

**SENATE COMMITTEE ON FINANCE AND  
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**JOINT SUBCOMMITTEE ON HUMAN SERVICES  
CLOSING REPORT**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF PUBLIC AND BEHAVIORAL HEALTH,  
BEHAVIORAL HEALTH BUDGETS**

The Joint Subcommittee on Human Services has completed its review of the Department of Health and Human Services, Division of Public and Behavioral Health, Behavioral Health budgets and has made the following recommendations for the division's 2015-17 biennium budget. The closing recommendations of the Subcommittee resulted in a General Fund increase of \$1.2 million in FY 2016 and a General Fund savings of \$1.8 million in FY 2017. The following comments describe the more significant recommendations of the Joint Subcommittee.

**Behavioral Health Administration (101-3168) DHHS-PUBLIC**

**HEALTH-150:** The Subcommittee recommended approval of the Governor's recommendation to transfer administrative positions throughout various Division of Public and Behavioral Health operating budgets in order to realign positions following the merger of public and mental health budgets approved by the 2013 Legislature and consistent with the closing actions for the division's public health budgets by the full committees meeting jointly on May 2, 2015. The Subcommittee also recommended approving the transfer of four federal grant programs funded by the Substance Abuse and Mental Health Services Administration, and

three staff from this budget to the Behavioral Health Prevention and Treatment budget, as recommended by the Governor. The Subcommittee recommended approval of the remainder of the Other Closing Items in this budget as recommended by the Governor, with an adjustment to reduce the number of MyAvatar behavioral health software licenses transferred to this budget.

**Behavioral Health Information Systems (101-3164) DHHS-PUBLIC**

**HEALTH-162:** The Subcommittee recommended approval of the Governor's recommendation to transfer 19 staff and associated administrative expenses from this budget to the Office of Health Administration budget and the Behavioral Health Administration budget, consistent with the closing actions for the division's public health budgets by the full committees meeting jointly on May 2, 2015, thereby eliminating this budget. The Subcommittee also recommended approval of the purchase of 100 MyAvatar behavioral health software licenses, with authority for staff to make technical adjustments based on the number of employees approved for the operation of the Stein Hospital in the Southern Nevada Adult Mental Health Services budget.

**Behavioral Health Prevention and Treatment (101-3170) DHHS-PUBLIC**

**HEALTH-171:** The Subcommittee recommended approval of the Governor's recommended revenue and expenditure authority for the federal Substance Abuse Prevention and Treatment (SAPT) Block Grant, including \$16.5 million in each year of the 2015-17 biennium. The Subcommittee also recommended directing the agency to submit quarterly reports to the Interim Finance Committee regarding the status of the SAPT Block Grant's required maintenance of effort (MOE), updated MOE

projections, as well as current funding authorized by the federal Substance Abuse and Mental Health Services Administration for the block grant and the amount of expenditures obligated.

**Rural Clinics (101-3648) DHHS-PUBLIC HEALTH-181:** The Subcommittee recommended approval of \$1.8 million in General Fund appropriations over the 2015-17 biennium to fund 15 contract positions and 2 new state positions and associated costs throughout rural clinics in order to reduce caseload staffing ratios. The Subcommittee also recommended approval of \$161,189 in General Fund appropriations over the 2015-17 biennium to relocate rural clinics in Battle Mountain, Fallon and Lovelock and expand rural clinics in Elko, Fernley and Douglas County. The relocation or expansion of the aforementioned rural clinics would co-locate behavioral and public health services at one address, preferably in or near a hospital. The Subcommittee recommended approving an adjustment to remove one-time expenditures and revise the cost of replacement furniture.

**Budget Amendment – Funding Shortfall Due to Decreased Medicaid Reimbursements in the Northern Nevada Adult Mental Health Services and Southern Nevada Adult Mental Health Services Budgets (101-3162) (101-3161) DHHS-PUBLIC HEALTH-192, 205:** The Executive Budget originally included General Fund reductions of \$40.9 million over the biennium for the Northern Nevada Adult Mental Health Services (NNAMHS) and the Southern Nevada Adult Mental Health Services (SNAMHS) budgets combined based on an increase in projected Medicaid managed care reimbursements as a result of the state’s decision to participate in the Medicaid expansion. The Executive Budget Office

submitted Budget Amendments A150793162 and A150803161 on April 17, 2015, for the NNAMHS and SNAMHS budgets, respectively. A special hearing designated specifically for discussion of the aforementioned budget amendments was heard by the Subcommittee on April 23, 2015. The primary reason for the budget amendments was a projected decrease in Medicaid managed care reimbursements of \$21.3 million over the 2015-17 biennium for both budgets combined as community providers have begun offering services. The budget amendments also proposed several suggestions to eliminate the projected funding shortfall due to the division's projected reduced caseloads. As the majority of the recommendations to eliminate the projected shortfall impact both the NNAMHS and SNAMHS budgets, the decisions were considered jointly.

The Subcommittee recommended approval of the projected decrease in Medicaid managed care reimbursements of \$21.3 million over the 2015-17 for both the NNAMHS and SNAMHS budgets combined, as amended by the Governor.

The Subcommittee recommended approval of the re-opening of the Stein Hospital as amended by the Governor, with a total of 154.02 positions. However, to reach this staffing level, the Subcommittee recommended approval of the transfer of 62.51 positions from other SNAMHS facilities, thereby reducing the number of new positions recommended for the Stein Hospital from 154.02 positions to 91.51 positions. The majority of employees would be transferred from various SNAMHS outpatient clinics located across the Las Vegas valley, however, many employees would be transferred from the Rawson-Neal Hospital, closing one 20-bed unit in Rawson-Neal Hospital and also closing

the newly renovated 21-bed facility in Building 3A. This recommendation reduces operating costs associated with the reduction of recommended personnel for the Stein Hospital, funded by General Fund appropriations, totaling \$7.8 million over the biennium. The Subcommittee also approved Fiscal staff's recommendation to reduce patient-related operating costs of \$250,712 in FY 2016 due to a delay in the anticipated opening date from October 1, 2015, to mid-November 2015.

The Subcommittee recommended approval of projected reductions in medication and transitional housing expenditures for both the NNAMHS and SNAMHS budgets totaling \$13.6 million in General Fund appropriations over the biennium due to projected caseload decreases, as amended by the Governor. The Subcommittee also approved the elimination of three decision units in the NNAMHS and SNAMHS budgets totaling \$733,902 (\$691,745 General Fund appropriations) over the biennium due to caseload decreases, as amended by the Governor.

The combined recommendations address the projected \$21.3 million reductions of Medicaid managed care reimbursements, thereby preserving all of the General Fund reductions initially recommended in these budgets, and including an additional General Fund reduction of \$496,192.

**Northern Nevada Adult Mental Health Services (NNAMHS) (101-3162)**

**DHHS-PUBLIC HEALTH-192:** In addition to the joint modifications, the Subcommittee recommended approval of the Governor's recommendation to fund one new part-time Psychiatric Caseworker and associated costs in March 2017 to meet projected caseload growth needs for service coordination in the Northern Nevada Mental Health Court program. The

Subcommittee also recommended approval of \$401,500 in General Fund appropriations over the 2015-17 biennium to increase funding for psychiatric residents from the University of Nevada School of Medicine to provide moonlighting coverage outside of regular operating hours, including on-call, after hours, weekends and holidays. The Subcommittee recommended approving an adjustment to remove duplicative division-wide PolicyTech software licenses.

**Southern Nevada Adult Mental Health Services (SNAMHS) (101-3161)**

**DHHS-PUBLIC HEALTH-205:** The Subcommittee recommended approval of the Governor's recommendation to increase General Fund appropriations by \$1.8 million over the 2015-17 biennium to meet projected transitional housing caseload growth needs for clients in the Southern Nevada Mental Health Court program. The Subcommittee recommended approval of the Governor's recommendation of General Fund appropriations totaling \$690,048 to increase funding for additional contracted psychiatric residents from the University of Nevada School of Medicine, a recommendation emphasized by the Governor's Behavioral Health and Wellness Council. The Subcommittee also recommended approval of the Governor's recommendation of General Fund appropriations totaling \$468,193 to hire a Statewide Psychiatric Medical Director to provide oversight of all psychiatric services provided by SNAMHS, NNAMHS, Rural Clinics, Lake's Crossing, and the Stein Hospital.

**Facility for the Mental Offender (101-3645) DHHS-PUBLIC**

**HEALTH-221:** The Subcommittee recommended approval of funding for the full 86 beds available at Lake's Crossing, resulting in an increase in Food Service and Medication expenditures totaling \$163,467 in each year of the biennium, funded with General Fund appropriations.

The Subcommittee deferred the discussion of the Governor's recommendation (Decision Unit E-365) to reduce General Fund appropriations by \$1.3 million in each fiscal year of the biennium and to replace the appropriations with an equal amount of county reimbursement charges to fund the cost of long-term commitments for un-restorable offenders until the Joint Full Committee hearing.

The Subcommittee recommended approval of the Governor's recommendation to fund six additional defendant transports between Las Vegas and Sparks each year, as well as eight trips per year for Lake's Crossing staff to assist in the planning and oversight of the Stein Hospital.

The Subcommittee recommended approval of all Other Closing Items within the Behavioral Health budgets that were presented to the Subcommittee, as recommended by the Governor, and authorized Fiscal staff to make technical adjustments as necessary.

DIVISION OF PUBLIC AND BEHAVIORAL HEALTH, BEHAVIORAL HEALTH  
General Fund Impacts of Subcommittee Closing

Page	Budget	Title	FY 2016	FY 2017
<b>AS CLOSED BY SUBCOMMITTEE:</b>				
DHHS-PUBLIC HEALTH-150	101-3168	Behavioral Health Administration	(5,280)	(77,280)
DHHS-PUBLIC HEALTH-162	101-3164	*Behavioral Health Information Systems	-	-
DHHS-PUBLIC HEALTH-171	101-3170	*Behavioral Health Prevention and Treatment	-	-
DHHS-PUBLIC HEALTH-181	101-3648	Rural Clinics	(1,592)	(3,500)
DHHS-PUBLIC HEALTH-192	101-3162	Northern Nevada Adult Mental Health Services	(2,229,967)	(3,345,366)
DHHS-PUBLIC HEALTH-205	101-3161	Southern Nevada Adult Mental Health Services	3,310,680	1,475,428
DHHS-PUBLIC HEALTH-221	101-3645	Facility for the Mental Offender	160,449	160,461
			1,234,290	(1,790,257)
* No General Fund impact				



Title: HHS-DPBH - BEHAVIORAL HEALTH ADMINISTRATION Budget Page: DHHS - PUBLIC HEALTH-150, Volume II  
 Account: 101 - 3168

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
<b>Revenues</b>							
BALANCE FORWARD	(3,641)	3,642	(200.03)				
FEDERAL FUND	5,185,268	7,231,716	39.47				
GENERAL FUND	1,920,554	1,970,249	2.59	2,792,181	41.72	2,762,447	(1.06)
INTERAGENCY TRANSFER	356,701	1,306,734	266.34	766,457	(41.35)	822,039	7.25
OTHER FUND	49,990						
REVERSIONS	(35,491)						
Total Revenues	7,473,381	10,512,341	40.66	3,558,638	(66.15)	3,584,486	0.73
<b>Total FTE</b>		37.00		23.00		23.00	

**Adjustments to Revenue**

Dec Unit	Cat	GL	Description	2015-16	2016-17
E907	00	2501	Adjust General Fund appropriations to include in-state travel with transfers from the Office of Health Administration budget	4,400	4,400
E930	00	2501	Decrease General Fund appropriations transferred from the Behavioral Health Information Systems budget to reflect the adjustment to MyAvatar license fees	(9,680)	(81,680)
<b>Sub-total</b>				(5,280)	(77,280)
<b>Line Item Changes to Revenues</b>				(5,280)	(77,280)

**Adjustments to Expenditures**

Dec Unit	Cat	GL	Description	2015-16	2016-17
E907	03	6000	Include in-state travel with transfers from the Office of Health Administration budget	4,400	4,400
E930	26	7000	Reduce MyAvatar transfer amount to reflect the correct amount of licenses	(9,680)	(81,680)
<b>Sub-total</b>				(5,280)	(77,280)
<b>Line Item Changes to Expenditures</b>				(5,280)	(77,280)

<b>Total</b>	0	0
<b>Grand Total General Fund Impact of Closing Changes</b>	(5,280)	(77,280)

**Overview**

Behavioral Health Administration provides leadership, oversight and administrative support for all behavioral health programs. The division administration is also directly involved in decisions regarding agency structure, staffing, and program development. The budget is funded primarily with General Fund appropriations and federal funds, but also receives cost allocation revenues and transfers from division budgets.

**Major Closing Issues**

1. Position Transfers
2. Federal Grant Transfers

**Discussion of Major Closing Issues**

1. Position Transfers (E-904, E-507, E-907, E-932, E-533, E-933, and E-934, DHHS-PUBLIC HEALTH-153-159): The Governor recommends the transfer of positions between budgets throughout the Division of Public and Behavioral Health (DPBH). In aggregate, the decision units result in a net transfer of 14 positions from this budget, along with \$14.5 million in associated operating costs and federal grant funds (E-931) over the 2015-17 biennium. Companion Decision Units E-507 and E-533 adjust funding for the transfers referenced above.

A brief summary of all transfers that would impact the Behavioral Health Administration budget are shown below. The Subcommittee previously approved the recommended transfers involving the Office of Health Administration budget (Decision Units E-904 and E-907) on April 1, 2015, and were approved by the full committees meeting jointly on May 2, 2015. While shown in the table below, Decision Unit E-931 is discussed in Major Issue 2.

Dec Unit	Position Title	No. of Positions	From / To Budget	Description of the Need for Transfer	Funding Transfers (2015-17 Biennium)
	<b>Beginning Positions</b>	<b>37.00</b>			
E-904	Accountant Technician	(1.00)	To: BA 3223 Office of Health Administration	These positions perform division-wide oversight and administrative functions to all budgets within the Division of Public and Behavioral Health, such as accounting, personnel services and administrative oversight.  <b>Decision approved by the Full Committees' meeting jointly on May 2, 2015.</b>	
E-904	Accounting Assistant	(1.00)			
E-904	Administrative Assistant	(3.00)			
E-904	Administrative Services Officer	(1.00)			
E-904	Chief Medical Officer	(1.00)			
E-904	Division Deputy Administrator	(1.00)			
E-904	Management Analyst	(4.00)			
E-904	Personnel Officer	(1.00)			
E-904	Personnel Technician	(1.00)			
	<b>FTE Sub-Total:</b>	<b>(14.00)</b>			<b>(\$2,774,172)</b>
E-907	Division Deputy Administrator	1.00	From: BA 3223 Office of Health Administration	This position provides administrative oversight of the behavioral health budgets and therefore the majority of costs for this position should only be allocated to behavioral health.  <b>Decision approved by the Full Committees' meeting jointly on May 2, 2015.</b>	
	<b>FTE Sub-Total:</b>	<b>1.00</b>			<b>\$270,771</b>
E-908	Business Process Analyst	1.00	From: BA 3164 Behavioral Health Information Systems	These positions exclusively provide information technology support for the MyAvatar behavioral health system. <b>See Other Item 2.</b>	
E-908	IT Professional	2.00			
	<b>FTE Sub-Total:</b>	<b>3.00</b>			<b>\$3,317,240</b>
E-931	Administrative Assistant	(1.00)	To: BA 3170 Behavioral Health Prevention & Treatment	<b>See Major Issue 2</b>	
E-931	Biostatistician	(1.00)			
E-931	Quality Assurance Specialist	(1.00)			
	<b>FTE Sub-Total:</b>	<b>(3.00)</b>			<b>(\$15,004,272)</b>
E-932	Clinical Program Planner	(1.00)	To: BA 3648 Rural Clinics	This position performs quality assurance, quality improvement and clinical program planning exclusively for Rural Clinics.	
	<b>FTE Sub-Total:</b>	<b>(1.00)</b>			<b>(\$197,420)</b>
E-933	Clinical Program Planner	1.00	From: BA 3648 Rural Clinics	This position performs statewide behavioral health duties not specific to Rural Clinics.	
	<b>FTE Sub-Total:</b>	<b>1.00</b>			<b>\$168,843</b>
E-934	Clinical Program Planner	(1.00)	To: BA 3170 Behavioral Health Prevention & Treatment	This position provides oversight of the Community Mental Health Services Block Grant and the Substance Abuse and Prevention Treatment block grant.	
	<b>FTE Sub-Total:</b>	<b>(1.00)</b>			<b>(\$240,208)</b>
	<b>Ending Positions</b>	<b>23.00</b>			<b>(\$14,459,218)</b>

With the approval of the merger of public health budgets with mental health budgets by the 2013 Legislature, the agency indicates that certain positions are providing central services to both the public health and the behavioral health services of the division and that there is no simple way to allocate these costs. The division believes that realigning positions between either the Office of Health Administration budget or the Behavioral Health Administration budget would improve clarity and accuracy in allocating costs to the budgets within the division. Presently, the division maintains the two administrative budgets to accurately manage cost allocation reimbursements based upon two different legacy administrative cost recovery methodologies: behavioral health budgets use a cost allocation plan, while public health budgets impose an indirect cost assessment. The agency also contends that the transfer of positions would more appropriately align staff with the programs supported by these staff. Most managerial personnel would be located in the Office of Health Administration budget to provide division-wide management as well as public health management. The Behavioral Health Administration budget would account for behavioral health program management costs.

The net effect of all position transfers recommended for this budget is a reduction of 14 positions (from 37 positions to 23 positions) and the elimination of the Behavioral Health Information Systems budget. In response to Fiscal staff questions, the DPBH and the Budget Division confirmed in-state travel costs totaling \$4,400 each year of the 2015-17 biennium should have been included in Decision Unit E-907. Technical adjustments to include an additional General Fund appropriation transfer of \$4,400 in each year of the 2015-17 biennium have been incorporated into this closing document.

Fiscal staff has reviewed the transfer proposals and has determined the recommendations consistently align with the duties and functions performed in the recommended transfer budgets.

**Does the Subcommittee wish to approve the transfer of administrative positions throughout various Division of Public and Behavioral Health operating budgets as recommended by the Governor and consistent with the closing action by the full committees meeting jointly on May 2, 2015, including the technical adjustments recommended by Fiscal staff to add in-state travel costs?**

**The Subcommittee recommended approval of the transfer of administrative positions throughout various Division of Public and Behavioral Health operating budgets as recommended by the Governor and consistent with the closing action by the full committees meeting jointly on May 2, 2015.**

2. Federal Grant Transfers (E-531, E-931, DHHS-PUBLIC HEALTH-154-157-158): The Governor recommends the transfer of \$15.0 million in federal grant funds as well as three staff and associated operating costs over the 2015-17 biennium from this budget to the Behavioral Health Prevention and Treatment budget (formerly known as the Substance Abuse and Prevention Treatment Agency, or SAPTA). Companion Decision Unit E-531 supports two Quality Assurance Specialists positions remaining in the administration budget with transfer funding from the Community Mental Health Services Block Grant (CMHS). The table that follows summarizes the federal funding sources, their purpose, and the dollar amounts associated with the recommended transfer.

<b>Federal Funding Program</b>	<b>Purpose</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>Biennium</b>
Community Mental Health Services Block Grant (CMHS)	Provides prevention, treatment, and recovery support services to people with mental health disorders	(\$4,547,235)	(\$4,547,235)	(\$9,094,470)
Cooperative Agreements to Benefit Homeless Individuals for States (CABHI)	Serves the chronically homeless with substance abuse or co-occurring substance abuse and mental disorders	(\$711,818)	(\$177,955)	(\$889,773)
Nevada Safe Schools / Healthy Students (SS/HS)	Promotes student mental health, and enhances academic achievement	(\$2,035,016)	(\$2,035,013)	(\$4,070,029)
Projects for Assistance in Transition from Homelessness (PATH)	Provides services to people with serious mental illness, including those with co-occurring substance abuse disorders, and experiencing homelessness	(\$475,000)	(\$475,000)	(\$950,000)
<b>Total Transfer Amounts</b>		<b>(\$7,769,069)</b>	<b>(\$7,235,203)</b>	<b>(\$15,004,272)</b>

The federal Substance Abuse and Mental Health Services Administration (SAMHSA) administers all of the grants referenced above, in addition to the Substance Abuse Prevention and Treatment Block Grant (SAPT) that is already budgeted within the Behavioral Prevention and Treatment budget (formerly known as SAPTA). Aligned with goals set forth by the Affordable Care Act, the division has been working with SAMHSA to integrate all of the division's substance abuse and mental health block grants and services.

The agency indicates this approach would have several benefits; however, the most immediate benefits as it relates to these two budgets are (1) creating capacity for substance abuse and mental health providers to work together and create a more holistic system of care for clients as many individuals have co-occurring substance abuse and mental disorders and (2) this transfer would allow the Behavioral Health Administration budget to function as a true administrative budget by removing grant program oversight.

This recommendation would also transfer three staff positions funded by the CMHS Block Grant, including one Biostatistician, one Quality Assurance Specialist, and one Administrative Assistant as these positions have traditionally provided oversight of the CMHS Block Grant and other federal grant activities within the Behavioral Prevention and Treatment budget.

**Does the Subcommittee wish to approve the Governor's recommendation to transfer four federal grant programs and three staff from the Behavioral Health Administration budget to the Behavioral Health Prevention and Treatment budget?**

**The Subcommittee recommended approval of the transfer of four federal grant programs and three staff from the Behavioral Health Administration budget to the Behavioral Health Prevention and Treatment budget.**

**Other Closing Items**

1. Federal Grant Expiration (E-490, DHHS-PUBLIC HEALTH-152): The Governor recommends a reduction in federal funding for the Cooperative Agreements to Benefit Homeless Individuals for States (CABHI) grant program in the amount of \$533,863 in FY 2017 as a result of the anticipated expiration of this grant program. The CABHI Grant is a fixed three-year term grant and programs are expected to be self-sufficient at the end of the grant period. The unexpired amount of federal funding for this grant in FY 2017 (\$177,955) would be transferred if Decision Unit E-931 is approved (Major Issue 2). **This recommendation appears reasonable.**

2. Transfers from the Behavioral Health Information Systems Budget: As part of the Governor's recommended elimination of the Behavioral Health Information Systems budget, several transfers are proposed for the Behavioral Health Administration budget. **If the transfer is approved in closing the Behavioral Health Information Systems budget, then the decision units below should also be approved.**

- a) Transfer Positions: (E-508, E-908, DHHS-PUBLIC HEALTH-153-156): The Governor recommends transferring \$3.3 million over the 2015-17 biennium from the Behavioral Health Information Systems budget to this budget, including three staff, associated operating costs, and the majority of information services contracts. Companion Decision Unit E-508 aligns the funding for this transfer.
- b) Transfer MyAvatar Costs (E-530, E-930, DHHS-PUBLIC HEALTH-153-154-157): The Governor recommends transferring costs of \$193,600 over the 2015-17 biennium for 200 MyAvatar software licenses from the Behavioral Health Information Systems budget as a result of the recommended elimination of that budget. Companion Decision Unit E-530 aligns the funding for this transfer.

During the division's budget hearing on March 11, 2015, the agency testified this decision unit was overstated and should be adjusted to reflect a total of 100 MyAvatar licenses over the biennium, all of which would be purchased in FY 2016; accordingly, this closing document reflects technical adjustments to reduce the transfer of the number of licenses purchased by \$80,000 in FY 2017. The majority of the new licenses are related to the opening of the Stein Hospital in the Southern Nevada Adult Mental Health Services (SNAMHS) budget, as new employees would need access to MyAvatar. Fiscal staff notes that if the Subcommittee approves the opening of the Stein Hospital with less than the original recommendation of 154.02 new positions, then the number of licenses in this decision unit should also be reduced. The Subcommittee recommended approval of the opening of the Stein Hospital with 91.51 new positions; accordingly, this closing document reflects an additional technical adjustment to decrease the number of licenses from 100 to 90, reflecting an additional General Fund savings of \$11,360.

- c) Transfer Computer Equipment Costs (E-940, DHHS-PUBLIC HEALTH-159): The Governor recommends transferring costs to this budget of \$2,649 over the 2015-17 biennium for the purchase of one desktop computer, one surge protector, and one flat-panel monitor along with other small equipment from the Behavioral Health Information Systems budget as a result of the recommended elimination of that budget.

**Fiscal staff recommends that Other Closing Items be closed as recommended by the Governor, with the technical adjustments noted by staff, and requests authority to make other technical adjustments, as necessary.**

**The Subcommittee recommended approval of the Other Closing Items in this budget as recommended by the Governor, with technical adjustments, and authority for Fiscal staff to make other technical adjustments, as needed.**

Title: HHS-DPBH - BEHAVIORAL HEALTH INFORMATION SYSTEMS

Budget Page: DHHS - PUBLIC HEALTH-162,  
 Volume II

Account: 101 - 3164

Revenues	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
BALANCE FORWARD	31,500	94,500	200.00				
FEDERAL FUND	66,297						
GENERAL FUND	2,358,122	2,382,743	1.04				
INTERAGENCY TRANSFER	205,278	299,727	46.01				
REVERSIONS	(200,335)						
Total Revenues	2,460,862	2,776,970	12.85				
<b>Total FTE</b>		19.00					

**Adjustments to Revenue**

Dec Unit	Cat	GL	Description	2015-16	2016-17
E227	00	2501	Decrease General Fund appropriations to reflect the adjustment to MyAvatar license fees	(9,680)	(81,680)
E930	00	2501	Decrease General Fund appropriations transferred to the Behavioral Health Administration budget to reflect the adjustment to MyAvatar license fees	9,680	81,680
<b>Sub-total</b>				0	0
<b>Line Item Changes to Revenues</b>				0	0

**Adjustments to Expenditures**

Dec Unit	Cat	GL	Description	2015-16	2016-17
E227	26	7000	Reduce MyAvatar fees to reflect the correct amount of licenses	(9,680)	(81,680)
E930	26	7000	Reduce MyAvatar transfer amount to reflect the correct amount of licenses	9,680	81,680
<b>Sub-total</b>				0	0
<b>Line Item Changes to Expenditures</b>				0	0

**Total** 0 0

**Grand Total General Fund Impact of Closing Changes** 0 0

**Overview**

The Mental Health Information Systems budget provides a single, statewide information technology (IT) structure for the automation of the division's customer information and billing services, and the standardization of information for planning, decision making and quality assurance purposes. The budget is funded primarily with General Fund appropriations, but also receives federal funding and cost allocation revenues from the Behavioral Health budgets.

**Major Closing Issues**

1. Transfer of Staff and Elimination of Budget
2. Additional MyAvatar Licenses

**Discussion of Major Closing Issues**

1. Transfer of Staff and Elimination of Budget (E-902, E-908, E-939, and E-940, DHHS-PUBLIC HEALTH-165-167): The Governor recommends transferring all staff and associated administrative expenses within the Information Systems budget to either the Office of Health Administration budget, which supports division-wide public health functions, or the Behavioral Health Administration budget, which exclusively supports behavioral health activities. The table below illustrates the recommended transfer decision units over the 2015-17 biennium to support the transfer of staff and elimination of this budget.

The Subcommittee previously approved the recommended transfers to the Office of Health Administration budget (E-902 and E-939) on April 1, 2015, and were approved by the full committees meeting jointly on May 2, 2015.

Expenditures	Transfers to			Transfers to				Total Transfer Amount
	Office of Health Administration			Behavioral Health Administration				
	E-902	E-939	Total	E-908	E-930	E-940	Total	
Personnel	(\$2,524,613)	\$0	(\$2,524,613)	(\$568,537)	\$0	\$0	(\$568,537)	(\$3,093,150)
In-State Travel	(\$2,930)	\$0	(\$2,930)	(\$548)	\$0	\$0	(\$548)	(\$3,478)
Operating Expenses	(\$89,398)	(\$70)	(\$89,468)	(\$27,987)	\$0	(\$14)	(\$28,001)	(\$117,469)
Data Infrastructure	(\$267,682)	(\$2,480)	(\$270,162)	\$0	\$0	\$0	\$0	(\$270,162)
Information Services	(\$115,408)	(\$11,802)	(\$127,210)	(\$2,719,173)	(\$102,240)*	(\$2,635)	(\$2,824,048)	(\$2,951,258)
Purchasing Assessment	(\$5,219)	\$0	(\$5,219)	(\$995)	\$0	\$0	(\$995)	(\$6,214)
SWCAP	(\$4,564)	\$0	(\$4,564)	\$0	\$0	\$0	\$0	(\$4,564)
<b>Total</b>	<b>(\$3,009,814)</b>	<b>(\$14,352)</b>	<b>(\$3,024,166)</b>	<b>(\$3,317,240)</b>	<b>(\$102,240)*</b>	<b>(\$2,649)</b>	<b>(\$3,422,129)</b>	<b>(\$6,446,295)</b>

\*Includes a \$91,360 technical adjustment recommended by staff.

**If the position transfers are approved in closing the Behavioral Health Administration budget, then the following decision units should also be approved in this budget:**

- a) Decision Unit E-902 would move 16 positions and their associated operating costs to the Office of Health Administration budget, resulting in a transfer of \$3.0 million over the biennium, most of which is funded by General Fund appropriations.
- b) Decision Unit E-908 would transfer 3 positions to the Behavioral Health Administration budget, for a total transfer of \$3.3 million over the biennium, also primarily funded with General Fund appropriations.
- c) Decision Unit E-930 would transfer the additional MyAvatar software licenses recommended in Decision Unit E-227 to the Behavioral Health Administration budget. Further discussion of this decision unit is included in Major Issue 2.
- d) Decision Unit E-939 would transfer a portion of the computer replacement equipment recommended in Decision Unit E-710. Further discussion of this decision unit is included in Other Closing Items.
- e) Decision Unit E-940 would transfer a portion of the computer replacement equipment recommended in Decision Unit E-710. Further discussion of this decision unit is included in Other Closing Items.

The cumulative effect of the decision units above would eliminate this budget.

**Does the Subcommittee wish to approve the transfer of 19 staff and associated administrative expenses from this budget to the Office of Health Administration budget and the Behavioral Health Administration budget, consistent with the full committees' actions on May 2, 2015, thereby eliminating the Information Systems budget?**

**The Subcommittee recommended approval of the transfer of 19 staff and associated administrative expenses from this budget to the Office of Health Administration budget and the Behavioral Health Administration budget, consistent with the full committees' actions on May 2, 2015, thereby eliminating this budget.**

2. Additional MyAvatar Licenses (E-227 and E-930, DHHS-PUBLIC HEALTH-164 & 166): A total of \$193,600 (\$190,248 General Fund) is recommended over the 2015-17 biennium to add 200 new MyAvatar software licenses to the Division of Public and Behavioral Health, 100 in each fiscal year. During the division's budget hearing on March 11, 2015, the agency testified this decision unit was overstated and should be adjusted to reflect a total of 100 MyAvatar licenses over the biennium, all of which would be purchased in FY 2016; accordingly, this closing document reflects technical adjustments to reduce the number of licenses purchased by \$80,000 in FY 2017. Decision Unit E-930 would transfer the MyAvatar licenses to the Behavioral Health Administration budget if the elimination of this budget is approved.

Netsmart's MyAvatar Suite is a fully-integrated software package that manages all aspects of behavioral health care, including patient records, treatment plans, progress notes, billing, scheduling, financial reporting, pharmacy management, e-prescribing, document management, and workflow automation. The application is used by DPBH psychiatrists, mental health clinicians and nurses, and substance abuse providers. MyAvatar provides a billing format that matches the Health Insurance Portability and Accountability Act (HIPAA) requirements and is acceptable to Medicaid, Medicare, and many commercial insurers.

The majority of the 154.02 new positions related to the opening of the Stein Hospital in the Southern Nevada Adult Mental Health Services (SNAMHS) budget would need access to MyAvatar. The agency indicates that it closely monitors license needs and transfers open licenses to appropriate personnel to maximize license use. Fiscal staff notes that if the Subcommittee approves the opening of the Stein Hospital with less than 154.02 new positions, then the number of licenses in this decision unit should also be reduced. The Subcommittee recommended approval of the opening of the Stein Hospital with 91.51 new positions; accordingly, this closing document reflects an additional technical adjustment to decrease the number of licenses from 100 to 90, reflecting a General Fund savings of \$11,360.

**Does the Subcommittee wish to approve the purchase of 100 MyAvatar behavioral health software licenses, with authority for staff to make technical adjustments based on the number of employees approved for the operation of the Stein Hospital in the Southern Nevada Adult Mental Health Services budget?**

**The Subcommittee recommended approval of the purchase of 100 MyAvatar behavioral health software licenses, with authority for staff to make technical adjustments based on the number of employees approved for the operation of the Stein Hospital in the Southern Nevada Adult Mental Health Services budget.**



**Other Closing Item**

Computer Equipment Replacement (E-710, DHHS-PUBLIC HEALTH-164-165): The Governor recommends a total of \$7,043 in FY 2016 (\$6,921 General Fund) to purchase five desktop computers, five surge protectors, and three flat-panel monitors. **This recommendation appears reasonable.**

**Fiscal staff recommends that the Other Closing Item be closed as recommended by the Governor and requests authority to make technical adjustments, as necessary.**

**The Subcommittee recommended approval of the Other Closing Items in this budget as recommended by the Governor, with technical adjustments, and authority for Fiscal staff to make other technical adjustments, as needed.**

**Title:** HHS-DPBH - BEHAVIORAL HEALTH PREV & TREATMENT  
**Account:** 101 - 3170

**Budget Page:** DHHS - PUBLIC HEALTH-171, Volume II

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
<b>Revenues</b>							
BALANCE FORWARD	540,738	111,816	(79.32)	55,061	(50.76)	55,061	
FEDERAL FUND	12,111,716	14,489,789	19.63	26,438,762	82.46	25,904,896	(2.02)
GENERAL FUND	6,548,626	6,247,823	(4.59)	6,517,167	4.31	6,519,747	0.04
INTERAGENCY TRANSFER	350,000	300,000	(14.29)	350,000	16.67	350,000	
OTHER FUND	854,252	254,720	(70.18)	176,336	(30.77)	176,336	
REVERSIONS	(162,584)						
Total Revenues	20,242,748	21,404,148	5.74	33,537,326	56.69	33,006,040	(1.58)
<b>Total FTE</b>		25.00		26.00		26.00	

**Adjustments to Revenue**

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
<b>Sub-total</b>				0	0
<b>Line Item Changes to Revenues</b>				0	0

**Adjustments to Expenditures**

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
<b>Sub-total</b>				0	0
<b>Line Item Changes to Expenditures</b>				0	0

<b>Total</b>				0	0
<b>Grand Total General Fund Impact of Closing Changes</b>				0	0

**Overview**

The Behavioral Health Prevention and Treatment budget (formerly known as the Substance Abuse Prevention and Treatment Agency or SAPTA) is the designated single state agency for the purposes of applying for and expending the federal Substance Abuse Prevention and Treatment (SAPT) block grant. The agency does not provide direct substance abuse prevention or treatment services; instead, it plans and coordinates statewide substance abuse service delivery and provides technical assistance to programs and other state agencies. The agency also sub-grants and monitors funding for government and local nonprofit organizations that provide direct services. The program receives community input and recommendations through the Substance Abuse Advisory Board. The budget is funded primarily with the SAPT block grant and General Fund appropriations.

**Major Closing Issue**

SAPT Block Grant FY 2015 and FY 2016 Maintenance of Effort

**Discussion of Major Closing Issue**

1. SAPT Block Grant FY 2015 and FY 2016 Maintenance of Effort: The agency indicated in its budget hearing that it may not meet its FY 2015 SAPT Block Grant Maintenance of Effort (MOE) requirement due to decreased General Fund appropriations for this budget. The 2013 Legislature approved a 31.3 percent reduction of General Fund appropriations in this budget over the 2013-15 biennium on the premise that SAPTA providers would bill Medicaid directly for reimbursements of services provided to newly eligible Medicaid clients as a result of the Medicaid expansion. The table below demonstrates changes in the legislatively approved and the Governor recommended General Fund appropriation funding levels for this budget:

	Leg Approved			Governor Recommends	
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General Fund appropriations	\$9,532,651	\$6,548,626	\$6,247,823	\$6,517,167	\$6,519,747
Percent Change from Prior Year		-31.30%	-4.59%	4.31%	0.04%

The federal SAPT block grant issued by the federal Substance Abuse and Mental Health Services Administration (SAMHSA) requires a maintenance of effort (MOE) specifying that state-funded expenditures for authorized activities remain at a level that is equal to or greater than the average of those expenditures for the two-year period preceding each federal grant year.

If SAMSHA makes a determination that a state failed to comply with the MOE requirement, a state may be penalized in an amount equal to the amount of the MOE deficiency (shortfall) for the applicable fiscal year. Any amount of Federal SAPT Block Grant funds withheld from a state or jurisdiction for non-compliance with the MOE requirement are re-distributed to other states. Waivers do exist and a state may apply for a waiver if it can prove extraordinary economic conditions; however, based on information provided by the agency with regard to waiver criteria, staff's conclusion is that Nevada likely would not meet the requirements for a waiver.

The agency uses expenditures funded by General Fund appropriations in this budget, as well as liquor tax revenues (BA 3255 Alcohol Tax Program), tobacco settlement funds, marijuana registry funds, and certain expenditures funded by General Fund appropriations in the SNAMHS and NNAMHS budgets to meet the MOE. The agency indicates it is exploring every avenue to meet MOE federal requirements; however, projections provided by the agency show the agency being \$1.5 million (14.5 percent) short of meeting this requirement for FY 2015. The agency's projections appear reasonable to staff.

The table below reflects the level of state expenditures from all sources anticipated to be directed toward meeting the MOE decrease in FY 2016 and FY 2017. Accordingly, the MOE requirement will also decrease over the 2015-17 biennium, resulting in anticipated MOE compliance by FY 2017.

## SAPT Block Grant Maintenance of Effort Projection 2015-17 Biennium

	Total State Expenditures	Maintenance of Effort	MOE Over / (Short)	Percent Over / (Short)
2002	\$4,360,089	\$4,115,996	\$244,093	5.9%
2003	\$4,545,764	\$4,311,072	\$234,693	5.4%
2004	\$4,410,096	\$4,452,927	(\$42,831)	-1.0%
2005	\$4,505,380	\$4,477,930	\$27,450	0.6%
2006	\$4,465,278	\$4,457,738	\$7,540	0.2%
2007	\$4,737,176	\$4,485,329	\$251,847	5.6%
2008	\$9,832,787	\$4,601,227	\$5,231,560	113.7%
2009	\$11,336,775	\$7,284,982	\$4,051,794	55.6%
2010	\$10,351,047	\$10,584,781	(\$233,734)	-2.2%
2011	\$10,872,162	\$10,843,911	\$28,251	0.3%
2012	\$10,466,309	\$10,611,605	(\$145,296)	-1.4%
2013	\$10,970,133	\$10,669,235	\$300,898	2.8%
2014	\$9,939,004	\$10,718,221	(\$779,217)	-7.3%
2015	\$8,884,138	\$10,454,568	(\$1,570,430)	-15.0%
2016	\$9,187,031	\$9,411,571	(\$224,540)	-2.4%
2017	\$9,283,198	\$9,035,584	\$247,613	2.7%

Further compounding this issue, the Subcommittee will recall a presentation by the Executive Budget Office before the Interim Finance Committee (IFC) on January 22, 2015, which projected a FY 2015 State General Fund shortfall. As part of the recommended solution, Senate Bill (S.B.) 506 recommends a sweep of \$45,000 from this budget to the General Fund. S.B. 506 was last heard by the Senate Committee on Finance on April 22, 2015, with no action taken.

The agency notes it is in the process of accessing technical assistance from SAMHSA on MOE related issues beginning in April 2015 and concluding in July 2015. The agency is also working with the Division of Health Care Financing and Policy (DHCFP) to capture data on how much General Fund may be available for MOE in FY 2016 and FY 2017. The agency is also seeking authority from SAMSHA to use General Fund contributions from other agencies within the Department of Health and Human Services (DHHS) as a potential match for the MOE. Until more information becomes available, estimates as to the impact of funding on the SAPT block grant over the 2015-17 biennium are variable.

The agency indicates it is not seeking a budget revision at this time and is optimistic that the combined efforts of the technical assistance provided by SAMHSA and the DHCFP will assist in resolving the FY 2015 MOE shortfall. The agency contends that prematurely reducing SAPT block grant revenue and spending authority may further exacerbate the difficulties SAPT community providers are experiencing as they continue their transition to billing Medicaid. By way of background, the agency did not meet MOE requirements in FY 2004, FY 2010, FY 2012, and FY 2014. The agency qualified for a waiver in FY 2010 and FY 2012, however, federal block grant funding was not reduced by federal agencies during any of these years.

**The Subcommittee may wish to consider the following options:**

- A. Approve the Governor’s recommended revenue and spending authority for the federal SAPT block grant, including \$16.5 million in each year of the 2015-17 biennium. Staff suggests if this option is chosen, the Subcommittee direct the agency to submit quarterly reports to the Interim Finance Committee regarding the status of the MOE, updated MOE projections, as well as current funding authorized by SAMHSA for the SAPT block grant and the amount of expenditures obligated.**

- B. Reduce federal SAPT block grant revenue and spending authority by \$1.5 million in FY 2016 and \$224,540 in FY 2017 in anticipation of MOE non-compliance and a subsequent reduction in funding by SAMHSA.

The Subcommittee recommended approval of the Governor's recommended revenue and spending authority for the federal Substance Abuse and Prevention Treatment block grant, including \$16.5 million in each year of the 2015-17 biennium. The Subcommittee also directed the agency to submit quarterly reports to the Interim Finance Committee regarding the status of the block grant's required maintenance of effort (MOE), updated MOE projections, as well as current funding authorized by the Substance Abuse and Mental Health Services Administration for the block grant and the amount of expenditures obligated.

#### **Other Closing Items**

1. Computer Equipment Replacement (E-710, DHHS-PUBLIC HEALTH-175-176): The Governor recommends a total of \$40,205 over the 2015-17 biennium (\$19,561 General Fund appropriations and a \$20,644 reallocation within the SAPT block grant expenditure category) to purchase 5 flat panel monitors, 9 surge protectors, and 22 desktop computers along with associated software. **This recommendation appears reasonable.**
2. Federal Grant Transfers (E-531, E-931, DHHS-PUBLIC HEALTH-175-178): The Governor recommends the transfer of \$15.0 million in federal grant funds as well as three staff and associated operating costs over the 2015-17 biennium from the Behavioral Health Administration budget to the Behavioral Health Prevention and Treatment budget (formerly known as the Substance Abuse and Prevention Agency, or SAPTA). **If the transfer is approved in closing the Behavioral Health Administration budget, then these decision units should also be approved.**
3. Position Transfers (E-903, E-934, DHHS-PUBLIC HEALTH-177-178-179): The Governor recommends the transfer of several positions between budgets throughout the Division of Public and Behavioral Health (DPBH), resulting in a net transfer of one position added to this budget over the 2015-17 biennium. A summary of the transfers that would impact the Behavioral Health Prevention and Treatment budget (formerly known as SAPTA) are shown below.

The Subcommittee previously approved the recommended transfers involving the Office of Health Administration (Decision Unit E-903) on April 1, 2015. **If the transfers are approved in closing the Behavioral Health Administration budget, then these decision units should also be approved.**

Dec Unit	Position Title	No. of Positions	From / To Budget	Description of the Need for Transfer
E-903	Accounting Assistant	(1.00)	To: BA 3223 Office of Health Administration	These positions perform division-wide oversight and administrative functions to all budgets within DPBH.
E-903	Management Analyst	(2.00)		
<b>FTE Sub-Total:</b>		<b>(3.00)</b>		
E-931	Administrative Assistant	<b>1.00</b>	From: BA 3168 Behavioral Health Administration	These positions provides oversight of the Community Mental Health Services block grant and the Substance Abuse and Prevention Treatment block grant.
E-931	Biostatistician	<b>1.00</b>		
E-931	Quality Assurance Specialist	<b>1.00</b>		
<b>FTE Sub-Total:</b>		<b>3.00</b>		
E-934	Clinical Program Planner	1.00	From: BA 3168 Behavioral Health Administration	This position provides oversight of the Community Mental Health Services block grant and the Substance Abuse and Prevention Treatment block grant.
<b>FTE Sub-Total:</b>		<b>1.00</b>		
<b>Net Increase (Decrease)</b>		<b>1.00</b>		

4. Cost Allocations (M-800, M-801, M-802, E-800, E-801, and E-802, DHHS-PUBLIC HEALTH-173-174-176-177): The Executive Budget recommends a reduction to various federally supported grant programs totaling \$10,658 over the 2015-17 biennium to support the division's cost allocation plan. Fiscal staff notes that since the cost allocation decision units are supported through a reduction to operating categories, The Executive Budget reflects \$0 in revenue and expenditures. **This recommendation appears reasonable.**

**Fiscal staff recommends that Other Closing Items be closed as recommended by the Governor and requests authority to make technical adjustments, as necessary.**

**The Subcommittee recommended approval of the Other Closing Items in this budget as recommended by the Governor, with authority for Fiscal staff to make technical adjustments, as needed.**

Title: HHS-DPBH - RURAL CLINICS  
 Account: 101 - 3648

Budget Page: DHHS - PUBLIC HEALTH-181, Volume II

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
<b>Revenues</b>							
FEDERAL FUND	447,006	428,653	(4.11)	547,718	27.78	547,718	
GENERAL FUND	9,231,720	7,470,439	(19.08)	8,643,886	15.71	8,947,360	3.51
INTERAGENCY TRANSFER	2,355,718	3,824,357	62.34	4,714,797	23.28	4,672,912	(0.89)
OTHER FUND	269,805	229,845	(14.81)	291,538	26.84	291,538	
REVERSIONS	(680,654)						
Total Revenues	11,623,595	11,953,294	2.84	14,197,939	18.78	14,459,528	1.84
<b>Total FTE</b>		113.03		120.03		120.03	

**Adjustments to Revenue**

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	00	2501	Reduce General Fund appropriations to reflect the removal of one-time expenditures	(320)	(320)
E227	00	2501	Reduce General Fund appropriations to match revised quotation for new conference room chairs	(1,272)	
E710	00	2501	Reduce General Fund appropriations to match revised quotation for replacement chairs		(3,180)
<b>Sub-total</b>				(1,592)	(3,500)
<b>Line Item Changes to Revenues</b>				(1,592)	(3,500)

**Adjustments to Expenditures**

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	04	7000	Remove one-time expenditure	(218)	(218)
B000	18	7000	Remove one-time expenditure	(14)	(14)
B000	26	7000	Remove one-time expenditure	(88)	(88)
E227	05	8000	Revise costs for new conference room chairs to match quotation	(1,272)	
E710	05	8000	Revise costs for replacement waiting room and conference room chairs to match quotation		(3,180)
<b>Sub-total</b>				(1,592)	(3,500)
<b>Line Item Changes to Expenditures</b>				(1,592)	(3,500)

<b>Total</b>	0	0
<b>Grand Total General Fund Impact of Closing Changes</b>	(1,592)	(3,500)

**Overview**

The Rural Clinics program provides community-based mental health services to persons of all age groups with serious and persistent mental illnesses as well as mild to moderate mental health problems. The Rural Clinics serves clients in 14 rural areas, including: Battle Mountain, Carson City, Dayton, Gardnerville, Elko, Ely, Fallon, Fernley, Hawthorne, Lovelock, Silver Springs, Tonopah, Winnemucca, and Yerington.

**Major Closing Issues**

1. Staff Increase to Reduce Caseload Ratios
2. Clinic Relocations and Space Expansions

**Discussion of Major Closing Issues**

1. Staff Increase to Reduce Caseload Ratios (E-228, DHHS-PUBLIC HEALTH-185): The Governor recommends General Fund appropriations of \$1.8 million over the 2015-17 biennium to fund 15 contract positions and 2 new state positions and associated costs throughout rural clinics in order to reduce caseload staffing ratios. Contract positions include 10 Case Managers, and 5 Mental Health Counselors, in addition to 2 state Clinical Social Worker positions. The table below illustrates where the recommended positions would primarily be located, however, the agency indicates that many rural staff serve multiple offices in order to meet demand.

<b>New Positions</b>			
<b>Rural County</b>	<b>Contract Case Managers</b>	<b>Contract Mental Health Counselors</b>	<b>State Clinical Social Worker</b>
Carson City	0.5	-	1.0
Churchill/Pershing	2.0	1.0	-
Douglas	2.0	0.5	-
Elko	2.0	2.0	-
Lyon	2.0	-	-
Lander/Humboldt/Eureka	1.0	1.0	-
White Pine	0.5	0.5	-
Statewide	-	-	1.0
<b>Total Positions</b>	<b>10.0</b>	<b>5.0</b>	<b>2.0</b>

The Governor recommends a policy change to the way Rural Clinics manages caseload ratios to serve its clients. Currently, the division uses un-weighted ratios for clients receiving specific services, as an example; 75 clients for every Mental Health Counselor or 35 clients for every Clinical Social Worker.

This decision unit applies weighted ratios based upon client acuity for outpatient counseling, as well as smaller caseloads for youth service coordination, psychiatrists and nurses. The agency indicates that individuals with more serious mental illness require more time and may be equally weighted to two or more individuals with less severe and less intense need.

Rural Clinics is currently providing treatment to 1,555 individuals in the outpatient program, with an additional 126 on the waitlist for services. The agency indicates the vast majority of patients are high-acuity clients with serious mental health needs. The agency further notes that high-acuity clients are intended to receive six to nine hours of counseling and case management services per week, however, the level of available staffing is sufficient to only provide one or two hours of services per week.

When weighted caseloads are applied to the outpatient counseling program, the current caseload of 1,555 equates to 2,541 individuals, which would represent a weighted caseload ratio of 1:77 and a 63 percent increase in the number of weighted individuals. Additional Mental Health Counselors would decrease caseloads from a weighted ratio of 1:77 to a weighted ratio of 1:67, nearing the agency's target weighted caseload value of 1:65.

**Rural Clinics Outpatient Counseling Caseloads**

	<b>Actual No. of Clients</b>	<b>Weighted No. of Clients</b>	<b>Caseload Ratio</b>
Current Caseload with Current Weights Applied (no new staff)	1,555	n/a	1:62
Current Caseload with Additional Staff	1,555	n/a	1:51
Current Caseload with Proposed Weights Applied (no new staff)	1,555	2,541	1:77
Weighted Caseloads with Additional Staff	1,555	2,541	1:67



The recommended ten contract case managers would provide prevention and early intervention services, as well as the assumption of several case management responsibilities currently being performed by other more highly qualified professionals within the agency, such as Psychiatric Caseworkers or Mental Health Counselors. The addition of ten contract case managers would allow other more skilled professionals the opportunity to spend more time providing rehabilitative mental health services directly with clients. The case manager positions are not included in the caseload ratios discussed previously, rather, these positions would provide necessary case management support.

The two state Clinical Social Workers would provide clinical supervision and oversight of the new contract staff. Fiscal staff notes the recommendation for additional staff is primarily intended to better serve existing clients, and may not have an impact for those clients waiting for services. The agency indicates the recommended additional staff would constitute a significant reduction in the number of clients a therapist is expected to carry at any one time and result in dramatic improvements in the agency's ability to meet the clinical needs of its clients.

**Does the Subcommittee wish to approve General Fund appropriations of \$1.8 million over the 2015-17 biennium to fund 15 contract positions and 2 new state positions and associated costs throughout rural clinics in order to reduce caseload staffing ratios?**

**The Subcommittee recommended approval of \$1.8 million in General Fund appropriations over the 2015-17 biennium to fund 15 contract positions and 2 new state positions and associated costs throughout rural clinics in order to reduce caseload staffing ratios.**

2. Clinic Relocations and Space Expansions (E-227, DHHS-PUBLIC HEALTH-185): The Governor recommends \$162,461 in General Fund appropriations over the 2015-17 biennium to relocate rural clinics in Battle Mountain, Fallon and Lovelock. In addition, this decision unit would fund expansion of the Elko, Fernley and Douglas County clinics. Fiscal staff notes The Executive Budget indicates the Elko clinic would relocate, however, the agency indicates the organization with which it was sharing space moved out, and as such, it would like to remain at the current location and occupy the remainder of the space.

The majority of the expenditures (\$130,331) are budgeted for additional rental expenditures and would represent an ongoing cost to the Rural Clinics budget. One-time furniture, telephone and data wiring, and moving expenses of \$32,130 would be expended in FY 2016. Fiscal staff has identified technical adjustments in this decision unit relating to the cost of new conference room chairs for a General Fund savings of \$1,272, and the agency has concurred. With the adjustment noted by staff, General Fund appropriations would be reduced to a total of \$161,189 in this decision unit.

The division states the primary impetus for the relocations and expansions is to co-locate behavioral health and public health services at one address, preferably in or near a hospital. During the agency's budget hearing, the Subcommittee asked why the behavioral health budgets were bearing the entire cost of the rent increase with no costs allocated to public health budgets. The agency responded that rural counties often contribute both financially and in-kind in terms of providing space or staff, however, the contribution varies community by community and the process of fully integrating public and behavioral health, as well as the costs associated with the integration, is in the early stages. The agency further indicated it would work with local counties to maximize resource sharing.

**Does the Subcommittee wish to approve General Fund appropriations of \$161,189 to support the relocation of rural clinics in Battle Mountain, Fallon and Lovelock and the expansion of rural clinics in Elko, Fernley and Douglas County?**

**The Subcommittee recommended approval of \$161,189 in General Fund appropriations over the 2015-17 biennium to relocate or expand rural clinics in Battle Mountain, Fallon, Lovelock, Elko, Fernley and Douglas County.**

**Other Closing Items**

1. Internet T-1 Line Upgrade (E-226, DHHS-PUBLIC HEALTH-184): The Governor recommends \$124,058 in General Fund appropriations in each fiscal year in order to pay the upgrade costs of a T-1 line for Internet service for all existing rural clinics. The current T-1 circuit connects through an EITS distribution router that is experiencing high congestion on the EITS network. The new product requested in this decision unit would provide more cross-state bandwidth from rural locations and was the recommended solution by EITS. **This recommendation appears reasonable.**
2. Furniture Replacement (E-710, DHHS-PUBLIC HEALTH-186): The Governor recommends \$136,106 in General Fund appropriations in FY 2017 to replace 53 secretarial desks, 6 office desks for staff, 36 waiting room chairs, 3 conference room tables and 24 conference room chairs. Fiscal staff has identified technical adjustments in this decision unit relating to the cost of replacement chairs for a General Fund savings of \$3,180, and the agency has concurred. **With the technical adjustments, this recommendation appears reasonable.**
3. Communication Equipment Replacement (E-719, DHHS-PUBLIC HEALTH-186-187): The Governor recommends \$21,335 in General Fund appropriations in FY 2016 to replace microwave equipment that has reached the end of its useful life and will no longer be supported by EITS. This equipment allows the agency uninterrupted wireless communications over the last mile to the state's SilverNet and is critical to agency communications, e-mail, and Internet connectivity. **This recommendation appears reasonable.**
4. Position Transfers (E-905, E-932, E-933, DHHS-PUBLIC HEALTH-188-189-190): The Governor recommends the transfer of several positions between budgets throughout the Division of Public and Behavioral Health (DPBH) associated with administrative functions, resulting in a net transfer of five employees and \$782,640 removed from this budget over the 2015-17 biennium. A summary of the transfers that would impact the Rural Clinics budget are shown below.

The Subcommittee previously approved the recommended transfers involving the Office of Health Administration (Decision Unit E-905) on April 1, 2015.

Dec Unit	Position Title	No. of Positions	From / To Budget	Description of the Need for Transfer	Total Costs
E-905	Accounting Assistant	(2.00)	To: BA 3223 Office of Health Administration	These positions perform division-wide oversight and administrative functions to all budgets within DPBH.	
E-905	Administrative Services Officer	(1.00)			
E-905	Management Analyst	(1.00)			
E-905	Personnel Analyst	(1.00)			
	<b>FTE Sub-Total:</b>	<b>(5.00)</b>			\$ (811,217)
E-932	Clinical Program Planner	1.00	From: BA 3168 Behavioral Health Administration	This position performs functions specific to Rural Clinics and is working to toward fully integrated care and assisting with performance measurement and program design.	
	<b>FTE Sub-Total:</b>	<b>1.00</b>			\$ 197,420
E-933	Clinical Program Planner	(1.00)	To: BA 3168 Behavioral Health Administration	This position began performing statewide duties not specific to Rural Clinics after the merger, it now has a statewide focus that benefits behavioral health programs.	
	<b>FTE Sub-Total:</b>	<b>(1.00)</b>			\$ (168,843)
	<b>Net Increase (Decrease)</b>	<b>(5.00)</b>			<b>\$ (782,640)</b>

**The Subcommittee should close these items consistent with the actions previously taken on the Office of Health Administration, approved by the full committees meeting jointly on May 2, 2015, and the Behavioral Health Administration budgets.**

5. Caliente and Pahrump Clinic Transfer (E-912, DHHS-PUBLIC HEALTH-188-189): The Governor recommends transferring the Caliente and Pahrump rural clinic treatment centers from the Southern Nevada Adult Mental Health Services (SNAMHS) budget to the Rural Clinics budget, resulting in a transfer of 10 positions added to the Rural Clinics budget, along with \$1.8 million (\$516,771 General Fund) in associated operating costs over the 2015-17 biennium. Further discussion of the recommended transfers are included in the SNAMHS budget as Major Issue 5. **If the transfer is approved in the Southern Nevada Adult Mental Health Services budget, then this decision unit should also be approved.**
6. Cost Allocations (M-800, M-801, M-802, E-800, E-801 and E-802, DHHS-PUBLIC HEALTH-183-184,187-188): The Executive Budget recommends an increase to Medicaid administration charges of \$8,470 over the 2015-17 biennium to support the division's cost allocation plan. **This recommendation appears reasonable.**

**Technical Adjustments**

During the adjusted base budget review process, Fiscal staff noted that several one-time expenditures had not been eliminated. Fiscal staff has removed these one-time expenditures and included the technical adjustment in this closing document.

**Fiscal staff recommends approval of Other Closing Items, along with the noted technical adjustments, and seeks authority to make other technical adjustments, as necessary.**

**The Subcommittee recommended approval of the Other Closing Items in this budget as recommended by the Governor, with technical adjustments, and authority for Fiscal staff to make other technical adjustments, as needed.**

**Human Services Joint Subcommittee  
 Nevada Legislative Counsel Bureau  
 Budget Closing**

**Budget Amendment Document – A150793162 and A150803161  
 Funding Shortfall Due to Decreased Medicaid Reimbursements**

**Budget Accounts: 101-3162 HHS-DPBH - NO NV ADULT MENTAL HEALTH SERVICES  
 101-3161 HHS-DPBH - SO NV ADULT MENTAL HEALTH SERVICES**

**Overview**

Northern Nevada Adult Mental Health Services (NNAMHS) and Southern Nevada Adult Mental Health Services (SNAMHS) provide numerous outpatient services to clients with behavioral health needs, including counseling, medication clinic services, service coordination, intensive service coordination, mobile crisis, residential support services, group home placements, and Mental Health Court. Both agencies also provide inpatient services, with the Rawson-Neal Psychiatric Hospital in the south operating 211 beds and the Dini-Townsend Hospital in the north operating 30 beds. The SNAMHS and NNAMHS are funded primarily with General Fund appropriations, however, both budgets also receive funding from the federal government and third-party payers.

**Major Issues – Budget Amendments**

1. Funding Shortfall Due to Decrease in Medicaid Managed Care Reimbursements
2. Proposed Solutions to Eliminate Funding Shortfall
  - a) Stein Hospital Personnel Reduction
  - b) Decrease in Medication Expenditures
  - c) Decrease in Transitional Housing Expenditures
  - d) Deletion of Select Enhancement Decision Units

As the funding shortfall and the proposed solutions to eliminate the shortfall impact both the NNAMHS and SNAMHS budgets, decisions regarding the budget amendments are presented together in the following document.

The table below depicts the revenues that are modified by way of these budget amendments.

Description	Gov Rec Biennium		Biennium As Amended		2015-17 Biennium Net Difference		
	NNAMHS	SNAMHS	NNAMHS	SNAMHS	NNAMHS	SNAMHS	Net
General Fund	\$52,329,059	\$136,592,984	\$46,781,852	\$141,643,999	(\$5,547,207)	\$5,051,015	(\$496,192)
Self Pay	\$94,068	\$0	\$94,024	\$0	(\$44)	\$0	(\$44)
Medicaid MCO	\$9,320,572	\$31,603,636	\$9,215,000	\$10,400,000	(\$105,572)	(\$21,203,636)	(\$21,309,208)
Medicare	\$1,568,714	\$3,881,529	\$1,556,258	\$3,733,211	(\$12,456)	(\$148,318)	(\$160,774)
Medicaid	\$1,982,600	\$7,585,710	\$1,954,649	\$7,585,414	(\$27,951)	(\$296)	(\$28,247)
Medicaid TCM	\$2,222,374	\$0	\$2,222,228	\$0	(\$146)	\$0	(\$146)
Private Insurance	\$127,663	\$185,738	\$126,103	\$181,186	(\$1,560)	(\$4,552)	(\$6,112)
<b>Total Revenues</b>	<b>\$67,645,050</b>	<b>\$179,849,597</b>	<b>\$61,950,114</b>	<b>\$163,543,810</b>	<b>(\$5,694,936)</b>	<b>(\$16,305,787)</b>	<b>(\$22,000,723)</b>

## **Discussion of Major Issues**

1. Funding Shortfall Due to Decrease in Medicaid Managed Care Reimbursements (Revised E-365, Revised E-366): The Executive Budget Office submitted Budget Amendments A150793162 and A150803161 on April 17, 2015, for the NNAMHS and SNAMHS budgets, respectively. The changes proposed by these amendments are discussed in Major Issues 1 and 2. The primary reason for the budget amendments is a projected decrease in Medicaid managed care reimbursements of \$21.3 million over the 2015-17 biennium for both budgets combined.

By way of background, several changes have impacted Nevada's behavioral health industry over the last year. Nevada's decision to participate in the Medicaid expansion in connection with the Affordable Care Act (ACA) increased the number of behavioral health clients eligible for Medicaid from 27 percent in December 2013 to 77 percent in February 2015. The expansion also required that mental health and substance use disorder benefits be provided as Medicaid reimbursable services, generating increased reimbursements from Medicaid managed care payers for outpatient services.

In August 2014, the Centers for Medicare and Medicaid Services (CMS) agreed to the state's request to increase the Medicare and Medicaid reimbursement rate for inpatient mental health treatment from \$460 a day to \$944 a day. This rate increase led to private-sector community providers entering the market to provide inpatient psychiatric services to Medicaid eligible clients. While the influx of private community providers has occurred in both the north and south urban centers, the impact has been especially dramatic in the south. According to the agency, emergency rooms that were once flooded with patients in need of behavioral health services are now visited regularly by community providers willing to assist Medicaid eligible clients. The SNAMHS specifically has seen a dramatic reduction in the number of both inpatient and outpatient clients with Medicaid insurance, as community providers have stepped in to provide services to these patients. Statistics provided by the agency demonstrate that since May of 2014, SNAMHS has experienced a 44 percent decline in the number of outpatient managed care patients, along with a 73 percent decrease in the number of inpatient managed care patients since October of 2014.

On December 1, 2014, the state and CMS entered into an agreement that allowed stand-alone psychiatric hospitals such as Dini-Townsend or Rawson-Neal to be reimbursed for inpatient services for managed care Medicaid payers, a policy that was previously prohibited. The agency indicates it was initially under the assumption that all patient hospitalization days would be reimbursable; however, the agency's experience has been that managed care payers typically reimburse only the first few days of psychiatric evaluation and treatment.

All of these developments have substantially impacted the landscape of behavioral health services in the state and the agency indicates that as a result the NNAMHS and SNAMHS budgets are in need of extensive revisions which are provided for in the budget amendments.

The Executive Budget originally recommended General Fund reductions totaling \$40.9 million for the SNAMHS and NNAMHS budgets over the 2015-17 biennium as a result of increased reimbursements from Medicaid managed care payers for both inpatient and outpatient services. These budget amendments revise those projections to \$19.6 million in Medicaid managed care reimbursements, resulting in a reduction of \$21.3 million in Medicaid managed care reimbursements over the 2015-17 biennium, which directly impacts the General Fund reductions offset by these reimbursements.

The table that follows demonstrates the differences in General Fund appropriation savings as a result of the revised projections for Medicaid managed care reimbursements.

**Recommended Revisions to Medicaid Managed Care Reimbursements**

		<b>Gov Rec 2015-17 Total</b>	<b>As Amended 2015-17 Total</b>	<b>Difference 2015-17 Total</b>	<b>Dec Unit</b>
NNAMHS	Inpatient	\$3,193,750	\$15,000	(\$3,178,750)	E-365
NNAMHS	Outpatient	\$6,126,822	\$9,200,000	\$3,073,178	E-366
SNAMHS	Inpatient	\$23,725,000	\$1,200,000	(\$22,525,000)	E-365
SNAMHS	Outpatient	\$7,878,636	\$9,200,000	\$1,321,364	E-366
<b>Total Medicaid Reimbursements</b>		<b>\$40,924,208</b>	<b>\$19,615,000</b>	<b>(\$21,309,208)</b>	

**Does the Subcommittee wish to approve the projected decrease in Medicaid managed care reimbursements of \$21.3 million over the 2015-17 biennium for both the NNAMHS and SNAMHS budgets combined, as amended by the Governor?**

**The Subcommittee recommended approval of the projected decrease in Medicaid managed care reimbursements of \$21.3 million over the 2015-17 for both the NNAMHS and SNAMHS budgets combined, as amended by the Governor.**

2. Proposed Solutions to Eliminate Funding Shortfall: The budget amendments propose several expenditure reductions to address the projected \$21.3 million reductions of Medicaid managed care reimbursements, thereby preserving all of the General Fund reductions initially recommended in these budgets, and including an additional General Fund reduction of \$496,192. A summary of the proposed expenditure reductions for each budget over the 2015-17 biennium are presented below by expenditure category.

<b>Description</b>	<b>Gov Rec Biennium</b>		<b>As Amended</b>		<b>Difference</b>		
	<b>NNAMHS</b>	<b>SNAMHS</b>	<b>NNAMHS</b>	<b>SNAMHS</b>	<b>NNAMHS</b>	<b>SNAMHS</b>	<b>Net</b>
Personnel	\$38,592,062	\$124,539,322	\$38,291,153	\$116,913,715	(\$300,909)	(\$7,625,607)	(\$7,926,516)
Operating Expenses	\$1,972,484	\$9,012,179	\$1,932,616	\$8,780,950	(\$39,868)	(\$231,229)	(\$271,097)
Equipment	\$62,645	\$537,120	\$53,735	\$451,120	(\$8,910)	(\$86,000)	(\$94,910)
Transitional Housing	\$10,262,446	\$14,397,994	\$6,773,334	\$11,148,552	(\$3,489,112)	(\$3,249,442)	(\$6,738,554)
Information Services	\$382,560	\$1,133,687	\$375,799	\$1,026,530	(\$6,761)	(\$107,157)	(\$113,918)
Training	\$35,348	\$142,496	\$35,101	\$128,332	(\$247)	(\$14,164)	(\$14,411)
Medications	\$3,342,715	\$12,690,703	\$1,493,586	\$7,698,515	(\$1,849,129)	(\$4,992,188)	(\$6,841,317)
<b>Total Expenditures</b>	<b>\$54,650,260</b>	<b>\$162,453,501</b>	<b>\$48,955,324</b>	<b>\$146,147,714</b>	<b>(\$5,694,936)</b>	<b>(\$16,305,787)</b>	<b>(\$22,000,723)</b>

- a) Stein Hospital Personnel Reduction (SNAMHS Revised E-360, MAJOR BUDGET INITIATIVES-22): The Governor originally recommended a total of \$20.7 million (\$20.5 million General Fund) over the 2015-17 biennium to fund positions, contracted staff, and associated operating costs related to the re-opening of the Stein Hospital on the SNAMHS campus as a forensic facility. Of the original \$20.7 million recommendation, \$16.6 million would fund salary and fringe costs for 154.02 new full-time equivalent (FTE).

Currently, Lake's Crossing is the only forensic facility in the state and is located in Northern Nevada while the majority of patients are residents of Southern Nevada and are regularly transported back and forth across the state. Several high-profile incidents precipitated the demand for the renovation and re-opening of the Stein Hospital. In the summer of 2013, severe overcrowding of individuals experiencing mental health issues in Southern Nevada emergency rooms received widespread media attention, along with a lawsuit filed by the Clark County Public Defender's Office regarding extended wait times for admittance to Lake's Crossing. In September 2013 a class action lawsuit filed by the City of San Francisco accused the State of Nevada of busing mentally ill patients from Rawson-Neal psychiatric hospital in Las Vegas to the State of California.

The 2013 Legislature approved \$2.1 million in CIP funds for a partial remodel of the old Stein Hospital in Southern Nevada. After the 2013 Legislature adjourned, the IFC expanded this CIP for a full remodel of the Stein Hospital in August 2013, adding \$3.1 million in IFC contingency funds to this project. The Stein Hospital is licensed for 47 forensic beds and 16 civil beds. The 16 civil beds have been constructed, however, due to increased capacity in the community by private providers, this decision unit recommends funding for operation of the 47 forensic beds only.

The division proposes that seven non-direct care positions would start July 1, 2015, to support the preparations for the opening of the hospital and the remaining positions would start October 1, 2015. The agency testified during its budget hearing that Public Works would complete the building modifications by October 1, 2015, and the hospital would be open and accepting patients by mid-November. The agency anticipates full occupancy upon opening. The Stein Hospital would provide forensic capacity in Southern Nevada for the first time in the state's history. Fiscal staff noted that The Executive Budget represents an October 1, 2015, opening date, and should the hospital delay accepting patients to mid-November, a technical adjustment to reduce patient-related operating costs of \$250,712 was proposed by the agency. That said, the agency also indicated that it is currently non-compliant with the settlement agreement with the Clark County Public Defender's Office. The settlement decree stipulates defendants in Clark County should be evaluated within 14 days, currently, the agency has a waitlist of more than 60 defendants requiring evaluation at a forensic facility. The agency contends there is a possibility it may be ordered by the court to open the facility sooner, provided staffing resources exist.

As a result of projected caseload reductions for SNAMHS, the budget amendment reduces the personnel portion of the Stein Hospital recommendation by 62.51 FTE, or \$7.6 million. The amendment will reduce the original recommendation from 154.02 new FTE to 91.51 new FTE. However, the agency indicates it plans to transfer personnel assigned to other locations within the SNAMHS campus to the Stein Hospital. This recommendation would allow the hospital a smoother transition upon opening, as many of the positions are already filled with qualified candidates. A summary of the revised staffing recommendation is shown below.

#### New Positions Recommended for Stein Hospital Re-Opening

Position	As		Primary Position Duties
	Gov Rec	Amended	
Accountant	1.00	1.00	Billing and accounting for all clinical positions
Accounting Assistant	2.00	1.00	Provides accounting support
Activities Therapy Tech	2.00	2.00	Provide activities, assessments, and treatment planning
Administrative Assistant	10.00	5.00	Clerical and administrative support
Clinical Program Manager	1.00	1.00	Oversee day to day operations for the hospital
Clinical Social Worker	4.00	3.00	Social services and therapeutic programming
Correctional Sergeant	1.00	1.00	Supervise all Forensic Specialists
Custodial Worker	3.00	3.00	Housekeeping and custodial services
Facility Manager	1.00	1.00	Manage life safety, maintenance, and custodial elements
Forensic Specialist	60.00	56.00	Security, transport, and treatment support
Health Info Coordinator	2.00	1.00	Medical record support for all admissions, discharges and patients
Licensed Psychologist	6.00	5.00	Psychological testing and competency evaluations
Maintenance Repair Specialist	1.00	1.00	Maintenance repair for the building and equipment
Mental Health Counselor	1.00	-	Group and individual counseling
Mental Health Technician	11.00	1.00	Therapeutic social and nursing paraprofessional activities
Personnel Technician	2.00	2.00	Personnel and recruitment
Pharmacist	2.00	-	Provide 24/7 pharmacy services
Pharmacy Technician	2.00	-	Provide 24/7 pharmacy services
Program Officer	1.00	1.00	Supply procurement and inventory
Psychiatric Caseworker	1.00	-	Social services and therapeutic programming
Psychiatric Nurse	30.00	-	Direct nursing staff coverage and nursing activities
Quality Assurance Specialist	4.00	4.00	Quality assurance and data reporting activities
Senior Psychiatrist	2.51	-	Medical staff direct care activities for all patients
Substance Abuse Counselor	1.51	0.51	Substance abuse and co-occurring disorder programming
Supply Technician	1.00	1.00	Supply procurement and inventory
Therapeutic Recreation Specialist	1.00	1.00	Provide activities, assessments, and treatment planning
<b>Total Recommended Employees</b>	<b>154.02</b>	<b>91.51</b>	

The agency indicates it would still need 154.02 positions to operate the Stein Hospital upon re-opening, however, this budget amendment proposes to transfer 62.51 positions from other SNAMHS facilities, thereby reducing the number of positions recommended in this decision unit.

The majority of employees would be transferred from various SNAMHS outpatient clinics located across the Las Vegas valley. However, many employees would be transferred out of the Rawson-Neal Hospital, closing one 20-bed unit in Rawson-Neal Hospital and the newly renovated 21-bed facility in Building 3A. The Interim Finance Committee approved a \$400,000 request to remodel and furnish Building 3A at the Rawson-Neal Hospital in August 2013. The agency indicated during its budget hearing that it would explore other uses for Building 3A, by either leasing the facility to another agency or partnering with the community for other needs.

**The Subcommittee may wish to consider the following options:**

- **Approve the re-opening of the Stein Hospital as proposed in Budget Amendment A150803161, including the transfer of 62.51 positions from other SNAMHS facilities, thereby reducing the number of positions recommended for this decision unit from 154.02 positions to 91.51 positions. This option would preserve patient-related operating costs as of October 1, 2015.**
- **Approve the re-opening of the Stein Hospital as proposed in Budget Amendment A150803161, including the transfer of 62.51 positions from other SNAMHS facilities, thereby reducing the number of positions recommended for this decision unit from 154.02 positions to 91.51 positions while also reducing patient-related operating costs of \$250,712 in anticipation of a mid-November 2015 opening date.**

**The Subcommittee recommended approval of the re-opening of the Stein Hospital as proposed in Budget Amendment A150803161, including the transfer of 62.51 positions from other SNAMHS facilities, thereby reducing the number of positions recommended for this decision unit from 154.02 positions to 91.51 positions while also reducing patient-related operating costs of \$250,712 in anticipation of a mid-November 2015 opening date.**

- b) Decrease in Medication Expenditures (Revised M-101, New M-203): The Executive Budget originally recommended medication expenditures totaling \$16.0 million for the NNAMHS and SNAMHS budgets over the 2015-17 biennium. The budget amendment recommends reducing medication expenditures by 43 percent, or \$6.8 million over the 2015-17 biennium for the NNAMHS and SNAMHS budgets combined (M-203). This is inclusive of a reduced rate of prescription medicine increases (approximately 2 percent) based on Consumer Price Index estimates (Revised M-101).

Cat	Description	Gov Rec Biennium		As Amended		Difference		
		NNAMHS	SNAMHS	NNAMHS	SNAMHS	NNAMHS	SNAMHS	Net
40	Medications	\$3,342,715	\$12,690,703	\$1,493,586	\$7,698,515	(\$1,849,129)	(\$4,992,188)	(\$6,841,317)

The agency indicates the decrease in medication expenditures is correlated to the decrease in caseloads at both facilities, and the amended projections were calculated using FY 2015 actuals through March of 2015.

The agency also indicated in discussions with Fiscal staff that both facilities are increasingly directing patients to private community pharmacies such as CVS or Walgreens in order to decrease medication costs as many of the clients are now eligible for Medicaid.



**Does the Subcommittee wish to approve the projected reductions in Medication expenditures for both the NNAMHS and SNAMHS budgets, as amended by the Governor?**

**The Subcommittee recommended approval of the projected reductions in Medication expenditures for both the NNAMHS and SNAMHS budgets, as amended by the Governor.**

- c) Decrease in Transitional Housing Expenditures (Revised M-201): In addition to the recommended base funding of \$18.7 million (NNAMHS and SNAMHS combined), the Governor also originally recommended an additional \$6.0 million (32 percent increase) in General Fund appropriations over the 2015-17 biennium, for a total of \$24.7 million to meet projected caseload growth needs for clients needing transitional residential housing. The budget amendment recommends eliminating the proposed \$6.0 million to support caseload increases, as well as another \$738,554 over the 2015-17 biennium. The reduction is split nearly equally between NNAMHS and SNAMHS as illustrated in the table below.

Cat	Description	Gov Rec Biennium		As Amended		Difference		
		NNAMHS	SNAMHS	NNAMHS	SNAMHS	NNAMHS	SNAMHS	Net
18	Transitional Housing	\$10,262,446	\$14,397,994	\$6,773,334	\$11,148,552	(\$3,489,112)	(\$3,249,442)	(\$6,738,554)

The agency testified in its budget hearing that the proposed transitional housing caseload reductions were for short-term housing (up to 30 days) and not for the more in-demand permanent housing. The agency also testified it was working with community providers to address the need for increased permanent housing.

**Does the Subcommittee wish to approve the projected reductions in transitional housing expenditures for both the NNAMHS and SNAMHS budgets, as amended by the Governor?**

**The Subcommittee recommended approval of the projected reductions in transitional housing expenditures for both the NNAMHS and SNAMHS budgets, as amended by the Governor.**

- d) Deletion of Select Decision Units (NNAMHS M-200, NNAMHS M-209, SNAMHS E-227): The Governor recommended several funding increases for both NNAMHS and SNAMHS. As a result of the reduction in caseloads, the budget amendment recommends the elimination of the following decision units, resulting in a net savings of \$733,902 (\$691,745 General Fund appropriations).
- NNAMHS Medication Clinic Caseload Increases (M-200, DHHS-PUBLIC HEALTH-195): The Executive Budget recommends \$603,306 (\$561,354 General Fund appropriations) over the 2015-17 biennium to fund two new Psychiatric Nurses and one Senior Psychiatrist and associated costs in the NNAMHS Medication Clinic to meet projected caseload growth needs and reduce staffing ratios. The amendment proposes to eliminate this decision unit due to caseload decreases.
  - NNAMHS Co-Occurring Disorders Caseload Increases (M-209, DHHS-PUBLIC HEALTH-196-197): The Executive Budget recommends \$22,207 (\$22,002 General Fund appropriations) to fund one new part-time Substance Abuse Counselor and associated costs in FY 2017 to meet projected caseload growth needs and reduce staffing ratios for the Co-Occurring Disorders program. The amendment proposes to eliminate this decision unit due to caseload decreases.

- SNAMHS Position Increase Half-Time to Full-Time (E-227, DHHS-PUBLIC HEALTH-212): The Executive Budget recommends \$108,389 in General Fund appropriations over the 2015-17 biennium to increase an existing 0.51 Psychiatric Nurse position from part-time to full-time status in order to manage a 40-bed inpatient psychiatric unit at the Rawson-Neal Hospital. The amendment proposes to eliminate this decision unit due to caseload decreases.

**Does the Subcommittee wish to approve the elimination of three decision units in the NNAMHS and SNAMHS budgets due to caseload decreases, as amended by the Governor?**

**The Subcommittee recommended approval of the elimination of three decision units in the NNAMHS and SNAMHS budgets due to caseload decreases, as amended by the Governor.**

**Nevada Legislative Counsel Bureau  
Budget Closing Action Report  
Human Services Joint Subcommittee  
W05 - WORKING VERSION 5**

**Title:** HHS-DPBH - NO NV ADULT MENTAL HEALTH SVCS      **Budget Page:** DHHS - PUBLIC HEALTH-192, Volume II  
**Account:** 101 - 3162

	<b>2013-14 Actual</b>	<b>2014-15 WP</b>	<b>% Chg</b>	<b>2015-16 GOV REC</b>	<b>% Chg</b>	<b>2016-17 GOV REC</b>	<b>% Chg</b>
<b>Revenues</b>							
FEDERAL FUND	1,267,818	1,585,983	25.10	1,292,415	(18.51)	1,304,887	0.97
GENERAL FUND	24,651,386	22,581,478	(8.40)	25,639,550	13.54	26,689,509	4.10
INTERAGENCY TRANSFER	3,211,565	5,978,317	86.15	6,881,393	15.11	6,774,204	(1.56)
OTHER FUND	284,143	483,192	70.05	303,868	(37.11)	222,269	(26.85)
REVERSIONS	(501,535)						
<b>Total Revenues</b>	<b>28,913,377</b>	<b>30,628,970</b>	<b>5.93</b>	<b>34,117,226</b>	<b>11.39</b>	<b>34,990,869</b>	<b>2.56</b>
<b>Total FTE</b>		<b>248.89</b>		<b>251.89</b>		<b>252.91</b>	

**Adjustments to Revenue**

<b>Dec Unit</b>	<b>Cat</b>	<b>GL</b>	<b>Description</b>	<b>2015-16</b>	<b>2016-17</b>
M101	00	2501	Reduce General Fund appropriations for medication inflation as recommended by the Governor's budget amendment.	(17,677)	(15,484)
M200	00	2501	Reduce General Fund appropriations associated with medication clinic caseload reductions as recommended by the Governor's budget amendment.	(169,364)	(391,990)
M200	00	3802	Reduce Medical Services funding associated with medication clinic caseload reductions as recommended by the Governor's budget amendment.		(44)
M200	00	3817	Reduce Medical Services funding associated with medication clinic caseload reductions as recommended by the Governor's budget amendment.		(12,456)
M200	00	3860	Reduce Medical Services funding associated with medication clinic caseload reductions as recommended by the Governor's budget amendment.		(27,951)
M200	00	3862	Reduce Medical Services funding associated with medication clinic caseload reductions as recommended by the Governor's budget amendment.		(134)
M200	00	4200	Reduce Medical Services funding associated with medication clinic caseload reductions as recommended by the Governor's budget amendment.		(1,367)
M201	00	2501	Reduce General Fund appropriations for transitional housing expenditures as recommended by the Governor's budget amendment.	(1,384,364)	(2,104,748)
M203	00	2501	Reduce General Fund appropriations for medication expenditures as recommended by the Governor's budget amendment.	(773,575)	(773,575)
M209	00	2501	Reduce General Fund appropriations for co-occurring disorder expenditures as recommended by the Governor's budget amendment.	(2,262)	(19,740)
M209	00	3862	Reduce Medical Services funding associated with co-occurring disorder expenditures as recommended by the Governor's budget amendment.		(12)
M209	00	4200	Reduce Medical Services funding associated with co-occurring disorder expenditures as recommended by the Governor's budget amendment.		(193)
E365	00	2501	Increase General Fund appropriations due to decreased Medicaid reimbursements as recommended by the Governor's budget amendment.	1,589,375	1,589,375
E365	00	3816	Reduce Medicaid reimbursements as recommended by the Governor's budget amendment.	(1,589,375)	(1,589,375)
E366	00	2501	Reduce General Fund appropriations due to increased Medicaid	(1,458,040)	(1,615,138)

			enhanced revenues as recommended by the Governor's budget amendment.		
E366	00	3816	Increase Medicaid reimbursements due to enhanced revenues as recommended by the Governor's budget amendment.	1,458,040	1,615,138
E720	00	2501	Reduce General Fund appropriations to remove 20 duplicative division-wide Policy Tech licenses from the NNAMHS budget.	(14,060)	(14,066)
<b>Sub-total</b>				<b>(2,361,302)</b>	<b>(3,361,760)</b>
<b>Line Item Changes to Revenues</b>				<b>(2,361,302)</b>	<b>(3,361,760)</b>

#### Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
M101	40	7000	Reduce medication inflation expenditures as recommended by the Governor's budget amendment.	(17,677)	(15,484)
M200	01	5000	Reduce medication clinic expenditures as recommended by the Governor's budget amendment.	(45,760)	(241,258)
M200	04	7000	Reduce medication clinic expenditures as recommended by the Governor's budget amendment.	(11,986)	(19,786)
M200	05	8000	Reduce medication clinic expenditures as recommended by the Governor's budget amendment.	(2,970)	(5,940)
M200	26	7000	Reduce medication clinic expenditures as recommended by the Governor's budget amendment.	(1,023)	(1,595)
M200	26	8000	Reduce medication clinic expenditures as recommended by the Governor's budget amendment.	(1,318)	(2,636)
M200	30	7000	Reduce medication clinic expenditures as recommended by the Governor's budget amendment.	(62)	(154)
M200	40	7000	Reduce medication clinic expenditures as recommended by the Governor's budget amendment.	(106,245)	(162,573)
M201	18	7000	Reduce transitional housing expenditures as recommended by the Governor's budget amendment.	(1,384,364)	(2,104,748)
M203	40	7000	Reduce medication expenditures as recommended by the Governor's budget amendment.	(773,575)	(773,575)
M209	01	5000	Reduce co-occurring disorder expenditures as recommended by the Governor's budget amendment.		(13,891)
M209	04	7000	Reduce co-occurring disorder expenditures as recommended by the Governor's budget amendment.	(2,262)	(5,834)
M209	26	7000	Reduce co-occurring disorder expenditures as recommended by the Governor's budget amendment.		(189)
M209	30	7000	Reduce co-occurring disorder expenditures as recommended by the Governor's budget amendment.		(31)
E720	26	7000	Remove 20 duplicative division-wide Policy Tech licenses from the NNAMHS budget.	(14,060)	(14,066)
<b>Sub-total</b>				<b>(2,361,302)</b>	<b>(3,361,760)</b>
<b>Line Item Changes to Expenditures</b>				<b>(2,361,302)</b>	<b>(3,361,760)</b>
<b>Total</b>				<b>0</b>	<b>0</b>
<b>Grand Total General Fund Impact of Closing Changes</b>				<b>(2,229,967)</b>	<b>(3,345,366)</b>

### Overview

Northern Nevada Adult Mental Health Services (NNAMHS) provides numerous outpatient services, including residential support services, group home placements, service coordination, and a medication clinic. At the Dini-Townsend Hospital, psychiatric and psychological services are provided to the seriously and chronic mentally ill population. The hospital is currently operating 30 beds, which includes 10 emergency beds in the Rapid Stabilization Unit. The NNAMHS is funded primarily with General Fund appropriations, but receives funds from the federal government and third-party payers.

**Major Closing Issues**

1. Mental Health Court Caseload Increases
2. Moonlighting Program (Residency Services)

Major issues related to a funding shortfall due to decreased Medicaid Managed Care reimbursements in the NNAMHS and Southern Nevada Adult Mental Health Services (SNAMHS) budgets, along with the proposed solutions to eliminate the funding shortfall are discussed in the combined NNAMHS and SNAMHS budget amendment document.

**Discussion of Major Closing Issues**

1. Mental Health Court Caseload Increases (M-202, DHHS-PUBLIC HEALTH-196): The Governor recommends \$17,268 (\$7,489 General Fund appropriations) over the 2015-17 biennium to fund one new part-time Psychiatric Caseworker and associated costs in March 2017 to meet projected caseload growth needs and reduce staffing ratios for service coordination in the Mental Health Court program. The table that follows documents historical and projected average monthly mental health court caseloads on the NNAMHS campus, including the new position.

<b>Mental Health Court Caseload Ratios</b>	<b>Actual</b>			<b>Leg Approved</b>	<b>Governor Recommends</b>	
	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
No. of NNAMHS Clients	152	192	184	193	200	208
No. of Psychiatric Caseworkers	6.51	6.51	7.02	7.02	7.02	7.53
Recommended Caseload	25:1	25:1	25:1	25:1	25:1	25:1
Actual Caseload	23	29	26	27	28	28

Participants in Mental Health Court are provided supportive services such as transportation, supervision, medication management, basic skills training, and case management for court compliance activities. The Mental Health Court program in Northern Nevada operates substantially differently than the program in Southern Nevada. In the north, specialty courts primarily serve individuals with misdemeanors and gross misdemeanors, therefore, 48 percent of participants are provided case management services only and do not require housing assistance. Program completion typically occurs in 12 months.

The Governor’s Behavioral Health and Wellness Council recommended in its May 2014 report expanding existing programs such as Psychiatric Assertive Community Treatment teams and Mental Health Courts. According to the council, providing high-intensity services coupled with safe and stable housing to the heaviest users of the most expensive forms of care (correctional facilities and emergency rooms) can dramatically improve results at a lower cost.

**Does the Subcommittee wish to approve the Governor’s recommendation to fund one new part-time Psychiatric Caseworker and associated costs in March 2017 to meet projected caseload growth needs in the Mental Health Court program?**

<b>The Subcommittee recommended approval of the Governor’s recommendation to fund one new part-time Psychiatric Caseworker and associated costs in March 2017 to meet projected caseload growth needs in the Mental Health Court program.</b>
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2. Moonlighting Program (Residency Services) (E-362, DHHS-PUBLIC HEALTH-199): The Governor recommends \$401,500 in General Fund appropriations over the 2015-17 biennium to increase funding for psychiatric residents from the University of Nevada School of Medicine (UNSOM) to provide moonlighting coverage.

Moonlighting is when residents provide ongoing psychiatric coverage outside of regular NNAMHS operating hours, including on-call, after hours, weekends and holidays. Services would include patient observation, high-risk rounds, and on-call services for hospital staff. The agency indicates this after-hour coverage is critical to maintain CMS certification and The Joint Commission accreditation.

**Does the Subcommittee wish to approve the Governor's recommendation to increase funding for psychiatric residents to provide moonlighting coverage?**

**The Subcommittee recommended approval of the Governor's recommendation to increase funding for psychiatric residents to provide moonlighting coverage.**

#### **Other Closing Items**

1. Agency-Specific Inflation (M-102, DHHS-PUBLIC HEALTH-194): The Governor recommends \$7,577 in General Fund appropriations over the 2015-17 biennium for inflationary increases in food costs (approximately 2 percent per year). Increases are based on Consumer Price Index estimates. **This recommendation appears reasonable.**
2. Deferred Maintenance (M-425, DHHS-PUBLIC HEALTH-197-198): The Governor recommends \$867,935 in General Fund appropriations in FY 2016 to fund deferred maintenance projects on the NNAMHS campus. Recommended improvements include installation of gutters/downspouts, exterior finishes, window replacements, landscaping, ADA-compliant signage and other accessibility improvements, smoke detectors for sleeping areas, HVAC replacement, exterior and interior door replacement, water heater replacement, new drinking fountains, a kitchen remodel, and roof repairs or replacements. **This recommendation appears reasonable.**
3. Equipment Replacement (E-710, DHHS-PUBLIC HEALTH-201): The Governor recommends \$54,315 in General Fund appropriations over the 2015-17 biennium to replace 60 secretarial chairs, 10 client mattresses, 2 couches and loveseats, and 4 Ethernet port switches and 1 router. **This recommendation appears reasonable.**
4. New Equipment (E-720, DHHS-PUBLIC HEALTH-201): The Governor recommends \$43,066 in General Fund appropriations over the 2015-17 biennium to purchase 6 digital blood pressure monitors and stands, as well as 20 concurrent PolicyTech software licenses per year, and maintenance and hosting for the software each year of the biennium. PolicyTech is a software program used by the division to streamline employee access and notification to the multiple policies and procedures that exist throughout the division. Fiscal staff believes the purchase of PolicyTech licenses in the NNAMHS budget is duplicative. Fiscal staff notes that no other behavioral health facility has PolicyTech licenses in their budget and these are concurrent licenses intended for use across the full Division of Public and Behavioral Health. The contract for PolicyTech software licenses is located in the Office of Health Administration budget, which was closed by the Subcommittee on April 1, 2015, and the full committees meeting jointly on May 2, 2015. Fiscal staff recommends removing the \$28,126 cost of the licenses from this decision unit. **With staff's adjustment to remove the PolicyTech software licenses, Decision Unit E-720 appears reasonable.**

5. Cost Allocations (M-800, M-801, M-802, E-800, E-801, and E-802, DHHS-PUBLIC HEALTH-198-199-201-202): The Executive Budget recommends an increase to Medicaid administration charges of \$8,304 over the 2015-17 biennium to support the division's cost allocation plan. **This recommendation appears reasonable.**

**Fiscal staff recommends that the Other Closing Items be closed as recommended by the Governor, along with the noted technical adjustments, and requests authority to make other technical adjustments, as necessary.**

**The Subcommittee recommended approval of the Other Closing Items in this budget as recommended by the Governor, with technical adjustments, and authority for Fiscal staff to make other technical adjustments, as needed.**

**Title:** HHS-DPBH - SO NV ADULT MENTAL HEALTH SERVICES  
**Account:** 101 - 3161

**Budget Page:** DHHS - PUBLIC HEALTH-205, Volume II

Revenues	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
BALANCE FORWARD	(212,594)	212,594	(200.00)				
FEDERAL FUND	5,055,543	5,976,090	18.21	4,508,617	(24.56)	4,508,616	(0.00)
GENERAL FUND	71,976,425	65,548,146	(8.93)	66,005,097	0.70	70,587,887	6.94
INTERAGENCY TRANSFER	5,879,875	10,995,272	87.00	21,733,041	97.66	20,969,321	(3.51)
INTERIM FINANCE	4,161,477	1,896,897	(54.42)				
OTHER FUND	2,135,970	3,331,648	55.98	1,594,983	(52.13)	944,983	(40.75)
REVERSIONS	(75,000)						
Total Revenues	88,921,696	87,960,647	(1.08)	93,841,738	6.69	97,010,807	3.38
<b>Total FTE</b>		678.06		822.57		822.57	

**Adjustments to Revenue**

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	00	2501	Reduce General Fund appropriations to account for data entry errors in the base budget. Two positions were incorrectly excluded from paying Medicare expenses.	(154)	(190)
M101	00	2501	Reduce General Fund appropriations for medication inflation expenditures as recommended by the Governor's budget amendment.	(65,906)	(64,962)
M201	00	2501	Reduce General Fund appropriations for transitional housing as recommended by the Governor's budget amendment.	(1,479,328)	(1,770,114)
M203	00	2501	Reduce General Fund appropriations for medication expenditures as recommended by the Governor's budget amendment.	(2,430,660)	(2,430,660)
E227	00	2501	Reduce General Fund appropriations for a position increase as recommended by the Governor's budget amendment.	(54,283)	(54,106)
E360	00	2501	Reduce General Fund appropriations for patient-related operating costs due to the delayed November 2015 opening of the Stein Hospital.	(250,712)	
E360	00	2501	Reduce General Fund appropriations for reduced Stein personnel as recommended by the Governor's budget amendment.	(3,408,453)	(4,400,741)
E360	00	3817	Reduce Stein Hospital third party reimbursements as recommended by the Governor's budget amendment.	(74,159)	(74,159)
E360	00	3860	Reduce Stein Hospital third party reimbursements as recommended by the Governor's budget amendment.	(148)	(148)
E360	00	4200	Reduce Stein Hospital third party reimbursements as recommended by the Governor's budget amendment.	(2,276)	(2,276)
E365	00	2501	Increase General Fund appropriations due to decreased Medicaid reimbursements as recommended by the Governor's budget amendment.	11,262,500	11,262,500
E365	00	3816	Reduce Medicaid reimbursements as recommended by the Governor's budget amendment.	(11,262,500)	(11,262,500)
E366	00	2501	Reduce General Fund appropriations due to increased Medicaid enhanced revenues as recommended by the Governor's budget amendment.	(262,324)	(1,059,040)
E366	00	3816	Increase Medicaid reimbursements due to enhanced revenues as recommended by the Governor's budget amendment.	262,324	1,059,040
E720	00	2501	Reduce General Fund appropriations for one EKG and one AED machine in Building 3A.		(7,259)
<b>Sub-total</b>				(7,766,079)	(8,804,615)



<b>Line Item Changes to Revenues</b>				(7,766,079)	(8,804,615)
<b>Adjustments to Expenditures</b>					
<b>Dec Unit</b>	<b>Cat</b>	<b>GL</b>	<b>Description</b>	<b>2015-16</b>	<b>2016-17</b>
B000	01	5000	Increase Medicare expenses as PCNs 477 and 517 were excluded from paying Medicare expenses incorrectly.	2,510	2,505
B000	01	5000	Reduction of Social Security expenses as PCN 1517 participates in the Public Employees' Retirement System and should not be paying Social Security.	(826)	(857)
B000	04	7000	Remove one-time expenditures.	(1,838)	(1,838)
M101	40	7000	Reduce medication inflation expenditures as recommended by the Governor's budget amendment.	(65,906)	(64,962)
M201	18	7000	Reduce transitional housing expenditures as recommended by the Governor's budget amendment.	(1,479,328)	(1,770,114)
M203	40	7000	Reduce medication expenditures as recommended by the Governor's budget amendment.	(2,430,660)	(2,430,660)
E227	01	5000	Eliminate a position increase as recommended by the Governor's budget amendment.	(54,109)	(53,931)
E227	04	7000	Eliminate operating costs associated with a position increase as recommended by the Governor's budget amendment.	(58)	(58)
E227	26	7000	Eliminate operating costs associated with a position increase as recommended by the Governor's budget amendment.	(116)	(117)
E360	01	5000	Reduce Stein Hospital personnel as recommended by the Governor's budget amendment.	(3,203,044)	(4,314,523)
E360	04	7000	Adjust the number of bed frames to match the number of forensic beds in the Stein Hospital.	(6,592)	
E360	04	7000	Reduce operating costs associated with Stein Hospital personnel as recommended by the Governor's budget amendment.	(73,429)	(95,286)
E360	04	7000	Reduce patient-related operating costs due to the delayed November 2015 opening of the Stein Hospital.	(32,228)	
E360	04	7000	Reduce Stein Hospital personnel as recommended by the Governor's budget amendment.	(26,742)	(35,656)
E360	05	8000	Reduce operating costs associated with Stein Hospital personnel as recommended by the Governor's budget amendment.	(86,000)	
E360	07	7000	Reduce patient-related operating costs due to the delayed November 2015 opening of the Stein Hospital.	(2,000)	
E360	12	7000	Reduce patient-related operating costs due to the delayed November 2015 opening of the Stein Hospital.	(115,684)	
E360	15	7000	Reduce patient-related operating costs due to the delayed November 2015 opening of the Stein Hospital.	(41,883)	
E360	26	7000	Reduce operating costs associated with Stein Hospital personnel as recommended by the Governor's budget amendment.	(34,397)	(25,337)
E360	26	7000	Reduce patient-related operating costs due to the delayed November 2015 opening of the Stein Hospital.	(974)	
E360	26	8000	Reduce operating costs associated with Stein Hospital personnel as recommended by the Governor's budget amendment.	(47,190)	
E360	30	7000	Reduce operating costs associated with Stein Hospital personnel as recommended by the Governor's budget amendment.	(7,642)	(6,522)
E360	40	7000	Reduce patient-related operating costs due to the delayed November 2015 opening of the Stein Hospital.	(57,943)	
E720	05	8000	Removes one EKG and one AED machine due to the repurposing of Building 3A.		(7,259)
<b>Sub-total</b>				(7,766,079)	(8,804,615)
<b>Line Item Changes to Expenditures</b>				(7,766,079)	(8,804,615)
<b>Total</b>				0	0
<b>Grand Total General Fund Impact of Closing Changes</b>				3,310,680	1,475,428

**Overview**

Southern Nevada Adult Mental Health Services (SNAMHS) provides in-patient services, mobile crisis, outpatient counseling, service coordination, intensive service coordination, medication clinic services, residential support programs, Mental Health Court, and Programs for Assertive Community Treatment (PACT) teams for individuals with mental illness. The main SNAMHS campus is located on West Charleston Boulevard in Las Vegas and includes the Rawson-Neal Psychiatric Hospital. Rawson-Neal Psychiatric Hospital currently operates 211 beds, which include 30 beds for the Rapid Stabilization Unit. Additionally, seven outpatient sites are located in Las Vegas, Henderson, Pahrump, Mesquite, Caliente and Laughlin.

**Major Closing Issues**

1. Mental Health Court Caseload Increases
2. Psychiatric Residency Program
3. Statewide Psychiatric Medical Director

Major issues related to a funding shortfall due to decreased Medicaid Managed Care reimbursements in the SNAMHS and Northern Nevada Adult Mental Health Services (NNAMHS) budgets, along with the proposed solutions to eliminate the funding shortfall are discussed in the combined NNAMHS and SNAMHS budget amendment document, including the re-opening of the Stein Hospital on the SNAMHS campus.

**Discussion of Major Closing Issues**

1. Mental Health Court Caseload Increases (M-202, DHHS-PUBLIC HEALTH-208): The Governor recommends \$1.8 million in General Fund appropriations over the 2015-17 biennium to meet projected caseload growth needs for clients in the southern Nevada Mental Health Court program. The agency indicates that while it has always been budgeted to serve 75 clients, the program was initially designed for 50 clients to receive transitional housing support and service coordination, while the remaining 25 clients would have less acute needs and receive service coordination only. The agency indicates that client acuity has increased and that most, if not all, participants are in need of housing supports and intensive service coordination which is increasing the cost per client.

At the June 19, 2014, Interim Finance Committee (IFC) meeting, SNAMHS’ request to add additional FY 2015 funding for Mental Health Court was approved, using tobacco settlement monies. This decision unit recommends funding at levels consistent to those approved by the IFC, as illustrated below.

	Actual			Leg Approved	Governor Recommends	
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Mental Health Court Costs	\$641,488	\$1,114,820	\$664,212	\$671,683	\$671,683	\$671,683
IFC Approved Caseload Increase	\$0	\$0	\$0	\$750,000	\$0	\$0
Governor Recommends Caseload Increase	\$0	\$0	\$0	\$0	\$889,808	\$889,808
<b>Total Costs</b>	<b>\$641,488</b>	<b>\$1,114,820</b>	<b>\$664,212</b>	<b>\$1,421,683</b>	<b>\$1,561,491</b>	<b>\$1,561,491</b>
Clients Receiving Transitional Housing	50	50	50	75	75	75
Clients Receiving Service Coordination Only	25	25	25	Service Coordination provided as part of transitional housing above		
Total Clients Served	75	75	75	75	75	75
<b>Cost per Client per Year</b>	<b>\$8,553</b>	<b>\$14,864</b>	<b>\$8,856</b>	<b>\$18,956</b>	<b>\$20,820</b>	<b>\$20,820</b>

Participants in Mental Health Court are provided housing and supportive services such as transportation, supervision, medication management, basic skills training, and case management for court compliance activities. According to the agency, southern Nevada Mental Health Court

participants are primarily facing felony charges and have a history of criminal justice involvement. The agency further indicates that most participants do not have natural support systems, have a history of homelessness, no employment options, co-occurring disorders, and are in need of significant rehabilitation. The Mental Health Court program is a three-year program and the majority of the participants require housing and supportive services in conjunction with intensive case management and programming.

The Governor's Behavioral Health and Wellness Council proposed in its May 2014 report as its first recommendation to expand existing programs such as Psychiatric Assertive Community Treatment teams and Mental Health Courts. According to the Council, providing high-intensity services coupled with safe and stable housing to the heaviest users of the most expensive forms of care (correctional facilities and emergency rooms) can dramatically improve results at a lower cost.

**Does the Subcommittee wish to approve the Governor's recommendation to increase General Fund appropriations by \$1.8 million over the 2015-17 biennium to meet projected caseload growth needs for clients in the Southern Nevada Mental Health Court program?**

**The Subcommittee recommended approval of the Governor's recommendation to increase General Fund appropriations by \$1.8 million over the 2015-17 biennium to meet projected caseload growth needs for clients in the Southern Nevada Mental Health Court program.**

2. Psychiatric Residency Program (E-276, DHHS-PUBLIC HEALTH-212): The Governor recommends \$690,048 in General Fund appropriations over the 2015-17 biennium to increase funding for contracted psychiatric residents from the University of Nevada School of Medicine (UNSOM). The Governor's Behavioral Health and Wellness Council emphasized in both of its reports to the Governor the recommendation to create additional residency slots.

Nevada is ranked 40th in the nation by Mental Health America (formerly the National Mental Health Association) in terms of mental health workforce availability, citing 1 mental health care provider for every 1,015 residents. Nevada is also ranked 51st in the nation by Mental Health America in terms of access to mental health care.

The agency states that recruiting psychiatrists is its biggest challenge and psychiatric residency programs provide valuable training for residents and clinical psychiatric services to consumers. The residency program also serves as a recruitment tool. This recommendation would provide SNAMHS with 15 to 17 psychiatric residents per year.

**Does the Subcommittee wish to approve the Governor's recommendation of General Fund appropriations totaling \$690,048 to increase funding for contracted psychiatric residents from the University of Nevada School of Medicine?**

**The Subcommittee recommended approval of the Governor's recommendation of General Fund appropriations totaling \$690,048 to increase funding for contracted psychiatric residents from the University of Nevada School of Medicine.**

3. Statewide Psychiatric Medical Director (E-350, DHHS-PUBLIC HEALTH-213): The Governor recommends \$486,193 in General Fund appropriations over the 2015-17 biennium to hire a Statewide Psychiatric Medical Director. The primary duties of this position would include oversight of all psychiatric services provided by SNAMHS, NNAMHS, Rural Clinics, Lake's Crossing, and the newly proposed Stein Hospital. Other duties include coordinating with executive committees, providing expert

testimony and consultative services, collaborating with law-enforcement and correctional agencies, and the recruitment of medical staff for all behavioral health agencies.

According to the agency, the Statewide Psychiatric Medical Director must be a board certified psychiatrist eligible for licensure in Nevada and possess the following qualifications: a Nevada medical license, Drug Enforcement Administration certification, State Board of Pharmacy license and Cardiopulmonary Resuscitation (CPR) certification at the time of appointment. The Director must also have experience in administrative psychiatry and testifying to facts in legislative and legal hearings.

The agency indicates it has not formally advertised this position but is aware of significant interest. The position would primarily be located on the SNAMHS campus, but would serve all state behavioral health facilities. The 2013 Legislature approved a contracted position for up to \$300,000 per year; however, the contractor acting in this position left the division in April of 2014. Since the contracted Statewide Psychiatric Medical Director left the division, a SNAMHS Associate Medical Director who met qualifications for the Statewide Psychiatric Medical Director was acting in this role, combining his responsibilities for SNAMHS and the division.

Fiscal staff would note this position would be a new unclassified position with a base salary of \$207,000 per year. If the new unclassified Statewide Psychiatric Medical Director position is approved by the Subcommittee, the salary will be reviewed and approved by the money committees for inclusion in the unclassified pay bill.

**Does the Subcommittee wish to approve the Governor’s recommendation of General Fund appropriations totaling \$468,193 to hire a Statewide Psychiatric Medical Director position?**

**The Subcommittee recommended approval of the Governor’s recommendation of General Fund appropriations totaling \$468,193 to hire a Statewide Psychiatric Medical Director position.**

**Other Closing Items**

1. Deferred Maintenance (M-425, M-426, M-427, M-428, DHHS-PUBLIC HEALTH-209-210): The Governor recommends \$176,400 in General Fund appropriations in FY 2016 to perform concrete and paving repairs, ADA upgrades, HVAC and roofing replacements, and the installation of seismic gas shut-off valves for the SNAMHS campus. A summary of recommended repairs is presented below.

Dec Unit	Maintenance Item	FY 2016
M-425	Concrete and Paving Repairs	\$57,200
M-426	ADA Upgrades	\$31,000
M-427	HVAC and Roofing Replacement	\$65,700
M-428	Seismic Gas Shut Off Valves	\$22,500
<b>Total SNAMHS Deferred Maintenance Projects</b>		<b>\$176,400</b>

**This recommendation appears reasonable.**

2. Cost Allocations (M-800, M-801, M-802, E-800, E-801, and E-802, DHHS-PUBLIC HEALTH-210-211-216-217): The Executive Budget recommends a net increase to Medicaid administration charges of \$11,358 over the 2015-17 biennium to support the division’s cost allocation plan. **This recommendation appears reasonable.**

3. Token Economy Reinforcement Program (E-277, DHHS-PUBLIC HEALTH-212-213): The Governor recommends \$111,748 in General Fund appropriations over the 2015-17 biennium to establish a token economy reinforcement program for all inpatient units on the SNAMHS campus. The token economy includes \$35,788 for psychological testing materials, and \$75,960 in operating supplies to reward patient behavior (\$15 per patient per month).

A token economy is an evidenced-based system of behavior modification whereby patients can earn privileges or services for desired behavior and reduce patient anxiety and aggression. The agency indicates a token economy awards individuals with points or tokens when certain adaptive behaviors are displayed, which patients can then use to purchase snacks, and personal hygiene items or choose the nightly movie. The agency indicates this program is currently being piloted at Lake's Crossing and preliminary outcomes show that patients are developing healthier coping skills. **This recommendation appears reasonable.**

4. Equipment Replacement (E-710, DHHS-PUBLIC HEALTH-215): The Governor recommends \$289,624 in General Fund appropriations over the 2015-17 biennium to replace various furnishings including 200 secretarial chairs, 20 staff workstations, 100 client mattresses, 1 oven, 4 microwaves, and 20 couches, 20 loveseats, and 20 client chairs for inpatient units. Also recommended is one flat bed utility vehicle for moving supplies around the SNAMHS campus. **This recommendation appears reasonable.**
5. New Equipment (E-720, DHHS-PUBLIC HEALTH-216): The Governor recommends \$132,801 in General Fund appropriations over the 2015-17 biennium to purchase four EKG machines for the Rawson-Neal Hospital and other SNAMHS clinics, six automated external defibrillators, a laboratory information system, two HEPA filtration units for Rawson-Neal, security cameras for the rooms where patient personal effects are stored, software support for telemedicine videoconference units, and other security measures for reception desk staff at Rawson-Neal. During the division's budget hearing on April 23, 2015, the agency testified it would be closing Building 3A and one 20-bed unit in the Rawson-Neal hospital; accordingly, this closing document reflects technical adjustments to reduce the number of EKG and automated external defibrillator machines purchased by \$7,259 in FY 2017. **With this technical adjustment, this recommendation appears reasonable.**
6. Position Transfer (E-906, DHHS-PUBLIC HEALTH-217): The Governor recommends the transfer of several positions between budgets throughout the Division of Public and Behavioral Health (DPBH), resulting in a net transfer of one Management Analyst from this budget to the Office of Health Administration, along with \$139,012 in associated costs over the 2015-17 biennium. Further discussion of the recommended transfers are included in the Behavioral Health Administration budget as Major Issue 1. The Subcommittee previously approved the recommended transfer to the Office of Health Administration budget on April 1, 2015 and were approved by the full committees meeting jointly on May 2, 2015. **This recommendation appears reasonable and is consistent with the full committees' previous actions.**
7. Caliente and Pahrump Clinic Transfer (E-912, DHHS-PUBLIC HEALTH-218): The Governor recommends removing the Caliente and Pahrump rural clinic treatment centers from the SNAMHS budget and transferring them to the Rural Clinics budget, resulting in a net transfer of 10 positions removed from this budget, along with \$1.8 million (\$516,771 General Fund) in associated operating costs over the 2015-17 biennium.

The 2011 Legislature approved the transfer of five rural clinics (Caliente, Laughlin, Mesquite, Moapa and Pahrump) from Rural Clinics to SNAMHS. At that time, the division indicated that moving those clinics under SNAMHS would allow for better supervision and staff training. According to the agency,

when the merger of behavioral and public health was approved by the 2013 Legislature, this created an integrated continuum of care that did not previously exist. Clinics in the rural region of the state structure mental health services differently than urban areas, incorporating three different programs together at clinics. These programs are Rural Counseling and Supportive Services and Public Health and Clinical Services, as well as a Community Health Nursing program. The agency believes that the transfer would optimize and streamline services. **The Subcommittee should close this item consistent with the action taken on the Rural Clinics budget.**

### **Technical Adjustments**

During the adjusted base budget review process, Fiscal staff noted that one position was incorrectly budgeted for Social Security payments when this position was also budgeted for the Public Employees' Retirement System (PERS). Fiscal staff also noted that two positions were not budgeted for Medicare payments when these two employees should have been budgeted for Medicare expenditures. Fiscal staff has included the technical adjustments in this closing document.

Fiscal staff also noted decision unit E-360 regarding the re-opening of the Stein Hospital (discussed in the combined NNAMHS and SNAMHS closing issues document) overstated the number of bed frames by including 16 bed frames intended for the civil unit of the Stein Hospital. The Executive Budget did not include a recommendation to operate this unit; accordingly, this closing document reflects a technical adjustment to reduce the number of bed frames purchased for the Stein Hospital.

**Fiscal staff recommends approval of Other Closing Items, along with the noted technical adjustments, and seeks authority to make other technical adjustments, as necessary.**

<p><b>The Subcommittee recommended approval of the Other Closing Items in this budget as recommended by the Governor, with technical adjustments, and authority for Fiscal staff to make other technical adjustments, as needed.</b></p>
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Title: HHS-DPBH - FACILITY FOR THE MENTAL OFFENDER  
 Account: 101 - 3645

Budget Page: DHHS - PUBLIC HEALTH-221  
 Volume II

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
<b>Revenues</b>							
GENERAL FUND	8,944,009	8,909,286	(0.39)	8,073,602	(9.38)	8,009,189	(0.80)
OTHER FUND	1,159,957	1,806,316	55.72	3,171,470	75.58	3,166,134	(0.17)
REVERSIONS	(127,271)						
Total Revenues	9,976,695	10,715,602	7.41	11,245,072	4.94	11,175,323	(0.62)
<b>Total FTE</b>		112.59		112.59		112.59	

**Adjustments to Revenue**

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	00	2501	Increase General Fund appropriations to fully fund patient medication and food expenditures for the full 86 beds available at Lake's Crossing.	163,467	163,467
B000	00	2501	Reduction of General Fund appropriations as PCN 14 participates in the Public Employees' Retirement System and should not pay Social Security.	(3,018)	(3,006)
<b>Sub-total</b>				160,449	160,461
<b>Line Item Changes to Revenues</b>				160,449	160,461

**Adjustments to Expenditures**

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	01	5000	Reduction of Social Security expenses as PCN 14 participates in the Public Employees' Retirement System and should not pay Social Security.	(3,018)	(3,006)
B000	15	7000	Increase patient food expenditures for the full 86 beds available at Lake's Crossing.	93,347	93,347
B000	40	7000	Increase patient medication expenditures for the full 86 beds available at Lake's Crossing.	70,120	70,120
<b>Sub-total</b>				160,449	160,461
<b>Line Item Changes to Expenditures</b>				160,449	160,461

**Total** 0 0

**Grand Total General Fund Impact of Closing Changes** 160,449 160,461

**Overview**

The Lake's Crossing Center provides statewide forensic mental health services in a maximum security facility to mentally disordered offenders who are referred from the court system so their competency can be restored, or who require mental health services in a secure setting. Lake's Crossing is located in Washoe County and is Nevada's only facility for this purpose; therefore, serves people throughout the state. The facility has 56 beds with an additional 20 beds available in the annex (located at the Dini-Townsend Psychiatric Hospital). Lake's Crossing (including the annex) has capacity for a total of 86 beds, but is legislatively funded to operate 76 beds.

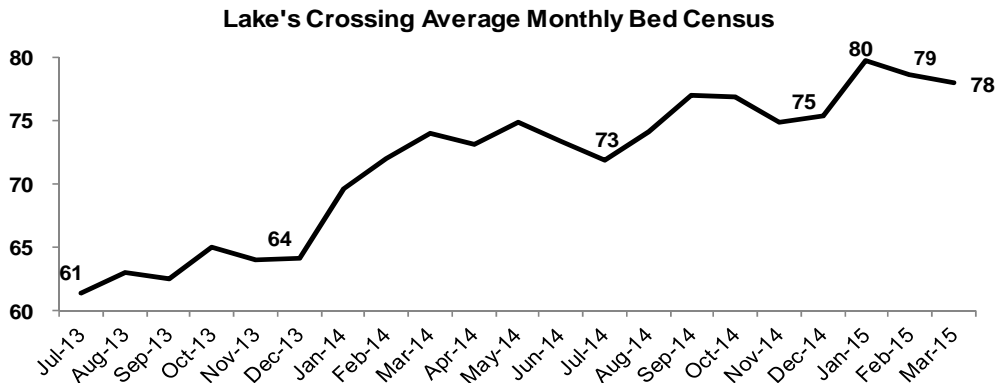
## **Major Closing Issues**

1. Increase in the Number of Forensic Beds
2. County Reimbursement for Client Commitment
3. In-State Travel Increase

## **Discussion of Major Closing Issues**

1. Increase in the Number of Forensic Beds (BASE, DHHS-PUBLIC HEALTH-221-222): Currently, Lake's Crossing is the only forensic facility in the state and is located in Northern Nevada, while the majority of patients are residents of Southern Nevada and are transported back and forth across the state. The agency testified during the August 2013 IFC meeting that approved the renovation of the Stein Hospital in the south, that the waitlist for admission to Lake's Crossing had increased from 6 defendants to 36 defendants (500 percent increase) over the course of 8 months. Subsequently, the Clark County Public Defender's Office filed a lawsuit in June 2013 against the state regarding wait times for admittance. In January 2014, a settlement agreement was filed that stipulated by January 2015, patients would receive treatment within 14 days from receipt of a court order and by September 1, 2015, patients would receive treatment within 7 days. This is the second lawsuit filed in the last decade regarding wait times for admittance to Lake's Crossing; a prior settlement agreement was filed in 2008.

In response to the lawsuit, the 2013 Legislature approved funding to open an additional 10-bed forensic annex at Dini-Townsend Hospital, increasing the total number of forensic beds at Lake's Crossing from 66 to 76. The 10 new beds were first available on December 12, 2013. In the agency's expanded program narrative, Lake's Crossing states it was asked by the division to add another 10 beds in the Dini-Townsend Hospital annex by doubling up individuals in rooms (assuming client acuity allowed). The agency indicates that it continues to double up defendants in the Dini-Townsend annex when possible in order to create capacity for 86 individuals, and is funding these extra defendants in FY 2015 with current staff and funds available. The following chart reflects average monthly census data from July 2013 to present.



Fiscal staff notes that the Governor recommends funding for the full 86 licensed beds in the 2015-17 biennium; however, this request is included in the base decision unit rather than as an enhancement. The following table illustrates operating expenditures for which the base amounts in The Executive Budget were increased to reflect full operating capacity of 86 beds instead of the FY 2014 actual expenditures or the legislatively approved number of 76 beds.



Cat	GL	Expense Description	FY 2014				Difference (86 beds vs. 76 beds)
			Average Cost Per Bed per Year	Actual (68 beds avg daily census)	Leg Approved Capacity (76 beds)	Gov Rec Full Capacity (86 beds)	
04	7026	Client Recreational Supplies	\$66.00	\$4,459	\$5,016	\$5,676	\$660
04	7063	Interpreters	\$56.19	\$3,821	\$4,270	\$4,832	\$562
04	7065	Laundry Service	\$123.00	\$8,334	\$9,348	\$10,578	\$1,230
04	7075	Medical Services	\$684.00	\$46,489	\$51,984	\$58,824	\$6,840
04	7077	Haircuts	\$18.12	\$1,272	\$1,377	\$1,558	\$181
04	7186	Non-contract Medical	\$167.00	\$11,402	\$12,692	\$14,362	\$1,670
04	7340	Inspections & Certifications	\$168.60	\$14,500	\$12,814	\$14,500	\$1,686
04	7500	Client Industrial Therapy	\$318.00	\$21,636	\$24,168	\$27,348	\$3,180
15	7205	Canteen Inventory	\$190.00	\$12,898	\$14,440	\$16,340	\$1,900
<b>Total</b>				<b>\$124,811</b>	<b>\$136,110</b>	<b>\$154,019</b>	<b>\$17,909</b>

It should be noted that two of the most substantial expenditures for defendants admitted to Lake's Crossing, food and medication, were not included at a level that would fund a capacity of 86 beds.

Cat	GL	Expense Description	FY 2014				Difference (86 beds vs. Gov Rec)	
			Average Cost Per Bed per Year	Actual (68 beds avg daily census)	Leg Approved Capacity (76 beds)	Full Capacity (86 beds)		Governor Recommends Base Amount
15	7207	Food Service	\$6,469.71	\$439,940	\$491,698	\$556,395	\$463,048	\$93,347
40	7185	Medications	\$4,247.62	\$288,838	\$322,819	\$365,295	\$295,175	\$70,120
<b>Total</b>				<b>\$728,778</b>	<b>\$814,517</b>	<b>\$921,690</b>	<b>\$758,223</b>	<b>\$163,467</b>

If the Subcommittee approves the re-opening of the Stein Hospital in the Southern Nevada Adult Mental Health Services budget, 47 additional forensic beds are anticipated to be available by November 2015. The agency indicated during its budget hearing that the opening of Stein would reduce the need for beds at Lake's Crossing; however, the agency also indicated it was too early to estimate the magnitude of the reduction. The agency noted it was currently non-compliant with the consent decree stipulated by the settlement agreement with the Clark County Public Defender's Office, and as of April 21, 2015, maintains a waitlist of approximately 65 defendants.

The Subcommittee may wish to consider the following options with respect to the number of beds and funding levels at Lake's Crossing:

- A. Approve funding for the full 86 beds available at Lake's Crossing with an increase in Food Service and Medication expenditures totaling \$163,467 in each year of the biennium, funded with General Fund appropriations; or
- B. Modify the Governor's recommendation by decreasing base operating expenditures by \$17,909 in each year of the biennium to support the legislatively approved 76 beds, funded with General Fund appropriations.

**The Subcommittee recommended approval of funding for the full 86 beds available at Lake's Crossing, resulting in an increase in Food Service and Medication expenditures totaling \$163,467 in each year of the biennium, funded with General Fund appropriations.**

- 2. County Reimbursement for Client Commitment (E-365, DHHS-PUBLIC HEALTH-226): The Governor recommends a reduction to General Fund appropriations and a corresponding increase in County Reimbursements of \$1.3 million in each fiscal year of the 2015-17 biennium, as a result of budgeting counties to reimburse the facility for certain defendant commitments. Senate Bill (S.B.) 487 has been submitted and referred to the Senate Committee on Finance to implement this recommendation. Senate Bill 487 was heard by the Senate Committee on Finance on April 2, 2015, with no action taken.

*Nevada Revised Statutes* (NRS) 178.461 provides that un-restorable defendants may be committed to a forensic facility for up to ten years. Prior to the passage of this statute in 2007, defendants deemed un-restorable could only be committed to a civil hospital. According to the agency, eight people have been committed under this statute and are currently occupying beds that were originally funded for restoration of competency.

	Committing County	Anticipated Release Date
1.	Churchill	08/06/2023
2.	Clark	07/05/2020
3.	Clark	12/15/2020
4.	Clark	04/22/2023
5.	Clark	07/11/2023
6.	Clark	05/27/2024
7.	Clark	06/30/2024
8.	Washoe	04/07/2018

In order to fund the commitment costs of un-restorable defendants, The Executive Budget recommends counties reimburse Lake’s Crossing at a rate of \$447 per day for each defendant, the average daily cost for inpatient admissions as calculated over an eight-year period.

**Does the Subcommittee wish to approve General Fund appropriation reductions and new County Reimbursement revenues in the amount of \$1.3 million in each fiscal year of the 2015-17 biennium, contingent upon passage and approval of Senate Bill 487?**

**The Subcommittee deferred the discussion of county reimbursements for client commitments and indicated the item will be heard before the Joint Full Committee on Wednesday, May 13, 2015.**

3. In-State Travel Increase (E-228, DHHS-PUBLIC HEALTH-225): The Governor recommends \$20,688 in General Fund appropriations over the 2015-17 biennium to fund six additional defendant transports between Las Vegas and Sparks each year, as well as eight trips per year for Lake’s Crossing staff to assist in the planning of the Stein Hospital opening and ongoing oversight. This enhancement would increase the In-State Travel category from the base amount of \$13,763 to \$24,107 per fiscal year.

The agency indicates that six additional defendant transports per year would cost \$5,616 over the 2015-17 biennium, and includes lodging and per diem for two Forensic Specialists per each two-day trip. The agency explained that currently, counties that request evaluations at Lake’s Crossing are responsible for transporting defendants to the facility, and as a result, Clark County currently flies defendants regularly from Las Vegas to Sparks. Once an individual is in the custody of the division, the agency is responsible for returning defendants to Las Vegas upon restoration. The agency currently returns many defendants to Las Vegas on the return flight of the plane chartered by Clark County. The agency anticipates the number of flights will decrease dramatically once the Stein Hospital is open, and the recommendation for six additional defendant transports is necessary to fulfill the agency’s responsibility to return defendants to Las Vegas.

Funding for staff to support the planning and opening of the Stein Hospital is also recommended for eight trips between Sparks and Las Vegas per year for two employees, and includes airfare and per diem for a total of \$15,072 over the 2015-17 biennium. The agency indicated that travel expenses would be ongoing, as the Clinical Program Manager who runs the facility at Lake’s Crossing and the Lieutenant in charge of security at Lake’s Crossing would travel regularly to Las Vegas in order to provide training and oversight for the Stein Hospital.

If the Subcommittee does not approve the re-opening of the Stein Hospital in the Southern Nevada Adult Mental Health Services budget, this decision unit should be reduced by \$15,072 over the 2015-17 biennium, as agency staff will not need to support the planning and opening of the Stein Hospital.

**Does the Subcommittee wish to approve the Governor's recommendation to fund six additional defendant transports between Las Vegas and Sparks each year, as well as eight trips per year for Lake's Crossing staff to assist in the planning and oversight of the Stein Hospital?**

**The Subcommittee recommended approval of the Governor's recommendation to fund six additional defendant transports between Las Vegas and Sparks each year, as well as eight trips per year for Lake's Crossing staff to assist in the planning and oversight of the Stein Hospital.**

### **Other Closing Items**

1. Agency-Specific Inflation (M-101, M-102, DHHS-PUBLIC HEALTH-222-223): The Governor recommends \$25,581 in General Fund appropriations over the 2015-17 biennium for annual inflationary increases in prescription medicine (2 percent) and food (2 percent). Increases are based on Consumer Price Index estimates. **This recommendation appears reasonable.**
2. Deferred Maintenance (M-425, M-426, DHHS-PUBLIC HEALTH-224): In two separate decision units, the Governor recommends General Fund appropriations totaling \$135,870 in FY 2016 to replace flooring and carpet (\$51,800), as well as interior painting (\$84,070) in the Lake's Crossing facility. These improvements are requested pursuant to the Public Works Division's Facility Condition Analysis report dated April 2012. **This recommendation appears reasonable.**
3. Staff Training (E-227, DHHS-PUBLIC HEALTH-224-225): The Governor recommends General Fund appropriations of \$27,400 over the 2015-17 biennium for staff training provided by the College of Southern Nevada in the form of online courses. According to the agency, *Nevada Administrative Code* (NAC) 433.110 requires Forensic Specialists to obtain a Mental Health Certificate within their first two years of employment, and existing employees must maintain 20 hours of continuing education annually in order to maintain certification. **This recommendation appears reasonable.**
4. Increased Out-of-State Travel (E-231, DHHS-PUBLIC HEALTH-225): The Governor recommends General Fund appropriations of \$7,444 over the 2015-17 biennium to fund six round trip transports per year to Utah. Funding includes lodging and per diem for two Forensic Specialists per two-day trip. According to the agency, Lake's Crossing has experienced an increase in the number of clients diagnosed with dementia or other neurological disorders. The agency indicates that clients with this type of diagnosis are in need of skilled nursing care, such as those provided at adult care facilities, and that placements in Nevada have been nearly impossible to obtain. **This recommendation appears reasonable.**

### **Technical Adjustments**

During the adjusted base budget review process, Fiscal staff noted that one position was incorrectly budgeted for Social Security payments when this position was also budgeted for the Public Employees' Retirement System (PERS). Fiscal staff has included the technical adjustment in this closing document.

**Fiscal staff recommends approval of Other Closing Items, along with the noted technical adjustment, and seeks authority to make other technical adjustments as necessary.**

**The Subcommittee recommended approval of the Other Closing Items in this budget as recommended by the Governor, with technical adjustments, and authority for Fiscal staff to make other technical adjustments, as needed.**

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