

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Eighty-second Session  
May 16, 2023**

The Senate Committee on Finance was called to order by Chair Marilyn Dondero Loop at 8:13 a.m. on Tuesday, May 16, 2023, in Room 1214 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Marilyn Dondero Loop, Chair  
Senator Nicole J. Cannizzaro, Vice Chair  
Senator Dallas Harris  
Senator Dina Neal  
Senator Rochelle T. Nguyen  
Senator Pete Goicoechea  
Senator Heidi Seevers Gansert  
Senator Robin L. Titus

**STAFF MEMBERS PRESENT:**

Wayne Thorley, Senate Fiscal Analyst  
Cathy Crocket, Chief Principal Deputy Fiscal Analyst  
Paul Breen, Committee Assistant  
Joko Cailles, Committee Secretary  
Dee Chekowitz-Dykes, Committee Secretary

**OTHERS PRESENT:**

Craig Statucki, Interim Deputy Superintendent, Nevada Department of Education  
Janine Hansen, Nevada Families for Freedom  
Lynn Chapman, Independent American Party  
Jim DeGraffenreid, Nevada Republican Party  
Megan Peterson, Deputy Superintendent, Student Investment Division,  
Nevada Department of Education

Sarah R. Johnson, Director, Office of Small Business Advocacy, Office of the Lieutenant Governor

Daniel Marlow, Administrator, Administrative Services Division, Nevada Department of Administration

Joan Hall, President, Nevada Rural Hospital Partners

Michael Flores, Vice President of Government and Community Engagement, University of Nevada, Reno

Allison Genco, Public Health Resource Officer, Office of the Governor

Patrick D. Kelly, President and Chief Executive Officer, Nevada Hospital Association

Thomas Maher, Chief Executive Officer, Boulder City Hospital

Kelly Adams, Chief Executive Officer, Mesa View Regional Hospital

Toni Inserra, Administrator, South Lyon Medical Center

Denise Ferguson, Chief Executive Officer/Administrator, Mount Grant General Hospital

Melissa Rowe, Administrator, Grover C. Dils Medical Center

Robert Carnahan, Chief Executive Officer, Banner Churchill Community Hospital

Jason Bleak, Chief Executive Officer, Battle Mountain General Hospital

Brandon Chadock, Chief Executive Officer, Pershing General Hospital and Nursing Home

Jeff Prater, Chief Executive Officer, Carson Valley Health

Matthew Walker, Chief Executive Officer, William Bee Ririe Hospital

Susan Davila, Chief Executive Officer, Desert View Hospital

Dora Martinez, Nevada Disability Peer Action Coalition

Robyn Dunckhorst, Chief Executive Officer, Humboldt General Hospital

Cameron Duncan, PhD., Interim Dean, Orvis School of Nursing, University of Nevada, Reno

Alejandro Rodriguez, Nevada System of Higher Education

Elena Bubnova, Associate Vice President, Research, Marketing and Web Services, Truckee Meadows Community College

Anthony Ruiz, Nevada State College

George Ross, HCA Healthcare

Michael D. Hillerby, Renown Health

Kent Ervin, Nevada Faculty Alliance

Alex Tanchek, Nevada Advanced Practice Nurses Association

Paige Barnes, Nevada Nurses Association

Donna Laffey, Dignity Health, St. Rose Dominican Hospital

Amber Donnelly, Associate Vice President for Faculty Success, Great Basin College

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Frank Woodback, Executive Director, College of Southern Nevada  
Angela Silvestri-Elmore, Associate Dean, School of Nursing, University of Nevada, Las Vegas  
Robin Hager, Deputy Director, Office of Finance, Office of the Governor  
Erik Jimenez, Chief Policy Deputy, Office of the State Treasurer  
Kirsten Van Ry, Chief of Staff, Office of the State Treasurer  
James Smack, Chief Deputy Controller, Office of the State Controller

CHAIR DONDERO LOOP:

We will start with Senate Bill (S.B.) 9 and S.B. 71 both regarding the Nevada Department of Education (NDE).

**SENATE BILL 9**: Revises provisions relating to education. (BDR 34-282)

**SENATE BILL 71 (1st Reprint)**: Revises provisions relating to the recruitment and retention of school staff. (BDR 34-439)

CRAIG STATUCKI (Interim Deputy Superintendent, Nevada Department of Education):

I am presenting S.B. 9 on behalf of the NDE. This bill was pre-filed on behalf of the NDE, but this bill is truly filed on behalf of our school districts who requested a streamlined and efficient approach to reports and assessments. The NDE budget was previously closed in budget hearings. Senate Bill 9 has the removal of course assessments from our high school system, but that budget closed with no funding. If S.B. 9 passes, there is no financial impact.

JANINE HANSEN (Nevada Families for Freedom):

We spent much money on education and often we are disappointed in the outcomes. The reason for that is the lack of transparency and accountability. This bill harms both of those things.

This bill eliminates end-of-course exams which have been shown to help students succeed in graduating from high school and going on to college. It is a mistake to eliminate end-of-course exams.

We wonder why we fail, but we do not change the way we do things enough to help our children succeed. Another issue with this bill is taking out the requirement that schools contact parents. We want parents involved, but this bill eliminates the requirement that parents be notified by the schools of failure,

success or problems with their children. It is bad policy. I know many times the schools might think active parents are an annoyance. The most active parents of all are the most important parents of all. We need to engage them and get them involved with their students and their schools. It will help the schools and the students to succeed.

These two parts of S.B. 9 will not encourage success in our schools, nor help our children succeed, but will hurt them, their success and our schools. I would ask you vote no on those two sections of S.B. 9.

LYNN CHAPMAN (Independent American Party):

I am opposed. As parents, we want the best for our children. We pay taxes to achieve the end goal of having children who can read, write, do math and think for themselves. Senate Bill 9 is not the bill that would help our children read, write, do math and think because of the elimination of end-of-course exams. It makes parents wonder what they get for their tax dollars spent on education especially when transparency and accountability will be eliminated.

Also, why would the standardized form used in elementary schools be eliminated? This makes no sense at all. Parents want to be informed of their children's achievements, their homework information from the schools about policy changes, general information, and most importantly, messages from their children's teachers. Why would all this be hidden? Why would parents be left out of their children's education? The schools should want parent participation. Senate Bill 9 would eliminate all of this. If you look at the trending opinions on this bill, support is 17 percent and opposition to this bill is 80 percent. Please vote no on S.B. 9.

JIM DEGRAFFENREID (Nevada Republican Party):

I oppose S.B. 9. I echo the comments of Ms. Hansen and Ms. Chapman. In a State where we are as far behind as we are in education, eliminating final exams makes no sense. We urge the Committee to not adopt this bill.

SENATOR NEAL:

Would you state for the record, section 4 of S.B. 9 still has parent involvement?

MR. STATUCKI:

There is family engagement. The removal refers to a prescribed form used for that communication which should enable a more natural flow of communication

between educators and the parents. Also, in S.B. 9, we removed what is essentially a parent report card where teachers are grading parents on their involvement, which is not necessarily the best way to foster a two-way communication between parents and educators about their students' well-being.

SENATOR NEAL:

Does the bill continue to allow the State Board of Education the ability to develop their parental involvement and family engagement policy under *Nevada Revised Statutes (NRS) 392.4575*?

MR. STATUCKI:

Yes. We are still in compliance with requirements of our title programs in terms of making sure our teachers are engaging with parents. We are removing the prescribed form of communication for that piece.

CHAIR DONDERO LOOP:

As a 30-year teacher, this is the way I operated. I did not have anybody telling me I had to talk to parents. I did talk to parents almost every single day. We will close the hearing on S.B. 9 and we will go to the hearing on S.B. 71.

MR. STATUCKI:

Our interpretation of the amendment in S.B. 71, is it would remove the fiscal note because it is now combining two task forces into a single task force that already exists.

CHAIR DONDERO LOOP:

Would you please confirm that you are removing the fiscal note? I understood it was being reduced to \$5,000 or something around that.

MEGAN PETERSON (Deputy Superintendent, Student Investment Division, Nevada Department of Education):

We are requesting task force member travel, but it does remove the remainder of the fiscal note.

CHAIR DONDERO LOOP:

Will that be a \$5,000 fiscal note or more?

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MS. PETERSON:  
That is correct, \$5,000.

CHAIR DONDERO LOOP:  
I am going to correct this, because I have something in front of me that says the fiscal note would be reduced to \$5,998 per year and I realized the \$998 makes it almost \$6,000. Do I have the right information?

MS. PETERSON:  
Yes, that is correct.

CHAIR DONDERO LOOP:  
I will close the hearing on S.B. 71 and we will move to S.B. 24, for the Office of the Lieutenant Governor.

**SENATE BILL 24 (1st Reprint)**: Revises provisions relating to the Office of Small Business Advocacy within the Office of the Lieutenant Governor. (BDR 18-404)

SARAH R. JOHNSON (Director, Office of Small Business Advocacy, Office of the Lieutenant Governor):

Senate Bill 24 reauthorizes the Office of Small Business Advocacy and allows us to continue serving Nevada's entrepreneurs. With the recent amendment to S.B. 24, the Office of Small Business Advocacy will use American Rescue Plan Act (ARPA) funding instead of State General Funds to fund the Office for another two years. Our Office looks forward to the opportunity to report back to this Committee in two years on the small businesses we have served and improvements we have recommended to ensure Nevada truly is small business friendly.

DANIEL MARLOW (Administrator, Administrative Services Division, Nevada Department of Administration):

We have a fiscal note on S.B. 24. However, as Sarah Johnson indicated in the closing for this budget account, ARPA funding was approved with a General Fund appropriation if needed. The fiscal note on this bill can be removed based on the closing.

CHAIR DONDERO LOOP:  
We will close the hearing on S.B. 24 we will move on to S.B. 455.

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**SENATE BILL 455**: Makes an appropriation to the Office of the Lieutenant Governor for the replacement of computer hardware and associated software. (BDR S-1111)

MR. MARLOW:

Senate Bill 455 makes an appropriation to the Office of Lieutenant Governor for the replacement of computer hardware and associated software following the standard Enterprise Information Technology Services (EITS) schedule, and we have no revisions to the amount indicated in the bill.

CHAIR DONDERO LOOP:

There are no comments, we will close the hearing on S.B. 455 and open the hearing on S.B. 241.

**SENATE BILL 241**: Revises provisions relating to Medicaid. (BDR 38-971)

SENATOR ROBIN L. TITUS (Senatorial District No. 17):

Nevada Senatorial District No. 17 includes six rural Nevada counties: Douglas, Lyon, Churchill, Mineral, Esmerelda and part of Nye County, specifically Tonopah.

Senate Bill 241 concerns critical access hospitals, of which there are only 13 in this State. Four of these are in my Senate district, Banner Churchill Community Hospital in Fallon, Carson Valley Health in Gardnerville, Mount Grant General Hospital in Hawthorne and South Lyon Medical Center in Yerington. This is one of the many reasons this bill is important to me.

The policy of this bill was presented to the Senate Health Care Committee on March 21, 2023, with the discussion of what a critical access hospital is and what swing beds are. We can answer those policy questions when we finish. All members of the Senate Health and Human Services Committee have agreed to be sponsors of this bill. They all see the importance.

The finance component of S.B. 241 is straightforward. Section 1 of the bill requires Nevada Medicaid to pay these critical access hospitals at their cost for providing outpatient services and swing bed services to Medicaid beneficiaries. Nevada Medicaid does this for all critical access hospital inpatient services but not outpatient services. This will come at a cost to the State, which is what we are here to discuss.

Pursuant to Title 42, Code of Federal Regulations, Part 413 of Centers for Medicare and Medicaid Services (CMS), CMS reimburses critical access hospitals at cost for Medicare benefits for both inpatient and outpatient services including swing beds and allows for State Medicaid programs to do the same. Centers for Medicare and Medicaid Services does this because it realizes it is vital to keep these small rural hospitals open and provide services to their communities.

Cost-based reimbursement does not make a profit for the hospitals but acknowledges they also should not be taking a loss for providing services to our Medicare and Medicaid recipients. They are simply paid what it cost them to provide services to their community. It does not include any cost of physicians or other professional services. In any given year, about 25 percent of all critical access hospitals in Nevada have a net loss of operating revenues. This bill will go a long way in ensuring we do not have any of our critical access hospitals in Nevada at risk of closing and they remain in the communities providing access to care for Medicaid beneficiaries.

The bill's fiscal note from the Office of Finance in the Office of the Governor listed the cost to the State as a total of \$2,601,208 for fiscal year (FY) 2023-2024 and \$6,074,840 for FY 2024-2025.

JOAN HALL (President, Nevada Rural Hospital Partners):

Critical access hospital is a designation given to eligible hospitals by CMS. This provides us with Medicare, outpatient, and inpatient reimbursement. An important piece of unfinished business was Congress left it up to states to determine how to reimburse for Medicaid. Medicaid currently pays us the cost for inpatient services. This bill would allow costs for all services for Medicaid recipients. On behalf of our 13 critical access hospitals, we urge your support.

MICHAEL FLORES (Vice President of Government and Community Engagement, University of Nevada, Reno):

The University of Nevada, Reno, Office of Rural Health, is in strong support.

ALLISON GENCO (Public Health Resource Officer, Office of the Governor):  
Governor Joe Lombardo is in support of S.B. 241.



PATRICK D. KELLY (President and Chief Executive Officer, Nevada Hospital Association):

In calendar year 2022, almost half of the hospitals in the State of Nevada had a negative operating margin and many of those were critical access hospitals. This bill goes a long way to shoring up and creating a stable environment in which these hospitals can exist. We urge your support.

THOMAS MAHER (Chief Executive Officer, Boulder City Hospital):

I support S.B. 241. Boulder City Hospital is unable to and does not accept almost 600 Medicaid referrals per year from urban acute care hospitals for their patients needing subacute placement in our swing beds due to the incredibly low rate of Medicaid reimbursement. We can be a better partner to our urban Clark County hospitals and increase access for lifesaving medical intervention if we can receive cost-based Medicaid reimbursement for these subacute patients. This will free up those acute beds at the metropolitan hospitals for sicker patients.

Critical access hospitals are what the name implies, hospitals that provide critical need access especially in an emergency. Our emergency room visits are relatively low, but our presence is essential. Cost-based Medicaid reimbursement gives us a fighting chance to remain financially viable and take care of our rural communities. This does not begin to address the need for improvement in our physical plant, equipment and infrastructure. Federal law requires we treat and stabilize anyone who arrives at the emergency room regardless of resources. We receive 11 cents for every \$1 of cost to provide these services. This is not sustainable for critical access hospitals.

KELLY ADAMS (Chief Executive Officer, Mesa View Regional Hospital):

Mesa View is a 25-bed critical access hospital serving the communities of Mesquite, Logandale and the surrounding area. Population in this area is about 23,000 people.

I support S.B. 241. Last year, this hospital was at less than a 1 percent margin and we have employees to pay, supplies to buy, and other operating costs. I am very much in support of S.B. 241 for swing bed, subacute and outpatient services to get us to the point where we can cover our costs.

TONI INSERRA (Administrator, South Lyon Medical Center):

We are a 14-bed critical access hospital located in Yerington. We serve the rural areas of Smith Valley, Mason Valley and the communities of Mason, Schurz and Topaz Ranch Estates. These communities have a population of over 14,000 people, with low commercial payers.

The medical center relies heavily on reimbursement from Medicare and Medicaid. We are a facility that treats many retired individuals and thousands of low-income families and farmworkers. Medicaid pays our facility significantly less than our costs for outpatient services. Our costs of these services are 36 percent of the billed charges, but Medicaid pays only between 9 percent to 11 percent. For example, in the last fiscal year, we billed Medicaid over \$3 million for combined outpatient services and we were paid just \$261,000 which was \$827,000 less than our cost to provide the service. Outpatient cost-based reimbursement is the safest, surest way for rural hospitals to receive fair reimbursement and continue our viability. I urge the Committee to support S.B. 241.

DENISE FERGUSON (Chief Executive Officer/Administrator, Mount Grant General Hospital):

Mount Grant General Hospital is in Hawthorne. I support S.B. 241. Our community's sustainability is dependent on our hospital's existence. Thirty-three percent of our outpatient and emergency room visits are comprised of Medicaid beneficiaries. This has continued over the recent years and is necessary to support the needs in the community we serve. Tonopah's critical access hospital was closed seven years ago, and we are the closest facility to those residents in need.

On average, we have a loss of anywhere from \$1.5 million to \$1.8 million per year due to outpatient Medicaid reimbursement. With passage of this bill, we can support our community with continued access to care. Transportation is our biggest obstacle, but we cannot fund this due to the reimbursement. We need to recruit skilled workers to our area in order to compete in our market. We greatly appreciate your support of this bill.

MELISSA ROWE (Administrator, Grover C. Dils Medical Center):

As the administrator of the medical center in Caliente, I support S.B. 241. The payer mix in Lincoln County is over 25 percent Medicaid which has a direct impact on our critical access hospital and our clinics. Receiving cost-based

reimbursement for outpatient services would be significant and allow the continued stability and access to services for Medicaid recipients, and the opportunity to reinvest in this already underserved area of Nevada. This is vital to Lincoln County and will allow us to bring stability in healthcare to those living in and visiting our community.

The closest medical facilities to Lincoln County are in St. George, Utah, which is 115 miles away, and Las Vegas, which is 150 miles away. These drive times are at least 1.5 to 3 hours away. Access to care in Lincoln County is essential as this community is underserved and aging. We provide primary care to our elderly population who cannot leave or choose not to leave Lincoln County for their health care needs. We serve a wide and diverse group of visitors, and we love the community that we serve.

ROBERT CARNAHAN (Chief Executive Officer, Banner Churchill Community Hospital):

We are a critical access hospital in Fallon. Banner Churchill Community Hospital supports S.B. 241. Outpatient cost-based reimbursement challenges are creating a difficult space to provide care, and we have not seen increases in reimbursements in many years. Having outpatient cost-based reimbursement is crucial to our operations and the ability to continue providing care to our community.

We have witnessed extreme cost increases over the past few years in all areas of operations. The areas seeing considerable impact are labor, supplies, equipment and pharmaceuticals. Having outpatient cost-based reimbursement will allow us to put capital back into our facilities. To put this in perspective, we put up a new emergency department to support our community at a cost of \$9 million, we purchased a new magnetic resonance imaging machine at a cost of \$3 million and had to buy a new ambulance this past year for \$240,000. Paving our parking lot cost \$1.5 million. The cost of doing business is expensive.

Nevada struggles to recruit clinical staff and this is compounded in the rural markets. Having additional funding with patient cost-based reimbursement will allow us to better recruit staff at our facility. The additional reimbursements will help with the increases in labor costs. This is especially evident with doctors, nurses, respiratory therapists, and imaging technicians with the shortages of

clinical staff in our Country. We must pay higher wages to remain competitive and draw those much-needed clinicians to our facility.

In the last two years, we have seen our margins shrink. Our facility made barely a 1 percent margin and the current reimbursement is not keeping up with the costs of inflation. Having outpatient cost-based reimbursement will allow us to continue serving Nevadans and those who seek care with us. This additional reimbursement is imperative and beneficial to our continued operations.

JASON BLEAK (Chief Executive Officer, Battle Mountain General Hospital):  
I appreciate the opportunity to testify in support of S.B. 241. We are a critical access hospital in one of the least populated counties of Nevada. We do not have a patient volume to make up for operational losses due to governmental reimbursements.

The CMS took important steps years ago to create a critical access hospital designation and establish a cost-based reimbursement structure for Medicare services. Senate Bill 241 is an essential reimbursement modernization bill to sustain Nevada's rural hospitals. By improving S.B. 241 and establishing a similar payment structure to CMS, this Legislature will be recognized for using State resources to ensure healthcare stability in the rural areas of Nevada.

Medicaid and Medicare patients represent over 50 percent of our patient revenues. By passing this bill, the future of Battle Mountain General Hospital will be strengthened as the various costs of care continue to rise. This will give us the opportunity to better recruit and retain licensed and certified clinical staff and other support staff. It will allow us the opportunity to maintain our medical equipment with updated technology and capabilities. All critical access hospital patients will benefit by passing this bill. I am in full support of S.B. 241.

BRANDON CHADOCK (Chief Executive Officer, Pershing General Hospital and Nursing Home):

Pershing General Hospital and Nursing Home is the sole healthcare provider in Pershing County for primary care, emergency care, diagnostics and long-term care. We are located an hour away from other healthcare services along Interstate 80.

About a decade ago, the hospital nearly shuttered. While much effort went into its financial turnaround, its story is not unique. Unfortunately, many critical

access hospitals face similar challenges year after year. Operating on slim margins hinders physical plant, equipment and service line reinvestment. Rural hospital closures are increasing Nationwide, but Nevada can reverse this trend by adopting innovative approaches like S.B. 241.

Supporting this bill would help Pershing General stabilize its facility and reinvest in services. Over the past year, we have added certified wound care and explored a mobile rural health clinic in partnership with our County to care for underserved rural populations that are typically Medicaid and Medicare. In 2022, Pershing General won a Nationwide Top 20 in Quality Award from the National Rural Health Association. We are doing the best we can with already slim margins. Our 2022 audited total margin was negative 8.3 percent, primarily due to the cost of labor and supplies. Because Medicaid members represent a significant portion of the patients we serve, reimbursing those visits based on the cost to provide them care would allow us to strengthen our core services, improve our aging building and equipment, and better address community health needs.

I urge you to recognize the significance of this bill from the perspective of Pershing General Hospital. While it may not solve all of our challenges, it represents a significant and impactful step forward, a much-needed lifeline at a crucial time for rural hospitals.

JEFF PRATER (Chief Executive Officer, Carson Valley Health):

Carson Valley Health was formerly Carson Valley Medical Center. I support S.B. 241. In our last audit of financials in 2021, Carson Valley Health had cost—not gross billings—for outpatient Medicaid patients of \$4.2 million. Unfortunately, we are only paid \$1.7 million. In today's dollars, Carson Valley Health's unfunded costs of providing care to the Medicaid population are \$2.5 million annually. In addition to the unfunded Medicaid services we provided, we provided \$3.1 million of charity care in 2022 and had bad debt of \$1.6 million of the unfunded Medicaid costs. This includes \$500,000 in orthopedic surgical implants alone.

Carson Valley Health provides swing bed services with 23 licensed beds. Medicaid pays us \$128 a day and our costs are approximately \$2,800 per day. Other important services we provide put additional financial strain on the organization due to our costs that are not covered, our emergency services, wound care, oncology treatments including infusion services, and behavioral

health. To positively impact access to care within our service area of 55,000, it is imperative this bill moves forward. Our patients, like those in many other rural areas across the State, want their health care close to home.

MATTHEW WALKER (Chief Executive Officer, William Bee Ririe Hospital):  
William Bee Ririe Hospital is in the White Pine County Hospital District. I support S.B. 241. Ely is 200 miles to the nearest health care, 230 miles to the nearest tertiary center, and about a 3.5-hour drive, one way. Our organization is imperative for the health care of people who live in and travel through this area.

Outpatient cost-based reimbursement will not fix the entire problem, but it will certainly help and allow us to continue to provide services to our most at-risk population. The number of Medicaid patients we have in this area continues to increase and the reimbursement is far less than what it costs to provide services. Because of this discrepancy, it requires us to look at some of the services we provide, such as our obstetrics and oncology services and determine whether we can continue to provide them. Our hope is with some outpatient cost-based reimbursement, we can offset some of those losses. It will allow us to continue to provide lifesaving services to those who really do not have another option because they do not have reliable vehicles, or the means or opportunity to leave the area to receive health care anywhere else. I hope you will support S.B. 241.

SUSAN DAVILA (Chief Executive Officer, Desert View Hospital):  
I want to talk about the importance of supporting S.B. 241 cost-based reimbursement for outpatient Medicaid services and swing bed services for rural hospitals in Nevada. Desert View Hospital is in Pahrump, in Nye County, which covers 18,159 square miles. Most of the county is remote and rural. Twenty percent of our population in Nye County fell below the poverty level and many people are on Medicaid and managed Medicare.

Rural hospitals in Nevada have been struggling to stay afloat due to several factors including lack of funding and resources. These hospitals are often the only healthcare providers in our own communities, and they play a critical role in ensuring residents have access to quality health care services.

The Medicaid reimbursement system is not designed to meet the unique needs of rural hospitals. Under the current system, rural hospitals are reimbursed based on a fixed fee schedule for outpatient claims, which does not consider

the actual cost of providing care. This puts rural hospitals at a disadvantage as they often have higher operating costs due to their smaller patient volumes and limited resources. As a result, many rural hospitals are forced to operate at a loss which can ultimately lead to closures and lack of access to health care in the communities we serve.

Cost-based reimbursement for outpatient services is necessary to address this issue by reimbursing hospitals based on their actual costs rather than a fixed fee schedule, so rural hospitals can receive the funding they need to continue providing quality care to their patients.

Cost-based reimbursement for Medicaid outpatient claims is necessary for rural hospitals in Nevada. It will help to ensure rural hospitals have the funding they need to provide quality care to their patients. Let us work together to ensure all rural Nevadans have access to quality healthcare services within their own communities.

DORA MARTINEZ (Nevada Disability Peer Action Coalition):  
The Nevada Disability Peer Action Coalition is in support.

ROBYN DUNCKHORST (Chief Executive Officer, Humboldt General Hospital):  
Humboldt General Hospital is in Winnemucca. Critical access hospitals support the health of the lives of people who reside in 87 percent of Nevada's land mass. Humboldt County is no different than those testifiers you have heard before, with over 4,000 residents receiving Medicaid. On behalf of those underinsured rural residents of Humboldt County, I support S.B. 241.

To serve and preserve access to care for Medicaid patients in our community, it is paramount that critical access hospitals be paid for the cost of delivery of our patient care and swing bed services. Not only do we sorely lack the resources for mental health, but primary care resources are limited also. Most rural county hospitals are the primary providers of healthcare information for patients. If you want to improve the disparity of health care in rural locations, it needs to be a priority. Ensuring access to care in these areas is supported by paying for the cost of the care being delivered so we can afford to develop services and offer, at minimum, rapid and effective access to primary care and swing bed care. We rehabilitate our community within our community where they reside.

With the escalating inflationary costs and healthcare labor shortage issues, now is the time to offer this level of subsidy before we start to experience possible closures of some rural organizations. Unlike most industries, the healthcare industry cannot pass on the increased cost to the consumer. Inadequate Medicaid reimbursements causes instability in the delivery of health care from rural organizations that have nothing left to give. If this bill does not move forward, I foresee our organization having to make horrible decisions, such as closure of our behavioral health clinic, cardiology clinic, obstetrics services and our rural family residency program to ensure we keep the heart of our life-preserving needs intact. These are a few of the many services we offer to improve the access to adequate health care that every rural resident deserves regardless of their ability to pay. You can help to ensure this grows and improves.

All we are asking for today is that we are paid at cost for the services we are already providing. We are not looking to make money, but simply break even because it is vital to our sustainability. I urge you to support S.B. 241.

SENATOR TITUS:

We have heard many issues this Session on access to care and we are looking at many solutions. Senate Bill 241 will help us maintain what we have. As we continue to build our infrastructure and more providers, we are not going to lose any. We heard from north, south, east, and west in this great State of ours about how important this bill is.

CHAIR DONDERO LOOP:

I understand the importance of this. It is no secret that I have family in rural counties and have had families in rural counties. This is the reason we take care of all Nevadans. This is why we vote bipartisan on many bills, including those in Las Vegas and Reno. I will close the hearing on S.B. 241 and I will open the hearing on S.B. 375.

**SENATE BILL 375**: Makes an appropriation to the Nevada System of Higher Education for a grant program to expand undergraduate and graduate nursing programs at institutions within the System. (BDR S-917)



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SENATOR SEEVERS GANSERT (Senatorial District No. 15):

Senate Bill 375 is co-sponsored by Senator Nicole Cannizzaro, Assemblyman Steve Yeager and Assemblyman P.K. O'Neill. It is a bipartisan and bicameral piece of legislation. This bill is about expanding the nursing pipeline in Nevada.

On your desk is the S.B. 375 Nursing Pipeline and Fact Sheet ([Exhibit C](#)) and a copy of *Addressing Nevada's Nursing Workforce Shortages: A Call to Action*, a white paper ([Exhibit D](#)) by John Packham published in December 2022. I have been working with Cameron Duncan from the University of Nevada, Reno, since November 2022 on improving the pipeline for nursing.

The cost of S.B. 375 is in section 1. It is about \$17.5 million in FY 2023-2024 and \$18.5 million in FY 2024-2025. The ongoing cost is estimated to be about \$18.5 million, though this is one-shot funding. These funds would go to the Nevada System of Higher Education to create a grant program for awards to the different institutions. Nevada has seven institutions that have both undergraduate and graduate nursing programs. With these funds, we can increase the number of nursing graduates by 50 percent or from 1,082 in 2023 to 1,752 in 2026.

Senate Bill 375 was created to increase the capacity of the nursing programs without using capital to increase space. This is all about hiring staff, faculty and purchasing equipment to operate and expand the nursing programs. The dollars that are in this bill can be used in either year but must be used by the end of the fiscal year.

Dr. John Packham is the co-director of the Nevada Health Workforce Research Center, which is part of the Office of Statewide Initiatives. He sent over this important information. Over the past 6 years, the 7 nursing programs graduated 4,861 students. They surveyed those students and 2,561 students responded. Of those, 91.1 percent reported they have lined up employment with a Nevada employer, typically a hospital, or plan to begin working in Nevada after they graduate. The 89.4 percent to 92.6 percent nursing program retention rate holds up across seven institutions over six academic years. Dr. Packham indicated by expanding the nursing programs, the students who graduate will remain in Nevada to work.

June Eastridge at Nevada State College turns away 200 qualified applicants every year and Amber Donnelly at Great Basin College (GBC) stated GBC's

program has a 100 percent pass rate. We have outstanding public schools of nursing. I am hopeful we can fund them so they can expand their number of graduates by 50 percent in the next three years.

CAMERON DUNCAN, PHD. (Interim Dean, Orvis School of Nursing, University of Nevada, Reno):

Orvis School of Nursing has the largest nursing program in the north with both undergraduate and graduate programs. Each year we have consistent high pass rates on both the National Council Licensure Examination and the Registered Nurse exam. We have a 100 percent pass rate on our Advanced Practice Registered Nurse practitioner exams. Most of our graduates stay in Nevada after graduation.

It is clear to everyone, there is a severe nursing shortage and one step in correcting that is increasing enrollment in our nursing programs, both graduate and undergraduate. This grant program will provide additional funding for us that will help increase enrollment in all our programs. It will allow us to recruit and hire more highly skilled faculty members from other states. Additional funding will increase the number of graduate and teaching assistants to support our faculty. This money will also be used to hire additional administrative and support staff to help us run our programs efficiently and will also help us purchase the necessary equipment we need to provide training and high-fidelity simulation for all our students.

This money can be used to support our faculty and faculty development opportunities, so they are using evidence-based teaching strategies and ensuring we maintain our quality education in all our nursing programs.

SENATOR NGUYEN:

Do you anticipate these funds would be used throughout the State's nursing programs or primarily in the two larger institutions?

SENATOR SEEVERS GANSERT:

Based on the information I received, every single nursing program, undergraduate and graduate, in the Nevada System of Higher Education system can expand.

I am excited about this because part of our issue is making sure we have providers across the State. Based on the findings of Dr. Packham, it is likely

that graduates from rural colleges such as Great Basin College or Western Nevada College (WNC) will stay in the area to work. I am excited that all of the colleges participated. That is how we came up with the numbers.

SENATOR NGUYEN:

I had conversations with representatives from the College of Southern Nevada that has a nursing program. They believe its pipeline program fits this mold. Is there a priority among the institutions as to how this money will be distributed?

SENATOR SEEVERS GANSERT:

Each institution responded individually with its expansion wish list. The growth of the programs, without adding buildings, approximated 67 percent but flattened out after three years.

Each program is unique, which is why we decided to use a grant program to facilitate writing the legislation. The grants will be applied individually and do not favor one institution over another.

SENATOR NGUYEN:

For example, College for Southern Nevada had a program that was going to cost approximately \$1.5 million. Would the \$1.5 million be included in the \$31 million funding figure?

SENATOR SEEVERS GANSERT:

Yes. The individual institution's requests to expand programs were totaled for the necessary funding.

ALEJANDRO RODRIGUEZ (Nevada System of Higher Education):

We support S.B. 375.

ELENA BUBNOVA (Associate Vice President, Research, Marketing and Web Services, Truckee Meadows Community College):

I support S.B. 375. Providing additional funding will allow us to increase capacity in our nursing programs.

MR. KELLY:

There are two key data points. We surveyed all our member hospitals on January 1, 2023, to ask how many open RN positions they have. The answer was over 2,400 positions could be filled immediately.

The second data point is, there was a study by Vivian Health using federal government data that looked at all the states in the Nation to see where the greatest demand will be for nurses. Nevada was No. 3 in the Nation. We will have a 23 percent increase in demand for nurses during this decade. The need is definitely there.

Ms. HALL:

This is an amazing bill and worth consideration. As a nurse, I know the deficits we have in Nevada, and this will go a long way to providing care to Nevadans.

ANTHONY RUIZ (Nevada State College):

The Nevada State College supports S.B. 375. Senator Seevers Gansert is correct. We are at capacity and hope this bill will allow us to expand our nursing programs. We urge your support.

GEORGE ROSS (HCA Healthcare):

Sunrise Hospital, Sunrise Children's Hospital, MountainView Hospital and Southern Hills Hospital in Clark County strongly support S.B. 375. This would help expand the corps of nurses and enable us to continue to maintain quality care.

Ms. BUBNOVA:

On behalf of WNC, we appreciate the support and recognition of the importance of nursing training. We are ready to address the shortage of healthcare professionals in Nevada.

Western Nevada College serves six rural counties. Carson City and Fallon campuses house WNC's nursing programs that serve as the only pipeline of trained nursing professionals for these local communities. The nursing capacity expansion provided by S.B. 375 will allow WNC to train more nurses who will likely stay in those communities, providing health care for rural and tribal populations. If funding is allocated by July 1, 2023, WNC could admit an additional 24 first year students at three college sites in the 2023-2024 academic year. These students could be on track to graduate after completing the program in 2025.

MICHAEL D. HILLERBY (Renown Health):

Renown Health knows increasing the pipeline, educating Nevada students and keeping them here as the next generation of nurses is probably the most

important thing we can do to increase the nursing supply to address the State's needs. Renown Health supports S.B. 375.

KENT ERVIN (Nevada Faculty Alliance):

Nevada Faculty Alliance says ditto to what others have said. Senate Bill 375 is important for increasing the State's nursing capacity. Also important are the faculty compensation packages you are considering to hire the additional nursing faculty.

ALEX TANCHEK (Nevada Advanced Practice Nurses Association):

The Nevada Advanced Practice Nurses Association supports S.B. 375.

PAIGE BARNES (Nevada Nurses Association):

The Nevada Nurses Association supports S.B. 375.

MS. MARTINEZ:

The Nevada Disability Peer Action Coalition supports S.B. 375.

DONNA LAFFEY (Dignity Health, St. Rose Dominican Hospital):

Dignity Health and St. Rose Dominican Hospital support S.B. 375. Expanding Nevada's nursing programs will help create a much-needed pipeline for more nurses in Nevada. We urge the Committee's support.

AMBER DONNELLI (Associate Vice President for Faculty Success, Great Basin College):

Great Basin College supports S.B. 375. I oversee the No. 1 nursing program in the State based on our current pass rates in taking the National Council Licensure Examination. Great Basin College has four nursing sites: Elko, Ely, Pahrump and Winnemucca.

We can expand but lack the nursing faculty support to enroll more students in the nursing program. Their compensation in clinical and private sector settings brings current and potential educators away from teaching. Teachers are a hard to come by commodity, and in rural areas of Nevada, the challenge is just as great. Adding the expansion funding will strengthen the program, allow for more nurse educators, provide the leadership needed and implement evidence-based practice.

The American Association of Colleges of Nursing reports having better educated nurses results in better patients, lower mortality rates, lower admission rates and shorter hospital stays. However, not having enough nurse educators to build the nursing workforce in rural Nevada will impact the care and outcomes of those who live in our communities. Senate Bill 375 would allow us to expand the nursing program and continue to assist professionals in providing care to our rural Nevada communities.

FRANK WOODBACK (Executive Director, College of Southern Nevada):

The College of Southern Nevada supports S.B. 375. We stand ready to put a program in place for the training of practicing nurses to be educators. It is an excellent opportunity for us, and we look forward to the passage of this bill.

ANGELA SILVESTRI-ELMORE (Associate Dean, School of Nursing, University of Nevada, Las Vegas):

The University of Nevada, Las Vegas, has both undergraduate and graduate programs. As a nurse educator and administrator, I support S.B. 375.

In addition to the points already discussed, I want to add a point about clinical site constraints and how S.B. 375 is an important step forward. Clinical site constraints are a barrier to increasing enrollment in nursing programs across the country. Nurse educators have the skills to provide high-fidelity learning opportunities using simulation and case-based learning as an alternate to on-site clinical experiences but are lacking the resources to do so. Given the constraints on clinical sites, we need the resources to support nurse educators in mirroring clinical practice in a variety of settings.

SENATOR SEEVERS GANSERT:

To answer the question by Senator Nguyen, the College of Southern Nevada was looking at an additional program that would become a three-semester accelerated track. They would add between 80 and 100 students per year on an accelerated track. There is a big opportunity to educate.

I appreciate the consideration of this legislation and know it is a significant amount of money. We have outstanding public nursing programs across the State, and it will help raise the number of nurses for our State.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 375 and I will open the hearing on S.B. 448.

**SENATE BILL 448**: Revises provisions governing the distribution of the proceeds of certain administrative assessments. (BDR 14-1092)

ROBIN HAGER (Deputy Director, Office of Finance, Office of the Governor):  
In summary, S.B. 448 replaces court assessments in certain Executive Branch agencies and the Judicial Branch with General Fund appropriations as court assessments have been declining over the previous biennium. This is necessary to support the budgets you have already closed.

CHAIR DONDERO LOOP:

Hearing no additional testimony, I will close the hearing on S.B. 448 and open the hearing on S.B. 453.

**SENATE BILL 453**: Makes appropriations to restore the balances in the Emergency Account and the Contingency Account. (BDR S-1098)

MS. HAGER:

Senate Bill 453 restores the balances in two accounts. First is the Emergency Account created by NRS 353.263 in the amount of \$145,237. The second is State General Fund monies needed to restore the balance in the Contingency Account, created by NRS 353.266, in the sum of \$22 million.

CHAIR DONDERO LOOP:

We will close the hearing on S.B. 453. We will move to S.B. 486, the Nevada Promise Scholarship and the Millennium Scholarship Trust Fund.

**SENATE BILL 486**: Makes appropriations to the Nevada Promise Scholarship Account and the Millennium Scholarship Trust Fund. (BDR S-1123)

ERIK JIMENEZ (Chief Policy Deputy, Office of the State Treasurer):

Senate Bill 486 appropriates \$6 million to support the Nevada Promise Scholarship Program. This scholarship applies after all other financial aid, and it is administered by the Nevada System of Higher Education.

In section 2, there is a \$75 million appropriation to support the Governor Guinn Millennium Scholarship Program. This scholarship has helped 159,000 students go to college affordably and it is insolvent. If we do nothing in this Legislative Session, we will not have funds to pay for Millennium Scholarship

recipients in the fall semester. This \$75 million would cover the upcoming biennium and the following biennium.

MR. FLORES:

The University of Nevada, Reno, supports S.B. 486.

MR. RODRIGUEZ:

The Nevada System of Higher Education supports S.B. 486.

MR. ERVIN:

We support S.B. 486. The number of Millennium Scholarship students is higher because students started staying in State. Although the value of the scholarship is not quite as high after inflation, it is still important.

MS. MARTINEZ:

The Nevada Disability Peer Action Coalition supports this bill. My twin daughters, who graduated in 2013, received the Millennium Scholarship. One of them is now a manager at Jamba Juice in Hawaii. She has a wonderful life due to the scholarship. Her twin is having a successful future too. Everyone will have access to the American dream.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 486. We will go to S.B. 454 for the Office of the Governor.

**SENATE BILL 454**: Makes appropriations to the Office of the Governor for the replacement of certain equipment and computer hardware and associated software and licenses to upgrade a computer operating system.  
(BDR S-1109)

MR. MARLOW:

Senate Bill 454 makes appropriations to the Office of the Governor for replacement of certain equipment, computer hardware, associated software and licenses to upgrade the computer operating system. We have no revisions and most of these replacements follow the standard EITS replacement schedule.

CHAIR DONDERO LOOP:

We will close the hearing on S.B. 454, and we will open the hearing on S.B. 458 for the Office of the State Treasurer.



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**SENATE BILL 458**: Makes an appropriation to the Office of the State Treasurer for the replacement of computer hardware and associated software. (BDR S-1122)

KIRSTEN VAN RY (Chief of Staff, Office of the State Treasurer):  
Senate Bill 458 makes an appropriation to the State Treasurer's Office to fund replacement computer equipment per the EITS recommended replacement schedule.

CHAIR DONDERO LOOP:  
We will close the hearing on S.B. 458 and open the hearing on S.B. 459, Office of the Governor.

**SENATE BILL 459**: Makes an appropriation to the Account for Pensions for Silicosis, Diseases Related to Asbestos and Other Disabilities. (BDR S-1124)

Ms. VAN RY:  
Pursuant to NRS 617.1675, the Office of the State Treasurer is responsible for administering the Silicosis and Diseases Related to Asbestos and Other Disabilities Pension Fund. This account was established in 1975 and provides fund benefits for diagnosed employees, their dependents, widows, widowers, surviving children or surviving parents.

Pursuant to statute, silicosis is a form of occupational lung disease caused by the inhalation of crystalline silica dust and is marked by inflammation and scarring in the form of lesions of the lungs. The money in this account can only be used to pay benefits for the beneficiaries, and neither the Office of the State Treasurer nor the insurance company responsible for administering the payments is eligible to receive money from the fund. We estimate the annual payments for this fiscal year total approximately \$18,500. Senate Bill 459 requests \$35,000 for the next biennium to continue payments in accordance with NRS 617.168. Over the previous six fiscal years, the annual payments have averaged \$25,542 total, with a year over year decrease of approximately 8.18 percent. The most recent numbers show the fund was paying 13 unique beneficiaries.

CHAIR DONDERO LOOP:  
I will close the hearing on S.B. 459 and we will open the hearing on S.B. 460.

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**SENATE BILL 460**: Makes an appropriation to the Office of the State Controller for a debt collection information technology system. (BDR S-1125)

JAMES SMACK (Chief Deputy Controller, Office of the State Controller):  
Senate Bill 460 is an appropriation of \$1,980,000 to replace our current debt collection system with a more modern solution. The breakdown is about \$1.6 million for the solution itself and approximately \$400,000 for the support for 22 fiscal years.

CHAIR DONDERO LOOP:  
I will close the hearing on S.B. 460 and open the hearing on S.B. 461.

**SENATE BILL 461**: Makes appropriations to the Office of the State Controller for the replacement of computer hardware and associated software and certain equipment. (BDR S-1126)

MR. SMACK:  
Senate Bill 461 is a replacement of different server equipment, computer equipment and software for our office consistent with the EITS replacement schedule.

CHAIR DONDERO LOOP:  
I will close the hearing on S.B. 461. We will do a work session on S.B. 290 and S.B. 367.

**SENATE BILL 290 (1st Reprint)**: Provides for the regulation of employer-integrated earned wage access providers and direct-to-consumer earned wage access providers. (BDR 52-9)

**SENATE BILL 367 (1st Reprint)**: Revises provisions relating to public safety. (BDR 15-942)

WAYNE THORLEY (Senate Fiscal Analyst):  
Senate Bill 290 was heard by this Committee on May 11, 2023, and presented by Senator Cannizzaro. The bill establishes provisions governing the practice of earned wage access services and requires the Commissioner of Financial Institutions of the Nevada Department of Business and Industry to license regulate, investigate, and sanction employer integrated earned wage access providers.

There was a fiscal note submitted by the Nevada Department of Business and Industry. It is a revenue only fiscal note which indicates if the bill is passed, there would be an increase in revenue collected by the Department because it would create a new licensing type. The Department confirmed to Fiscal staff it would not need additional resources to carry out the provisions of S.B. 290 and it could absorb the workload with existing staff and resources.

Senator Cannizzaro presented a conceptual amendment when the bill was heard on May 11, 2023. It is Proposed Amendment 3664 ([Exhibit E](#)) to S.B. 290. The amendment is identical to the draft presented when the bill was heard. The only difference moves some language around into different sections of the bill to conform with the Legislative Counsel Bureau, Legal Division's drafting standards. Otherwise, it is the same.

The amendment defines the Nationwide Multistate Licensing System and Registry. It also adds sections 10.1, 13.1 through 13.3 and 18.1 to enact the provisions to govern the licensing of providers through the Nationwide Multistate Licensing System and Registry developed by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators and operated by the State Regulatory Registry, LLC. The only fiscal impact is increased revenue of this bill.

SENATOR HARRIS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 290.

SENATOR NGUYEN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR GOICOECHEA WAS EXCUSED FOR  
THE VOTE.)

\* \* \* \* \*

MR. THORLEY:

Senate Bill 367 was heard in this Committee on May 12, 2023. The bill provides that for purposes of prosecuting a violation of provisions prohibiting certain persons from owning or possessing a firearm, each firearm owned or possessed or under the control or custody of such a prohibited person constitutes a separate violation of the law.

Additionally, the bill sets forth the conditions under which the records of a child who has been ordered admitted to a mental health facility must be provided by the court to the Central Repository for Nevada Records of Criminal History for use in performing a background check relating to the purchase or possession of a firearm. The Central Repository must ensure that such information is included in the National Instant Criminal Background Check System and may take steps to include the information in appropriate databases in the National Crime Information Center. These provisions do not apply if the child has sought mental health treatment voluntarily. A person who is the subject of report made on the provisions of this bill may petition the court to have the report removed upon certain findings being made.

The effective date of the bill is July 1, 2023. The Nevada Department of Public Safety submitted a small fiscal note indicating a cost of \$34,000 in FY 2023-2024 for IT upgrades to its Nevada Criminal Justice Information System. It has ARPA funding in its budget for system upgrades, which could include this.

There was testimony provided in support from the Nevada District Attorneys Association and the Las Vegas Metropolitan Police Department. There was no testimony in opposition or neutral, and no additional amendments I am aware of.

SENATOR HARRIS MOVED TO DO PASS AS AMENDED S.B. 367.

SENATOR NGUYEN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR GOICOECHEA WAS EXCUSED FOR THE VOTE. SENATOR TITUS VOTED NO.)

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CHAIR DONDERO LOOP:  
Hearing no public comment, this meeting is adjourned at 10:02 a.m.

RESPECTFULLY SUBMITTED:

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Dee Chekowitz-Dykes,  
Committee Secretary

APPROVED BY:

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Senator Marilyn Dondero Loop, Chair

DATE: \_\_\_\_\_

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit Letter</b>	<b>Introduced on Minute Report Page No.</b>	<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
	B	1		Attendance Roster
S.B. 375	C	17	Senator Seevers Gansert	Nursing Pipeline Fact Sheet
S.B. 375	D	17	Senator Seevers Gansert	Nevada Nursing Call to Action Dec 2022 Prepared by John Packham, UNR
S.B. 290	E	27	Wayne Thorley / Senate Fiscal Analyst	Proposed Amendment 3664