
Analysis Summary**

### Estimated Fiscal Impact FY22-FY23 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY22	\$0	\$0	\$0	\$0
FY23	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Projected % of CCBHC/FQHC patients utilizing  
MLP code  
0.5%**

**Projected Average # of units (15 minutes)**

**32**

**Projected Rate per unit (15 minutes)**

**\$25.30**

### Estimated Fiscal Impact FY24-FY25 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY24	\$0	\$0	\$0	\$0
FY25	\$85,260	\$63,766	\$21,439	\$55
<b>Total</b>	<b>\$85,260</b>	<b>\$63,766</b>	<b>\$21,439</b>	<b>\$55</b>

### Description of Budget Concept

Project the cost of reimbursing CCBHCs and FQHCs for Medical Legal Partnerships (MLPs). A start date of 1/1/25 is used in this analysis to account for time needed to develop and submit the federal waiver to allow for coverage of this new service.

### Methodology

1) Fee-For-Service (FFS) utilization and managed care encounter were captured by running a report out of the MMIS using the following parameters provider types 17-181 and 17-188.

*SFY22 (07/01/2021 - 06/30/2022) Incurred with Runoff, Net Allowed Amount*

2) Patient by Category counts were captured by running a report out of the MMIS to include FFS patients and Managed Care (MCO) patients.

3) It was assumed that 0.5% of all CCBHC/FQHC patients would utilize MLP services (approximately 83 FFS patients and 144 MCO patients total receiving MLP services). DHCFP also assumed that these patients would receive up to 8 hours of MLP services annually at a rate of \$25.30 per 15 minutes. This rate was determined based on the rate set for North Carolina's MLP program.

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).