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STATE OF NEVADA

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**DEPARTMENT OF ADMINISTRATION  
VICTIMS OF CRIME PROGRAM**

[www.voc.nv.gov](http://www.voc.nv.gov)

April 8, 2011

To: Andrew Clinger, Clerk  
Board of Examiners

From: Bryan Nix, Coordinator  
Victims of Crime Program

Re: VOCP 3<sup>rd</sup> Quarter FY 2011 Report, and 4<sup>th</sup> Quarter FY 2011  
Recommendation

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NRS 217.260 requires the Board of Examiners to estimate available revenue and anticipated claim costs each quarter. If revenues are insufficient to pay anticipated claims, the statute directs that claim payments must be reduced proportionately. Policies adopted by the Board pursuant to NRS 217.130 and NRS 217.150 allow the VOCP to pay claims according to fee schedules, so a blanket claim reduction is unnecessary as provided for in NRS 217.260.

BOE Policies for the VOCP provide for payment of Priority One and Two claims during the quarter, and for payment of accrued Priority Three claims 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 BOE policies.

The VOCP paid all Priority One and Two, and Priority Three claims at 100% of their approved amount for all of FY 2009, and the first and second quarter of FY 2010. However, due to declining revenues and reserve requirements the VOCP did not have sufficient budget authority and reserves to pay projected claim costs at 100% of the approved amount for the remainder of FY 2010. After adjusting payments during the last half of FY 2010, the VOCP has been able to resume paying claims at 100% of their approved amount in FY 2011.

## Claim Payments Made Year to Date Fiscal Year 2011

The following chart shows claim payments made year to date in FY 2011, by benefit type. As this chart shows the VOCP has satisfied **\$19,842,461.88** in victim medical bills and claims for **\$5,587,117.56** of available funding. After bill review and application of BOE Policies we had a total savings of **\$14,255,344.32**, over the billed amount year to date in fiscal year 2011.

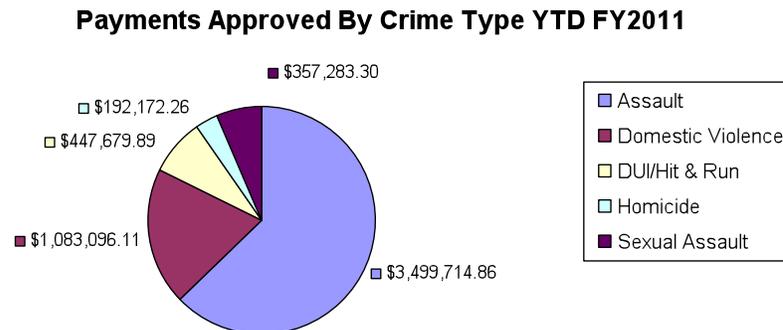
Payment Amounts by Type Fiscal Year 2011				
Type of Expense	Number of Bills	Total Victim Bills Submitted	Amount Saved by Bill Review	Amount Paid to Providers
Chiropractic	307	100,904.62	27,026.53	73,878.09
Counseling	2496	549,544.79	110,401.73	439,143.06
Survivor Benefits	7	9,192.80	0.00	9,192.80
Dental	246	802,423.20	248,477.78	553,945.42
Discretionary*	254	266,569.35	170.00	266,399.35
Funeral Expense	81	178,267.28	0.65	178,266.63
Lost Wages	361	309,254.77	0.00	309,254.77
Medical - Hospital	889	9,242,956.92	8,096,605.82	1,146,351.10
Medical - Other	2451	2,124,110.26	780,541.76	1,343,568.50
Prescription	626	106,600.51	7,986.26	98,614.25
Physical Therapy	188	90,154.94	29,225.63	60,929.31
Vision	146	72,463.46	14,351.43	58,112.03
<b>Pending Priority Three Payments 3rd Quarter 2011</b>				
	677	5,990,018.98	4,940,556.73	1,049,462.25
<b>Total Payments YTD FY2011</b>				
	<b>8729</b>	<b>\$19,842,461.88</b>	<b>\$14,255,344.32</b>	<b>\$5,587,117.56</b>

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

\*\* There are **\$5,990,018.98** in pending Priority Three Claims (hospital bills, etc), which will be paid for **\$1,049,462.25**, which is 100% of the approved amount at the end of the 3<sup>rd</sup> quarter FY 2011 as provided for by VOCP policies.

## Victim Payments by Crime Type Fiscal Year 2011

The following pie chart shows amounts approved for payment by crime type, during Fiscal Year 2011.



## Financial Review Fiscal Year 2011

The following chart shows projected revenues and fund balances, including reserves for FY 2011, and recommendations for 4<sup>th</sup> quarter FY 2011 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 BOE adopted pursuant to NRS 217.130 and NRS 217.150.

<b>Financial Position and Fourth Quarter 2011 Projections</b>	
Projected Funds Available for Payments FY11 Less 45 Day Reserves	\$7,779,695.76
1st Quarter FY11 Claim Payments	\$1,786,827.99
2nd Quarter FY11 Claim Payments	\$1,975,702.32
Funds available for 3rd Quarter FY11 Payments	\$2,008,582.73
3rd Quarter Priority 1 & 2 Payments	\$775,125.00
3rd Quarter Priority 3 Payments	\$1,049,462.25
3rd Quarter Claim Payments	\$1,824,587.25
Quarterly Funds Remaining After Payments	\$183,995.48
Projected Funds Available for 4th Quarter FY 2011 Less 45 Day Reserves	\$2,192,578.20
Projected Payments 4th Quarter FY 2011*	\$1,998,685.59
Projected Quarterly Funds Remaining After Payments - Add to Reserves	\$193,892.61
<b>Recommended Priority 3 Payment Percentage 4th Quarter FY11</b>	<b>100%</b>
*Average of last 6 quarterly periods.	

In February 2010, the VOCP was required to establish a 30-day operating expense reserve out of FY 2010 revenues, to ensure we had sufficient operating capital in the event of a disruption in our funding. In January 2011, we were asked to increase that reserve to a 45-day operating expense reserve. Reserves of \$1,135,416.95 are now being maintained to cover the required 45 days of victim's claims and administrative expenses.

As expected, revenues have been reduced due to the economic downturn, while requests for VOCP assistance continue to climb. In 2010 overall revenues were \$1.2 million below projections. The VOCP saw significant decreases in revenue from Fines, Restitution, Wage Assessment, Court Assessment and Treasurers Interest.

Fortunately the federal grant is significantly higher than last year. This year's federal grant is \$2,971,000, which is \$820,000.00 higher than last years grant of \$2,151,000. This increase of \$820,000.00 essentially covered 72% of the reserves being set aside by the VOCP.

Our current financial review shows that we have sufficient funding to cover 3<sup>rd</sup> quarter Priority Three payments at 100%, and we are projecting sufficient funds to continue paying at 100% in the fourth quarter.

## **VOCP Recommendation**

There are projected 4<sup>th</sup> quarter priority one and two payments totaling **\$1,090,058.03** and projected priority three payments totaling **\$908,627.56**, for a total expense of **\$1,998,685.59**.

After reserving **\$1,135,416.95** for 45 days operating expenses, our budget shows VOCP Revenues available for 4<sup>th</sup> quarter total **\$2,192,578.20**.

Therefore; based on current projections, pursuant to NRS 217.260 and policies of the BOE, the VOCP recommends paying Priority One and Two claims at **100%**, and Priority Three claims at **100%** of the approved amount for the 4<sup>th</sup> quarter of FY 2011.