The first meeting of the Nevada Legislature’s Legislative Committee on Health Care was held on Thursday, November 21, 2013, at 9 a.m. in Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 2135 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. A copy of this set of “Summary Minutes and Action Report,” including the “Meeting Notice and Agenda” (Exhibit A) and other substantive exhibits, is available on the Nevada Legislature’s website at http://www.leg.state.nv.us/interim/77th2013/committee/.

In addition, copies of the audio record are available through the Legislative Counsel Bureau’s Publications Office (e-mail: publications@lcbs.state.nv.us; telephone: 775/684-6835).

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Senator Justin C. Jones, Chair
Senator Joseph (Joe) P. Hardy, M.D.
Senator Joyce Woodhouse
Assemblyman James Oscarson

COMMITTEE MEMBERS PRESENT IN CARSON CITY:

Assemblywoman Marilyn Dondero Loop, Vice Chair
Assemblywoman Teresa Benitez-Thompson

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Marsheilah D. Lyons, Supervising Principal Research Analyst, Research Division
Risa B. Lang, Chief Deputy Legislative Counsel, Legal Division
Eric Robbins, Deputy Legislative Counsel, Legal Division
Anne Vorderbruggen, Senior Research Secretary, Research Division
OPENING REMARKS

- Senator Justin C. Jones, Chair, welcomed members, presenters, and the public to the first meeting of the Legislative Committee on Health Care (LCHC). He asked members to introduce themselves and to identify issues they would like to see addressed in future meetings.

- Vice Chair Dondero Loop stated that children’s issues and health care issues in general are important to her.

- Senator Woodhouse noted her interest in the needs of children, particularly their health and abuse issues. She stated it is critical the LCHC continue to address the mental health issues of residents in our State.

- Senator Hardy disclosed that he teaches at Touro University of Nevada, College of Osteopathic Medicine in Henderson, Nevada. He is interested in discussing health care issues.

- Assemblywoman Benitez-Thompson said she looks forward to serving on the LCHC this interim.

- Assemblyman Oscarson expressed his interest in mental health issues and the accessibility of various services in the rural areas.

- Chair Jones stated that the issue of mental health is a top priority. His interests include discovering methods to expand and improve the health care workforce, including medical residency programs and the medical school at UNLV. Chair Jones introduced the Committee staff and he reviewed the process for participating in hearings.

PUBLIC COMMENT

- Chair Jones called for public comment; however, no testimony was presented.

UPDATE CONCERNING IMPLEMENTATION OF THE AFFORDABLE CARE ACT IN NEVADA

- Michael J. Willden, Director, Department of Health and Human Services (DHHS), provided a Microsoft PowerPoint presentation (Exhibit B) and pointed out that the information is available on the DHHS website at www.dhhs.nv.gov. He mentioned that Laurie Squartsoff, Administrator, Division of Health Care Financing and Policy, DHHS, would also testify and be available to answer questions.

Mr. Willden provided background information on the Affordable Care Act (ACA) signed into law on March 31, 2010. He stated that the DHHS has been working on
provisions of the ACA over the last three years. Mr. Willden discussed the multi-state lawsuit and the Supreme Court ruling made on June 28, 2012. He talked about legislation (passed during the 2011 Legislative Session) that created the Silver State Health Insurance Exchange (SSHIX) in Nevada.

Continuing, Mr. Willden explained that all but 10 percent of uninsured Nevadans are Medicaid or SSHIX eligible. He said that Nevada is rated the worst in the nation with a 19.3 percent rate of uninsured children. Mr. Willden also pointed out that Nevada has the lowest per capita coverage rate for Medicaid. He explained there are two programs in Medicaid that will now cover groups of the uninsured population who have never been covered in Nevada before.

Mr. Willden highlighted two major changes that have happened since the implementation of the ACA act:

- The Modified Adjusted Gross Income (MAGI), which is a new income testing process; and

- Coverage to a new adult population that includes childless adults, ages 19 to 65 years, and some younger seniors who have disabilities but have not yet received that designation from the Social Security Administration, which will be effective beginning January 1, 2014.

He pointed out that Medicaid for the Aged, Blind and Disabled (MAABD) will not change and is largely unaffected by the ACA.

Mr. Willden discussed a chart (on page 13 of Exhibit B) that lists the current and new eligibility standards for six groups and a table (on page 14 of Exhibit B) that displays the blended Federal Medical Assistance Percentage for Fiscal Years (FY) 2003-2020.

Concluding, he discussed a new eligibility engine (Access Nevada). Mr. Willden stated that 3,535 applications were transferred in October, and 4,531 applications were transferred through November 19 successfully from Nevada Health Link to Welfare and Supportive Services. He added that Nevada communicates daily with the federal hub.

**Medicaid**

- Laurie Squartsoff, previously identified, continued the presentation highlighting:

  - Two managed care plans in Clark and Washoe Counties available to enrolled Medicaid members; and
Two Medicaid initiatives: (1) the 1115 Waiver-integrated care management for Medicaid beneficiaries who live in rural counties and (2) an increase in rates for primary care physicians.

She testified that over 1,200 primary care physicians have received payments totaling $11.3 million.

- Mr. Willden discussed ongoing health care reform issues. He explained that physician payments are federally funded for Calendar Years 2013-2014 and funding will be shared between the State and federal government in 2015. Mr. Willden pointed out that in 2015 the Legislature will have to consider funding for the next biennium. He noted budget concerns due to high enrollment figures. Mr. Willden provided statistics, budget and revenue information charts, and a table of decision units based on the ACA.

In response to Chair Jones’ request for clarification regarding the number of applications received in November, Mr. Willden stated that 3,535 people applied through Nevada Health Link in October and another 5,000 plus had applied at the Welfare office. He stated that Nevada Health Link had transferred an additional 4,500 applications in November.

Responding to Chair Jones’ inquiry regarding hiring, Mr. Willden said there were nearly 4,000 new positions approved in the legislative budget. He informed the Chair that two new offices were opened in northern Nevada and three new offices in Las Vegas would open in the next 60 days and staff is being trained.

In response to Assemblywoman Dondero Loop, Mr. Willden said that approximately 400 workers had been hired, and more employees would be hired as enrollment increases.

Responding to Assemblywoman Benitez-Thompson, Mr. Willden explained that before October the average application processing time for a family was 28 to 29 days. He declared the goal is to process applications within five days.

Discussion ensued between Senator Hardy and Mr. Willden regarding salaries and sources of funding for employees hired to meet the demands of the ACA. Mr. Willden said savings would come from the mental health population who will now become Medicaid eligible and whose services will be billed to Medicaid. He stated that employees’ salaries are paid from 75 percent of federal funds and 25 percent of State funds.

In response to Senator Hardy’s comment, Mr. Willden stated that negative press has adversely affected Nevada. He reiterated that the SSHIX is a State-run market and exchange. Mr. Willden commented that it relies on the federal hub for information to determine eligibility, but stressed that it is different from the federal website (www.healthcare.gov), which has been plagued with problems.
There was discussion between Assemblyman Oscarson and Mr. Willden regarding funding for physician rate increases. Mr. Willden said that in 2015 the State would have to decide if it wants to retain funding for physician rate increases.

Responding to a query from Assemblywoman Benitez-Thompson regarding presumptive eligibility and fast tracking in hospitals, Mr. Willden stated that the current two-step process would be eliminated when the five-day process is met.

- Scott Kipper, Commissioner, Division of Insurance (DOI), Department of Business and Industry, provided a Microsoft PowerPoint presentation titled “The Affordable Care Act in Nevada” (Exhibit C). He commented on outreach efforts and projects that the DOI has completed, including a redesign of their website and the creation of the Nevada Employer’s Guide to the ACA available online at www.doi.nv.gov. Mr. Kipper stated that the DOI is working with the Office of the Attorney General to develop a program to identify and prosecute consumer fraud.

He discussed the reforms placed in statute by Assembly Bill 425 (Chapter 541, Statutes of Nevada 2013) effective on January 1, 2014.

Mr. Kipper provided an overview of the following:

1. Pricing Standards;
2. Actuarial Value of Policy Coverage;
3. Essential Health Benefits;
4. Preventive and Wellness Services;
5. Employer Mandates;
6. Exchange Enrollment Facilitators (Navigators);
7. Carriers Participation in Individual and Small Group Markets; and

In conclusion, Mr. Kipper shared that the DOI is tasked by A.B. 425 to ensure that all networks throughout the State are adequate. He stated that the DOI’s intent is that no consumer is adversely affected because his or her provider is not in-network. Mr. Kipper explained that a number of workshops would be held throughout the State to gather input.

In response to Chair Jones’ reference to recent reports of insurers trying to steer participants away from the SSHIX, Mr. Kipper stated that the issue is being investigated and appropriate action will be taken to ensure that consumers have the ability to make educated decisions.

There was discussion between Senator Hardy and Mr. Kipper regarding navigator pay, exemptions, out-of-network issues, and coverage for care provided in other states. Mr. Kipper noted that the DOI does not regulate contracts between insurers and providers.
Senator Hardy asked Mr. Kipper to provide a list of the exemptions.

Responding to Senator Hardy’s inquiry regarding out-of-network hospitals in an emergency, Mr. Kipper stated that the rules for emergency medical care would be different and could result in the patient being responsible for most of the payment for that care.

**Health Insurance Exchange**

- Jon Hager, Executive Director, SSHIX, at the request of Chair Jones, provided the following statistics:
  
  - To date, there have been 3.4 million visits to the website;
  - Eligibility determinations have been made for 52,000 applicants;
  - Almost 22,000 of those have been determined eligible for Medicaid or the Children’s Health Insurance Program;
  - About 12,000 applicants have been determined eligible for qualified health plans with the advanced premium tax credit;
  - There are 8,000 applicants eligible for the qualified health plans without the tax credit. Out of those, about 3,000 have confirmed plans; and
  - There are 6,000 applicants with dental plans.

He testified that most key issues had been resolved. Mr. Hager stated that individuals could now complete the online enrollment process in approximately 20 minutes. He added that the problems for brokers and navigators have been resolved, with the exception of some out-of-state issues. Mr. Hager reported there has been a slight delay in the rollout of the Spanish portal, but it is expected to be available at the end of the month.

He reemphasized that recent security concerns involve the healthcare.gov website, not the federal data services hub. Mr. Hager testified that all data is secure on the Nevada Health Link site. Additionally, he clarified that navigators are paid by fees charged to participating insurers to maintain their sustainability.

Mr. Hager pointed out that every state is required to have a health insurance exchange. He stated that the SSHIX is leveraging federal dollars to improve the State’s system and of the $83.8 million in grant awards, approximately $33 million has been spent to date.

In response to Chair Jones’ query regarding the statistics and the number of enrollments, and projections regarding eligibility determinations before the November 15 deadline, Mr. Hager stated the statistics he provided included information through this past weekend. He reported there had been an increase in enrollments since October, but there were no enrollment projection estimates at this time.
Discussion ensued between Senator Hardy and Mr. Hager regarding unique hits to the website and repayment of funds if the ACA were repealed. Mr. Hager reported that of the 3.5 million hits to the website, 365,000 were unique visits to the site. He stated that grant funds have already been awarded and would not have to be returned.

PRESENTATION OF THE LEGISLATIVE COMMITTEE ON HEALTH CARE BRIEF

(As directed by Chair Jones, this agenda item was taken out of order.)

- Marsheilah D. Lyons, Supervising Principal Research Analyst, Research Division, Legislative Counsel Bureau (LCB), provided a memorandum regarding the activities and responsibilities of the LCHC (Exhibit D). She pointed out: (1) the history and responsibility of the LCHC; (2) a link to view all mandated reports submitted to the Committee; (3) the issues that the LCHC is directed to review in accordance to measures passed during the 2013 Session; and (4) contact information for key State and local agencies, along with other interest groups.

UPDATE CONCERNING CERTAIN MENTAL HEALTH SERVICES IN NEVADA

- Richard Whitley, M.S., Administrator, Division of Public and Behavioral Health (DPBH), DHHS, provided an update concerning mental health services in Nevada (Exhibit E). He presented a brief overview of the State mental health system, describing four services: Southern Nevada Adult Mental Health Services, Northern Nevada Adult Mental Health Services, Rural Mental Health Services, and Forensic Mental Health Services. Mr. Whitley reported there are 17 psychiatric facilities statewide.

Continuing, he testified regarding an article in the Sacramento Bee that suggested there was an inappropriate discharge of a patient by the DPBH who was transported to Sacramento, California. He pointed out that this triggered a series of events and actions by the Rawson-Neal Hospital and its three regulatory agencies. He described the improvements made to Rawson-Neal Hospital’s discharge planning process, medical staffing, and governance. Mr. Whitley stated that an outside consultant had been hired and its findings are available on the DHHS website at www.dhhs.nv.gov. He stated that Rawson-Neal Hospital had re-applied to the Joint Commission for certification and a hearing would be held in December.

Mr. Whitley provided an overview of Lakes Crossing Center (LCC), which provides statewide forensic mental health services in a maximum-security facility. He discussed a lawsuit regarding the amount of time an inmate waits in jail before receiving an evaluation. Mr. Whitely said that a settlement conference was scheduled for December 12, 2013.
Responding to Chair Jones’ request for clarification on the lawsuit outcome, Mr. Whitley explained that the additional ten beds were a short-term solution. He stated a proposal was presented to the judge regarding the handling of misdemeanor cases in an inpatient setting at Rawson-Neal Hospital to provide extra beds.

There was discussion between Chair Jones and Mr. Whitley regarding alternatives if the judge did not approve the proposal to provide outpatient services at Rawson-Neal Hospital. Mr. Whitley said they would go before the Interim Finance Committee for funding and added that some bills passed during the 2013 Legislative Session would assist this population. Chair Jones stressed the importance of having an alternate plan in place.

Discussion ensued between Assemblywoman Benitez-Thompson and Mr. Whitley regarding the history of mental health funding and its influence on the ability to provide care in Nevada. Mr. Whitley pointed out that although funding was allocated, budgets were underspent in housing and mental health courts in southern Nevada. He compared Nevada’s unique service system, which is primarily reliant on the State, to other states that have moved mental health services to community organizations. Assemblywoman Benitez-Thompson remarked that $80 million has been cut from the mental health system. She pointed out the importance of having a comprehensive mental health system.

In response to Senator Hardy’s query regarding the possibility of working with cooperative counties for restoration of competency, Mr. Whitley said that the DPBH’s deputy attorney general is of the opinion that the State could provide restoration under the authority of LCC. He said it would be an option to consider in the event that a consensus is not reached in the lawsuit.

Responding to Senator Hardy’s question regarding county incentives, Mr. Whitley commented that the dollars spent to house inmates during extended wait times, their additional health conditions, and limited bed space would motivate counties.

- Senator Hardy commented that patients are not being treated adequately and solutions should be found where patients are currently housed instead of looking at other locations. He stated the Committee could work with the DPBH to find a solution to this issue.

Emergency Mental Health Services

- Tracey Green, M.D., Chief Medical Officer, DPBH, DHHS, explained the three ways a mentally ill individual can be admitted to a hospital and the different types of facilities in the State. Dr. Green explained the different criteria for admission at Nevada’s psychiatric facilities. She commented on the disparity between available beds for the mentally ill in acute medical hospitals and available beds in institutions for medical disease (IMD) facilities.
Dr. Green shared a Microsoft PowerPoint presentation (Exhibit E-1). She discussed how mentally ill individuals wind up in emergency rooms (ERs) and explained the Legal 2000 (L2K) process. Dr. Green presented:

- Graphs indicating the number of L2K patients brought to emergency rooms and the average wait time for those patients.
- Demographics of ER clients that include: (1) the homeless; (2) readmissions; (3) patients with mental health diagnosis or substance abuse diagnosis and dual diagnosis; and (4) clients that do not meet the criteria for acute inpatient admission.

Continuing, Dr. Green provided the factors that contribute to ER challenges:

- Increased numbers of L2K patients;
- Difficulty decertifying patients when doctors have liability concerns;
- Insufficient number of psychiatrists in the ER;
- Shortage of inpatient psychiatric beds;
- Increase in the number of homeless, uninsured patients with complex issues;
- Limited transportation; and
- Insufficient placement for treatment of substance abuse problems.

She summarized the current strategies being used to address the ER issues, highlighting:

- A mobile crisis team;
- Hiring of new J1 Visa psychiatrists;
- New housing opportunities;
- Expanding the number of beds;
- A direct admit program from the criminal justice system; and
- Opening of the Rawson-Neal Outpatient Clinic.

Concluding, Dr. Green reported on plans to: (1) enhance the mobile crisis team in northern Nevada; (2) increase the number of acute psychiatric beds; (3) study the community role in mental health services; (4) develop the assisted outpatient treatment program; and (5) implement the ACA.

*Mental Health Care and the Affordable Care Act*

- Dr. Green stated the focus for mental health care is on best practices and reimbursable services. She explained there would be a change to substance abuse treatment providers. Dr. Green said the Substance Abuse Prevention and Treatment Agency (SAPTA) has been the primary deliverer of treatment to the uninsured population and under the ACA, SAPTA providers will need to redesign their systems. She added that
managed care would have to create a service delivery model. Dr. Green pointed out the ACA enrollment process will be difficult for the mentally ill. Concluding, she conveyed the importance of integrated health services. (See Exhibit E-2)

In response to Chair Jones’ inquiry regarding protections to ensure Nevada would not have an incident similar to the one in Virginia, in which inpatient care appeared to be unavailable and a patient was prematurely discharged, Dr. Green said unlike Virginia’s physicians, Nevada’s ER physicians are not readily decertifying individuals. She stated that discharge plans are critical. There was discussion between Chair Jones and Dr. Green regarding discharge plans in Nevada’s ERs. Dr. Green explained that follow-up is required and same-day service is available. She reiterated that an appropriate discharge plan does not allow a patient to “walk out” of an ER. Dr. Green said that it is important not to stigmatize this population.

Responding to Senator Hardy’s comment, Dr. Green voiced support of the recommendation that hospitals should hire psychiatrists.

- Assemblywoman Benitez-Thompson commented on the importance of following a patient through the process.

In response to Assemblywoman Benitez-Thompson’s inquiry regarding funding, Richard Whitley, previously identified, stated that facilities with fewer than 17 beds are paid through the State General Fund.

Discussion ensued between Assemblywoman Benitez-Thompson and Mr. Whitley regarding housing. Mr. Whitley stated there is a need for a continuum of housing services from independent living to a more congregated care. He commented that some communities have no group homes for the mentally ill.

There was discussion between Assemblyman Oscarson and Dr. Green regarding the 57 percent of patients who do not meet the criteria of acute inpatient admission (see Exhibit E-1). Dr. Green recommended: (1) working with law enforcement to identify possible alternatives to L2K; (2) teams to assist doctors in the ER to decertify patients; and (3) screening and treating patients in the ER who have substance abuse disorders.

Responding to Senator Woodhouse’s inquiry regarding follow-up data for patients released from the ER, Dr. Green explained the discharge process at Rawson-Neal. She pointed out that there must be communication from the ER to gather data. Dr. Green stated they are currently collecting that data. She added that many people refuse services at the outpatient behavioral centers.
Children’s Mental Health

- Kelly Wooldridge, Deputy Administrator, Children’s Mental Health, Division of Child and Family Services, DHHS, provided an overview of children’s mental health services (Exhibit F) that included:
  - Funding sources—both government and private;
  - How to get help for a child;
  - Overview of the services offered and treatment centers;
  - Referral sources;
  - Examples of community partnerships;
  - Number of children served in FY 2013;
  - Early childhood mental health programs;
  - Children’s clinical outpatient services;
  - Wraparound in Nevada;
  - Treatment homes and the Desert Willow Treatment Center;
  - Six common problems identified at admission;
  - Ages and ethnicity of children served;
  - Custody status; and
  - A Community-Based Services Survey.

- Assemblyman Oscarson voiced his appreciation to Ms. Wooldridge’s comment that any person who calls will be assisted. He asked how the 58 percent of the children who are in the system compares nationally.

- Ms. Wooldridge stated she would provide that information to the Committee.

- Kevin Schiller, Director, Washoe County Department of Social Services (WCDSS), highlighted services provided to children. He discussed the delivery of mental health services. Mr. Schiller stated that WCDSS contracts with the community to conduct “teen screens.” He pointed out that the WCDSS needed to be proactive and collaborative in its efforts for quality care.

- Lisa Ruiz-Lee, Director, Clark County Department of Family Services (CCDFS) testified that one of the greatest deficits in Clark County is the absence of service providers. She reported that currently the CCDFS has contracted with a local mental health provider to provide access to mental health services to children in the system. Ms. Ruiz-Lee pointed out that those services do not benefit other children in the community. She mentioned collaboration with the State and Medicaid for therapeutic foster care. Ms. Ruiz-Lee said that the funding deficit is significant. She commented that children’s health services needed to be evaluated to find a better way to serve the children of our community.
• Katherine Loudon, Director of Counseling, Equity, and Diversity, Washoe County School District (WCSD), introduced Dr. Joan C. Bohmann, Coordinator, Psychological Services, WCSD. She stated that they were both first responders at the Sparks Middle School incident. Ms. Loudon described the community support received the day of the incident. She reported that programs have been implemented to aid in the recovery process. Ms. Loudon mentioned the Teen Screen program that is in place at six middle schools in Washoe County through the support of the Children’s Cabinet. (See Exhibit G and Exhibit G-1.)

• Dr. Bohmann reported that she contacted the National Association of School Psychologists, National Emergency Assistance Team (NEAT) to assist in the response and recovery at Sparks Middle School. She stated that the NEAT had made specific recommendations. Dr. Bohmann remarked that long-term planning is needed for students and teachers who are dealing with grief and trauma.

• Ms. Loudon discussed other problems associated with this type of trauma including aggression, eating disorders, substance abuse, and suicide. She noted a barrier to mental health care is the stigma associated with it. Ms. Loudon commented that screening for early identification, referral, sharing of data, and support for wraparound services are all important.

• Dr. Bohmann stated there are plans for screening at both the high school and middle school levels. She remarked that funding is a problematic issue.

• Concluding, Ms. Loudon pointed out that parent’s refusals for services and transportation are also barriers to children’s mental health care. She offered to provide additional information.

• Chair Jones stated that mental health would be a major focus of the Committee during the interim. He announced that the LCHC would address children’s health issues at a future meeting.

CONSIDERATION OF REGULATIONS PROPOSED OR ADOPTED BY CERTAIN LICENSING BOARDS PURSUANT TO NRS 439B.225

LCB File No. R073-12A, Board of Dispensing Opticians
LCB File No. R094-12A, Board of Medical Examiners
LCB File No. R035-13P, Board of Medical Examiners
LCB File No. R036-13P, Board of Medical Examiners
LCB File No. R170-12A, State Board of Health
LCB File No. R111-12RP1, State Board of Health
LCB File No. R112-12P, State Board of Health
LCB File No. 175-12A, State Board of Pharmacy
LCB File No. R087-13P, State Board of Pharmacy
LCB File No. R098-13P, State Board of Pharmacy  
LCB File No. R174-12A, Board of Examiners for Long-Term Care Administrators  
LCB File No. R163-12P, Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors  
LCB File No. R190-12P, State Board of Osteopathic Medicine  
LCB File No. R040-13P, State Board of Osteopathic Medicine  
LCB File No. R034-13RP1, Board of Examiners for Audiology and Speech Pathology

- Risa B. Lang, Chief Deputy Legislative Counsel, Legal Division, LCB, provided an overview of the process for the review of regulations that are proposed or adopted by certain licensing boards pursuant to NRS 439B.225. (See Exhibit H.)

PUBLIC COMMENT

- Jose Tinio, Chair, Association of Group Home Care Providers, inquired about the intent of LCB File No. R112-12P “State Board of Health,” specifically regarding diabetic patients who are prohibited from residential homes if they cannot administer their own medication. He suggested the regulation be amended so that caregivers could administer those injections.

- Marla McDade Williams, Deputy Administrator, DPBH, DHHS, reminded the Committee that this proposed regulation has not gone through the public workshop process. She stated that Mr. Tinio’s concerns would be addressed and the DPBH would be willing to work with Mr. Tinio on that particular section.

- Senator Hardy agreed that the incidence of diabetes is increasing and there will be more need for people to learn how to manage their injections.

Subsequent to the meeting, Jon M. Hager, previously identified, provided a statement to Chair Jones and the members of the LCHC, regarding enrollment projection estimates for the SSHIX. (Please see Exhibit I.)