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Overview
LTC Match Assessment Overview

Medicaid long term care (LTC) assistance to individuals who meet specified financial and medical eligibility criteria

- 142% - 156% FBR County Match
- 156% - 300% FBR County Match
- 142% - 155% FBR HCBS
- 142% - 155% FBR ALF (Clark Co.)

Individual counties are responsible for share of medical, administrative and transactions costs

- Medicaid medical expenses (primarily LTC) – non-federal share
- Administrative costs – non-federal share
- Medicare Part B premiums
- Part D claw-back
**Project Scope**

Provide NACO with a high-level understanding of the potential impact of demographic changes and healthcare cost trends on future Nevada county LTC match assessments over 30-year time horizon.

Results reflect high-level and simplistic assumptions:

- Population projections provided by Nevada State Demographer, Nevada Department of Taxation
- Known Federal Medical Assistance Percentage (FMAP) amounts through FFY 2021
- High-level cost inflation assumptions based on external benchmarks
- No significant changes in program eligibility or delivery of LTC
- Assessments modeled gross of the 8 cent property tax contribution limit for rural counties

*The authors of this report do not intend for NACO, individual Nevada counties, the state of Nevada, or any other parties to take specific financial or policy action based on the results of this analysis.*
COVID-19 Scenario

Provide NACO with a high-level understanding of the potential impact of key economic and Medicaid federal match rate changes associated with COVID-19, relative to status quo scenario.

Assumptions based on impacts of 2007 – 2009 recession

- FFCRA enhanced FMAP
- Short-term increase in Nevada federal match rate
- Long-term return to Nevada federal match rate

There is substantial uncertainty regarding the impact of the COVID-19 pandemic on future healthcare costs and utilization. Potential changes in population morbidity and mortality resulting from COVID-19 as well as any other impacts not listed above were not considered for this analysis.
Executive Summary
Population Growth Estimates
Nevada State Demographer, Nevada Department of Taxation

Population Growth Relative to 2020

- Clark-65+
- Clark-Under 65
- Rural-65+
- Rural-Under 65
- Washoe-65+
- Washoe-Under 65

Percent Change

- 2020
- 2021
- 2022
- 2023
- 2024
- 2025
- 2026
- 2027
- 2028
- 2029
- 2030
- 2031
- 2032
- 2033
- 2034
- 2035
- 2036
- 2037
- 2038
- 2039
- 2040
- 2041
- 2042
- 2043
- 2044
- 2045
- 2046
- 2047
- 2048
- 2049
- 2050

Graph showing population growth estimates from 2020 to 2050 for different age groups in Clark and Washoe counties.
### Inflation Assumptions

#### FIGURE 1: PER MEMBER PER MONTH (PMPM) ANNUAL COSTS OR ANNUAL INCREASES

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid Claim Costs – Waiver Enrollees</td>
<td>2.13%</td>
<td>2.13%</td>
<td>2.13%</td>
<td>2.13%</td>
<td>2.13%</td>
<td>2.13%</td>
<td>2.13%</td>
</tr>
<tr>
<td>Medicaid Claims Costs – County Match Enrollees</td>
<td>2.93%</td>
<td>2.93%</td>
<td>2.93%</td>
<td>2.93%</td>
<td>2.93%</td>
<td>2.93%</td>
<td>2.93%</td>
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<tr>
<td>Medicare Part B Premiums</td>
<td>$135.50</td>
<td>$144.60</td>
<td>3.95%</td>
<td>4.40%</td>
<td>5.68%</td>
<td>6.22%</td>
<td>5.97%</td>
</tr>
<tr>
<td>Medicare Part D Clawback Payments</td>
<td>$110.44</td>
<td>$119.02</td>
<td>$126.36</td>
<td>$133.18</td>
<td>$140.51</td>
<td>$148.24</td>
<td>5.40%</td>
</tr>
</tbody>
</table>
### LTC Match Assessment Estimates – Status Quo Scenario

Gross of Contribution Limit

**FIGURE 2: PROJECTED GROSS ASSESSMENTS (IN $ MILLIONS) – STATUS QUO ASSUMPTIONS**

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2030</th>
<th>FY 2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clark County</td>
<td>$26.5</td>
<td>$28.8</td>
<td>$31.2</td>
<td>$33.2</td>
<td>$35.4</td>
<td>$37.8</td>
<td>$54.1</td>
<td>$92.8</td>
</tr>
<tr>
<td>Washoe County</td>
<td>$5.8</td>
<td>$6.3</td>
<td>$6.8</td>
<td>$7.3</td>
<td>$7.8</td>
<td>$8.3</td>
<td>$12.2</td>
<td>$21.2</td>
</tr>
<tr>
<td>Rural Counties</td>
<td>$6.5</td>
<td>$7.0</td>
<td>$7.6</td>
<td>$8.0</td>
<td>$8.5</td>
<td>$9.1</td>
<td>$12.5</td>
<td>$20.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$38.8</strong></td>
<td><strong>$42.2</strong></td>
<td><strong>$45.6</strong></td>
<td><strong>$48.4</strong></td>
<td><strong>$51.6</strong></td>
<td><strong>$55.2</strong></td>
<td><strong>$78.8</strong></td>
<td><strong>$134.2</strong></td>
</tr>
</tbody>
</table>
## COVID-19 FMAP Impact

### FIGURE 3: FMAP BY FEDERAL FISCAL YEAR - PRE AND POST COVID-19 ASSUMPTIONS

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Federal Share – Status Quo</td>
<td>65.8%</td>
<td>64.9%</td>
<td>63.9%</td>
<td>63.3%</td>
<td>63.3%</td>
<td>63.3%</td>
<td>63.3%</td>
<td>63.3%</td>
<td>63.3%</td>
</tr>
<tr>
<td>Federal Share – COVID-19</td>
<td>65.8%</td>
<td>64.9%</td>
<td>68.6%</td>
<td>69.5%</td>
<td>66.6%</td>
<td>67.2%</td>
<td>69.2%</td>
<td>70.2%</td>
<td>70.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PAYER</th>
<th>FFY 2027</th>
<th>FFY 2028</th>
<th>FFY 2029</th>
<th>FFY 2030</th>
<th>FFY 2031</th>
<th>FFY 2032</th>
<th>FFY 2033</th>
<th>FFY 2034</th>
<th>FFY 2035 - 2051</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Share – Status Quo</td>
<td>63.3%</td>
<td>63.3%</td>
<td>63.3%</td>
<td>63.3%</td>
<td>63.3%</td>
<td>63.3%</td>
<td>63.3%</td>
<td>63.3%</td>
<td>63.3%</td>
</tr>
<tr>
<td>Federal Share – COVID-19</td>
<td>71.8%</td>
<td>71.8%</td>
<td>70.7%</td>
<td>69.0%</td>
<td>67.2%</td>
<td>65.7%</td>
<td>64.4%</td>
<td>63.6%</td>
<td>63.3%</td>
</tr>
</tbody>
</table>
## LTC Match Assessment Estimates – COVID-19 Scenario

Gross of Contribution Limit

**FIGURE 4: PROJECTED GROSS ASSESSMENTS (IN $ MILLIONS) – COVID-19 ASSUMPTIONS**

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2030</th>
<th>FY 2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clark County</td>
<td>$26.5</td>
<td>$27.0</td>
<td>$27.2</td>
<td>$30.2</td>
<td>$32.9</td>
<td>$33.7</td>
<td>$47.7</td>
<td>$92.8</td>
</tr>
<tr>
<td>Washoe County</td>
<td>$5.8</td>
<td>$5.9</td>
<td>$6.0</td>
<td>$6.7</td>
<td>$7.3</td>
<td>$7.5</td>
<td>$10.9</td>
<td>$21.2</td>
</tr>
<tr>
<td>Rural Counties</td>
<td>$6.5</td>
<td>$6.5</td>
<td>$6.6</td>
<td>$7.3</td>
<td>$7.9</td>
<td>$8.1</td>
<td>$11.0</td>
<td>$20.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$38.8</strong></td>
<td><strong>$39.4</strong></td>
<td><strong>$39.8</strong></td>
<td><strong>$44.1</strong></td>
<td><strong>$48.1</strong></td>
<td><strong>$49.3</strong></td>
<td><strong>$69.6</strong></td>
<td><strong>$134.2</strong></td>
</tr>
</tbody>
</table>
Actuarial Modeling Approach
Status Quo Scenario
LTC Match Assessment Modeling Approach

Overview

- LTC Match Assessment status quo scenario estimates calculated using the following steps:

  1. Summarize SFY 2019 costs and enrollment
  2. Project program enrollment through SFY 2050
  3. Project costs through SFY 2050
  4. Apply county match rate
1. Summarize SFY 2019 costs and enrollment

- Detailed claims (gross of contribution limit), Medicare premium, and enrollment data provided by counties (via NACO) for Clark, Washoe, and 9 of 15 rural counties
- Detailed population data provided by Nevada State Demographer, Nevada Dept. of Taxation
- Data summarized by:
  - Geographic area: Clark County, Washoe County, and all other counties combined
  - Age band: 5-year age band up to 85+
  - Aid category
LTC Match Assessment Modeling Approach (Continued)

2 Project program enrollment through SFY 2050

- Relied on Nevada State Demographer population projections by county and age from CY 2019 through CY 2050
- Assumed age and county-specific enrollment in the Medicaid programs will change proportionally with the increase (or decrease) in the population
LTC Match Assessment Modeling Approach (Continued)

3 Project costs through SFY 2050

- **Claims costs** projected separately for each age band, aid category, and geographic area.
  - Base SFY 2019 per member per month (PMPM) costs were selected by aid category as follows:
    - County Match (both 142-155% FBR and 156-300% FBR) used county-specific SFY 2019 PMPM costs adjusted for statewide age-band relativities
    - Home and Community populations used county-specific SFY 2019 PMPM costs adjusted for statewide age-band relativities
    - Assisted Living population used the SFY 2019 aggregate PMPM uniformly across all age groups.
  - Applied trends to the SFY 2019 claims as follows:
    - Applied 2.13% annual trend to the PMPM claim costs for the waiver populations. This trend applies projected increases in home health costs from the Center for Medicare and Medicaid Services’ (CMS) to historical CPI data regarding price increases for services to care for the elderly.
    - Applied a 2.93% annual trend to the PMPM claim costs for other aid categories. This trend is based on projected Skilled Nursing Facility (SNF) cost increases from CMS’ quarterly Market Basket Index.
LTC Match Assessment Modeling Approach (Continued)

3. Project costs through SFY 2050

- **Medicare Part B and Part D payments** projected using:
  - Known Part B and Part D payment changes for near term amounts
  - Trends published in annual Medicare Trustees reports

- **Administrative costs** and **estate recoveries** for the 156-300% FBR County Match population applied as a percentage of total claim costs
  - Percentages based on a review of the SFY 2019 data
Part B premium and Part D clawback – 100% county share

Administrative costs – 25% or 50% county share

Claim costs – match rate based Nevada FMAP

FIGURE 10: FEDERAL MEDICAID CLAIMS MATCH RATES AND COUNTY SHARE BY FEDERAL FISCAL YEAR

<table>
<thead>
<tr>
<th>PAYER</th>
<th>FFY 2018</th>
<th>FFY 2019</th>
<th>FFY 2020</th>
<th>FFY 2021</th>
<th>2022 – 2051</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Share</td>
<td>65.75%</td>
<td>64.87%</td>
<td>63.93%</td>
<td>63.30%</td>
<td>63.30%</td>
</tr>
<tr>
<td>State/County Share</td>
<td>34.25%</td>
<td>35.13%</td>
<td>36.07%</td>
<td>36.70%</td>
<td>36.70%</td>
</tr>
</tbody>
</table>
COVID-19 Scenario
COVID-19 Scenario

Match rate

- FFCRA enhanced FMAP
  - 6.2% increase for CY 2020
  - Assumed extension for CY 2021 based on 2007 – 2009 economic recession and guidance from NACO
- Short/medium-term increase in Nevada base federal match rate
  - Trajectory based on 2007 – 2009 economic recession and guidance from NACO

FIGURE 5: FEDERAL MATCH RATES AND COUNTY SHARE BY FEDERAL FISCAL YEAR (COVID-19 SCENARIO)
Limitations
Limitations

The services provided for this project were performed under the signed Consulting Services Agreement between Milliman and Nevada Association of Counties, dated November 15, 2019.

The information contained in this correspondence has been prepared for the NACO. We understand this information will be shared with NACO member counties. To the extent that the information contained in this correspondence is provided to any approved third parties, the correspondence should be distributed in its entirety. Any user of the data must possess a certain level of expertise in Medicaid, Long Term Care (LTC), and health care modeling that will allow appropriate use of the data presented.

Milliman makes no representations or warranties regarding the contents of this correspondence to third parties. Likewise, third parties are instructed that they are to place no reliance upon this correspondence prepared for NACO by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties.

In performing this analysis, we relied on data and other information provided by NACO, NACO member counties, the Nevada State Demographers Office, and other sources. Data and information was accepted and used without audit. To the extent that the data provided is not accurate, the results of this analysis may need to be modified to reflect revised information.

Differences between the projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

This presentation is for discussion purposes only. It should not be relied upon without the full report upon which it is based and the discussion that accompanied it.
Thank you

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