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July 28, 2015

To: Julia Teska, Clerk, Board of Examiners

From: Bryan Nix, Coordinator, Victims of Crime Program

Re: VOCP 4<sup>th</sup> Quarter FY 2015 Report, and 1<sup>st</sup> Quarter FY 2016 Recommendation

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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 2015, by benefit type. As this chart shows the VOCP satisfied **\$11,732,359.72** in victim medical bills and claims for **\$4,236,354.80** of available funding. After bill review and application of Board Policies we have had a total savings of **\$7,496,004.92** over the billed amount in fiscal year 2015.

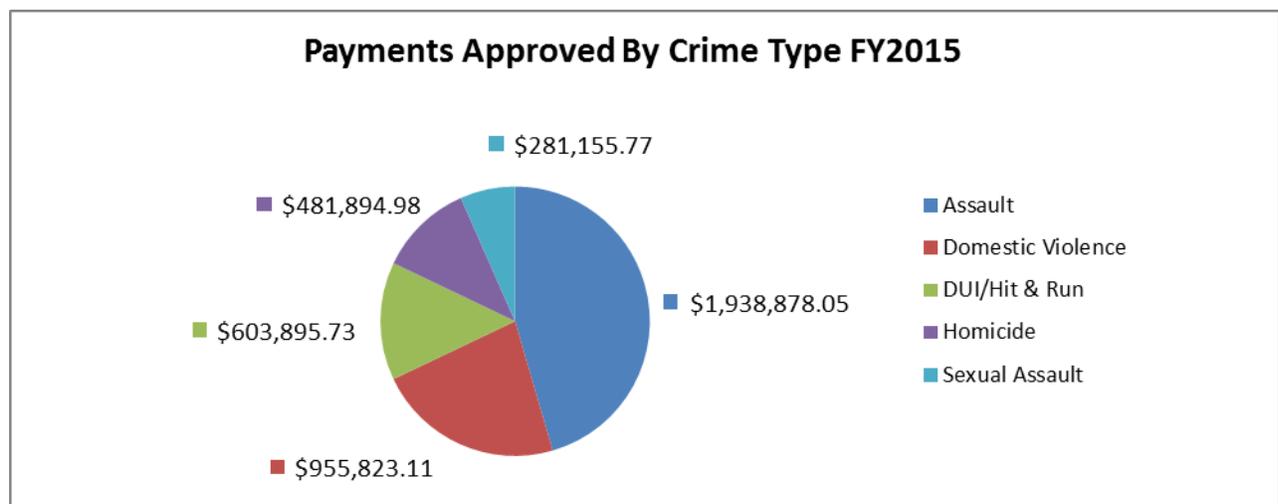
Payment Amounts by Type Fiscal Year 2015				
Type of Expense	Number of Bills	Total Victim Bills Submitted	Amount Saved by Bill Review	Amount Paid to Providers
Chiropractic/Physical Therapy	332	232,856.65	64,841.07	168,015.58
Counseling	2635	692,684.52	202,413.67	490,270.85
Survivor Benefits	53	46,007.31	0.00	46,007.31
Dental	180	412,474.61	119,819.84	292,654.77
Discretionary*	446	414,945.68	2,450.90	412,494.78
Funeral Expense	159	409,503.14	11,408.78	398,094.36
Lost Wages	381	420,068.48	6,250.76	413,817.72
Medical - Hospital	529	5,546,712.84	4,846,201.77	700,511.07
Medical - Other	1832	1,955,820.78	942,140.56	1,013,680.22
Prescription	214	39,787.39	14.52	39,772.87
Vision	53	23,083.21	4,164.82	18,918.39
Pending Priority Three Payments 4th Quarter 2015	282	1,538,415.11	1,296,298.23	242,116.88
<b>Total Payments YTD FY2015</b>	<b>7096</b>	<b>\$11,732,359.72</b>	<b>\$7,496,004.92</b>	<b>\$4,236,354.80</b>

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

\*\* There are **\$1,538,415.11** in pending Priority Three Claims (hospital bills, etc), which will be paid **\$242,116.88**, 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 2015.



## Financial Review

The chart on the next page shows projected revenues and fund balances, including reserves for FY 2015, and recommendations for 4<sup>th</sup> quarter FY 2015 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.

<b>Financial Position and First Quarter 2016 Projections</b>	
Projected Funds Available for Payments FY15 Less 45 Day Reserves	\$13,021,421.07
Less: 1st Quarter Payments	\$1,198,830.95
Less: 2nd Quarter Payments	\$1,269,536.83
Less: 3rd Quarter Payments	\$911,887.04
4th Quarter Priority 1 & 2 Payments	\$613,983.10
4th Quarter Priority 3 Payments	\$242,116.88
Total 4th Quarter 2015 Payments	\$856,099.98
Funds Carried Over to FY16 Less 45 Day Reserves	\$8,785,066.27
Projected Funds Available for Victim Payments FY16	\$15,141,649.27
Projected Funds Available 1st Quarter FY16	\$3,785,412.32
Projected Payments 1st Quarter FY16*	\$1,204,113.73
Projected Funds Remaining After Payments - Add to FY16 Reserves	\$2,581,298.59
<b>Recommended Priority 3 Payment Percentage 1st Quarter FY16</b>	<b>100%</b>
*Average of last 6 quarters	

As required, a 45 day operating expense reserve of \$803,380.93 is maintained to cover up to 45 days of victim's claims and administrative expenses.

The increased level of claims paid in FY 2010 resulted in a 52.8% increase in the Federal Grant awarded to Nevada in FY 2012. This allowed us to increase our reserves to an amount sufficient to see us through the economic downturn. We have also seen a significant decrease in hospital expenses due to changes made to Medicaid rules under the Affordable Care Act. Qualified applicants can now receive up to three months retroactive coverage. Since many applicants to our program qualify for Medicaid, their emergency treatment is now being paid by the state. Our reserves for future claims stand at \$8.7 million. We expect to use these reserves over the next five years as the amount of our Federal Grant decreases.

Our current financial review shows that we have sufficient funding to cover remaining 4<sup>th</sup> quarter Priority Three payments at 100%, and we are projecting sufficient funds to continue paying all claims at 100% in the first quarter of fiscal year 2016.

## **Recommendation**

We are projecting Priority One and Two payments totaling **\$791,823.05** and projected Priority Three payments totaling **\$412,290.69**, for a total expense of **\$1,204,113.73** for the 1<sup>st</sup> quarter.

After reserving **\$803,380.93** for 45 days operating expenses, our budget shows VOCP revenues and reserves available for 1<sup>st</sup> quarter total **\$15,141,649.27**.

Based on these projections the VOCP recommends paying Priority One and Two and Three claims at **100%** of the approved amount for the 1<sup>st</sup> quarter of FY 2016.