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TESTIMONY

AB 323; BDR 38-1194

DEPARTMENT OF HUMAN RESOURCES

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Good afternoon Chairman Rawson and members of the Committee on Senate Human Resources and Facilities. I am Charles Duarte, Administrator of the Division of Health Care Financing and Policy. I am here to provide testimony regarding what impact the passage of AB 323 would have to the Department of Human Resources and Nevada Medicaid recipients in need of specialized long-term care nursing facility services. We support the intent to develop the capacity to provide specialized services within the state.

AB 323, as proposed in the amendment, requires the Department of Human Resources develop a plan to increase the number of long term beds in Nevada to care for persons with any form of dementia including Alzheimer's dementia. The plan must include Medicaid reimbursement, economic development and utilization of existing State facilities.

Nevada Medicaid is well aware of the problem of finding long term care placement within the State for persons with dementia and related behavior problems. Currently there are no nursing facilities in Nevada that accept residents with severe behavior problems whether the behaviors are related to a dementia, a dementia related disorder, a mental illness or another medical

condition. The majority of Medicaid recipients placed in out-of-state nursing facilities are individuals with severe behavior management problems.

Historically, the Nevada nursing facilities have been fearful of admitting individuals with these types of behavior problems. Nevada facilities were offered the opportunity to negotiate higher reimbursement for residents with behavior issues. They refused stating the major drawback was the increased potential for cited deficiencies and possible sanctions, including monetary, from the Bureau of Licensure and Certification and federal government. Facility representatives specifically fear deficiencies for improper use of chemical restraints (medications) and for resident to resident abuse situations. They also state that the nursing shortage limits their ability to extend staffing ratios and that competition with the gaming industry in Nevada causes a unique problem with obtaining adequate numbers of nursing assistants.

Currently, Nevada Medicaid is looking outside the state in order to entice providers to come to Nevada and establish this type of long-term care facility. A Request for Information was released in early February of this year and respondents have been asked to give a presentation to a panel of state staff including Division of Health Care Financing and Policy, Aging Services, Mental Health and Developmental Services and Bureau of Licensure and Certification. It is hoped that this process will identify potential providers and encourage them to set-up business in this state. A

rate could be developed to reimburse a management company to establish appropriate programs and provide adequate staffing at these facilities. Additional funding may be necessary as these solutions will require a higher daily rate of payment to the providers. In addition, the Mental Health and Developmental Services Division of the Department of Human Resources has been researching the possibility of converting existing MHDS buildings to long term Alzheimer/Dementia beds.

In conclusion, the DHCFP supports the AB 323, as amended, and will work with the other Divisions within the DHR to develop a plan as specified in this Bill.

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We would be pleased to answer any questions the committee may have.