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DEPARTMENT OF ADMINISTRATION VICTIMS OF CRIME

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April 11, 2016

To: James Wells, Clerk, Board of Examiners
Through: Patrick Cates, Director of Administration
From: Bryan Nix, Coordinator, Victims of Crime Program
Re: VOCP 3rd Quarter FY 2016 Report, and 4th Quarter FY 2016 Recommendation

NRS 217.260 requires the Board of Examiners to estimate available revenue and anticipated claim costs each quarter. The VOCP pays claims in accordance with the policies adopted by the Board pursuant to NRS 217.130. When a vendor accepts a payment reduced pursuant to these policies, NRS 217.245 provides that the claim is deemed paid in full. Claims are categorized as to their priority; and Claims categorized as the highest priority are paid, in whole or in part, before other claims.

Priority One and Two claims are paid weekly during the quarter, and accrued Priority Three claims are paid at the end of each quarter. Priority One and Two claims are bills for current medical treatment, lost wages, funeral expenses, counseling, etc. Priority Three claims are bills the applicant owed prior to claim acceptance such as hospital emergency room and related bills. The VOCP pays the "approved" amount, which is the amount approved for payment after bill review and application of fee schedules or other payment adjustments pursuant to Board policies.

Claim Payments

The following chart shows claim payments made in FY 2016, by benefit type. As this chart shows the VOCP satisfied **\$7,294,323.80** in victim medical bills and claims for **\$2,966,345.80** of available funding. After bill review and application of Board Policies we have had a total savings of **\$4,327,978.00** over the billed amount in fiscal year 2016.

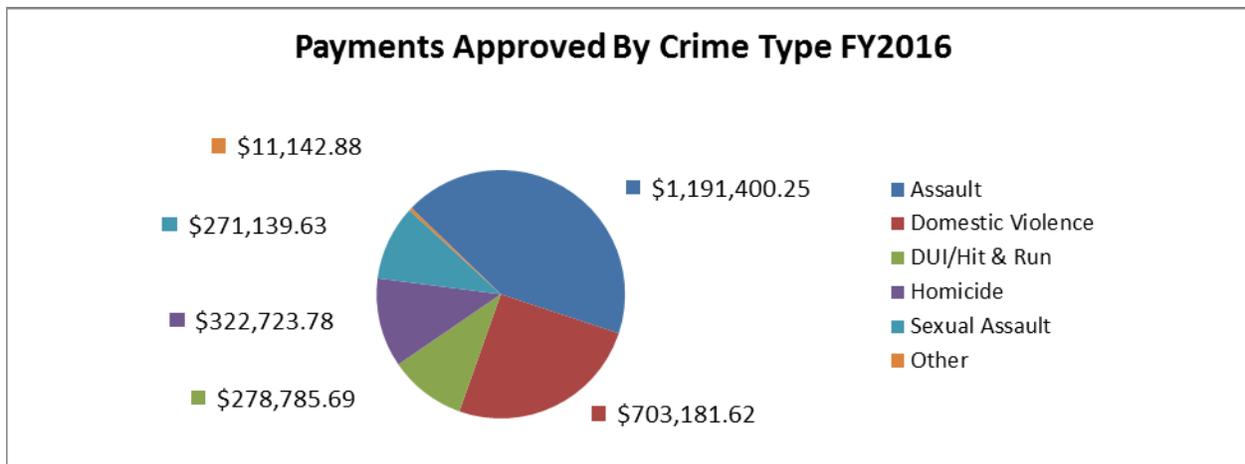
| Payment Amounts by Type Fiscal Year 2016 | | | | |
|--|-----------------|------------------------------|-----------------------------|--------------------------|
| Type of Expense | Number of Bills | Total Victim Bills Submitted | Amount Saved by Bill Review | Amount Paid to Providers |
| Chiropractic/Physical Therapy | 172 | 84,011.11 | 23,831.58 | 60,179.53 |
| Counseling | 1880 | 484,019.18 | 133,810.69 | 350,208.49 |
| Survivor Benefits | 12 | 7,000.00 | 0.00 | 7,000.00 |
| Dental | 102 | 212,685.49 | 62,500.72 | 150,184.77 |
| Discretionary* | 552 | 514,950.96 | 2,483.88 | 512,467.08 |
| Funeral Expense | 101 | 327,430.50 | 18,046.35 | 309,384.15 |
| Lost Wages | 234 | 257,244.17 | 710.85 | 256,533.32 |
| Medical - Hospital | 234 | 3,337,601.56 | 2,917,654.91 | 419,946.65 |
| Medical - Other | 1082 | 1,007,554.61 | 353,276.86 | 654,277.75 |
| Prescription | 126 | 15,566.19 | 0.30 | 15,565.89 |
| Vision | 78 | 41,306.23 | 2,466.00 | 38,840.23 |
| Pending Priority Three Payments 3rd Quarter 2016 | 223 | 1,004,953.80 | 813,195.86 | 191,757.94 |
| Total Payments YTD FY2016 | 4796 | \$7,294,323.80 | \$4,327,978.00 | \$2,966,345.80 |

*Discretionary payments include: Relocations, Temporary Housing, Crime Scene Clean-up, etc.

** There are **\$1,004,953.80** in pending Priority Three Claims (hospital bills, etc), which will be paid **\$191,757.94**, which is 100% of the approved amount.

Victim Payments by Crime Type

The following pie chart shows amounts approved for payment by crime type, during Fiscal Year 2016.



Financial Review

The chart on the next page shows projected revenues and fund balances, including reserves for FY 2016, and recommendations for 4th quarter FY 2016 based on projections. These projections of revenue and anticipated expenses

are used for purposes of determining compliance with NRS 217.260 and policies of the Board.

| Financial Position and Fourth Quarter 2016 Projections | |
|--|-----------------|
| Projected Funds Available for Payments FY16 Less 45 Day Reserves | \$14,291,351.26 |
| Less: 1st Quarter Payments | \$1,082,427.45 |
| Less: 2nd Quarter Payments | \$958,117.14 |
| 3rd Quarter Priority 1 & 2 Payments | \$734,043.27 |
| 3rd Quarter Priority 3 Payments | \$191,757.94 |
| Less Total 3rd Quarter 2016 Payments | \$925,801.21 |
| Projected Funds Available for Remainder of FY16 Less 45 Day Reserves | \$11,325,005.46 |
| Projected Payments 4th Quarter FY16* | \$1,000,644.94 |
| Projected Funds Available for FY17 Reserves | \$10,324,360.52 |
| Recommended Priority 3 Payment Percentage 4th Quarter FY16 | 100% |
| *Based on average of last 6 quarterly periods. | |

As required, a 45 day operating expense reserve of \$1,045,350.74 is maintained to cover up to 45 days of victim’s claims and administrative expenses.

Historically, most of the program’s funding has been spent on emergency medical treatment for uninsured victims of violent crimes. We have seen a significant decrease in hospital and other emergency medical expenses due to changes made to Medicaid rules under the Affordable Care Act. Qualified applicants are receiving retroactive Medicaid coverage, limiting program financial assistance for medical expense to their copay amount. Our current Reserves stand at \$9 million, and we anticipate Revenues of \$8 million for FY 2016. Our expenses are projected to total \$6 million this fiscal year, which would leave the program with \$11 million in Reserves after all expenses are covered. These Reserves will allow us to pay existing crime related expenses at 100% for the foreseeable future, and also allow us to consider allocating more resources for crime victims’ recovery expenses – such as Lost Wages, Survivor Benefits and Relocation Expenses. Recommended policy revisions have been submitted for consideration by the Board.

Recommendation

We are projecting Priority One and Two payments totaling **\$717,004.02** and projected Priority Three payments totaling **\$283,640.92**, for a total expense of **\$1,000,644.94** for the 4th quarter.

After reserving **\$1,045,350.74** for 45 days operating expenses, our budget shows VOCP revenues and reserves available for 4th quarter total **\$11,325,005.46**.

Based on these projections the VOCP recommends paying Priority One and Two and Three claims at **100%** of the approved amount for the 4th quarter of FY 2016.