

ASSEMBLY BILL NO. 116—COMMITTEE ON
HEALTH AND HUMAN SERVICES

PREFILED JANUARY 31, 2019

Referred to Committee on Health and Human Services

SUMMARY—Provides for an actuarial study to determine the cost of revising certain Medicaid reimbursement rates. (BDR S-702)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to Medicaid; requiring an actuarial study to be conducted by the Division of Health Care Financing and Policy of the Department of Health and Human Services to determine the cost to the State of revising certain reimbursement rates; authorizing the Division to apply for and accept certain money; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the Department of Health and Human Services to
2 administer the State Plan for Medicaid. (NRS 422.270) Existing law also requires
3 the Division of Health Care Financing and Policy of the Department to, every 4
4 years: (1) review the rate of reimbursement for each service or item provided under
5 the State Plan for Medicaid to determine whether the rate of reimbursement
6 accurately reflects the actual cost of providing the service or item; and (2) if the
7 Division determines that the rate of reimbursement for a service or item does not
8 accurately reflect the actual cost of providing the service or item, determine the rate
9 of reimbursement that accurately reflects the actual cost of providing the service or
10 item and recommend to the Director of the Department inclusion of that rate in the
11 State Plan for Medicaid. (NRS 422.2704) Existing law additionally requires the
12 Department, with respect to the State Plan for Medicaid and the Children’s Health
13 Insurance Program, to report to the Legislature and post on an Internet website each
14 rate of reimbursement for physicians which is provided on a fee-for-service basis
15 and which is lower than the rate provided on the current Medicare fee schedule for
16 care and services provided by physicians. (NRS 422.2712) This bill requires the
17 Division to conduct an actuarial study to determine the amount that it would cost
18 annually for the State to establish reimbursement rates under the State Plan for
19 Medicaid that are equal to 90 percent of the reimbursement rates paid under



20 Medicare. The Division is required to prepare a report of the results of the study
21 and submit the report and recommendations for legislation to the Legislature. This
22 bill authorizes the Division to apply for grants and accept gifts, grants, donations
23 and any other source of money to conduct the study and prepare the report of the
24 results of the study.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** 1. On or before July 1, 2020, the Division of
2 Health Care Financing and Policy of the Department of Health and
3 Human Services shall conduct an actuarial study to determine the
4 amount that it would cost annually for the State to establish a
5 reimbursement rate under the State Plan for Medicaid that is equal
6 to 90 percent of the reimbursement rate established for recipients of
7 Medicare. The Division shall make such a determination for each
8 item or service that is covered by the State Plan for Medicaid that is
9 also covered by Medicare.

10 2. The Division of Health Care Financing and Policy shall
11 prepare a final report with the results of the study and any
12 recommendations for legislation resulting from the study. A copy of
13 the report and recommendations must be submitted to:

- 14 (a) The Legislative Committee on Health Care; and
15 (b) The Director of the Legislative Counsel Bureau for
16 transmittal to the next regular session of the Legislature.

17 3. The Division of Health Care Financing and Policy may
18 apply for grants and accept gifts, grants, donations and any other
19 source of money to carry out the provisions of this section.

20 4. As used in this section, "Medicare" means the program of
21 health insurance for aged persons and persons with disabilities
22 established pursuant to Title XVIII of the Social Security Act, 42
23 U.S.C. §§ 1395 et seq.

24 **Sec. 2.** This act becomes effective upon passage and approval.

