

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS  
AND THE  
SENATE COMMITTEE ON FINANCE  
JOINT SUBCOMMITTEE ON K-12/HUMAN RESOURCES**

**Seventy-Third Session  
February 15, 2005**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on K-12/Human Resources, was called to order at 8:00 a.m., on Tuesday, February 15, 2005. Chairwoman Sheila Leslie presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**SENATE COMMITTEE MEMBERS PRESENT:**

Senator Barbara Cegavske  
Senator Bernice Mathews  
Senator William J. Raggio  
Senator Dina Titus

**ASSEMBLY COMMITTEE MEMBERS PRESENT:**

Ms. Sheila Leslie, Chairwoman  
Mr. Mo Denis  
Mrs. Heidi S. Gansert  
Ms. Chris Giunchigliani  
Mrs. Debbie Smith  
Ms. Valerie Weber

**STAFF MEMBERS PRESENT:**

Steve Abba, Principal Deputy Fiscal Analyst (Assembly)  
Bob Atkinson, Senior Program Analyst  
Linda Smith, Committee Secretary  
Susan Cherpeski, Committee Secretary

Alexander Haartz, M.P.H., Administrator, Health Division, Department of Human Resources, said he would present an overview of the Division's budget for the upcoming biennium as recommended in The Executive Budget.

Mr. Haartz stated that the State Health Division had been established by *Nevada Revised Statutes* (NRS), Chapter 232, as one of the divisions of the Department of Human Resources (DHR). Promoting and protecting the public's health were the main responsibilities of the Division. He noted that the main activities of the Division were found in NRS Chapter 439, as well as approximately 20 other chapters of NRS, which explained why the Health Division was so diverse. The responsibilities extended from radiation control to tuberculosis control to early intervention services, and many other activities.

The main role, functions, and responsibilities of the Health Division were to:

- Collect, analyze, and disseminate data on health and the occurrence of disease in Nevada
- Educate and inform the public and policymakers to promote and protect the public's health
- Protect the environment
- Investigate and control the outbreak of disease and illness
- Facilitate the development of a statewide infrastructure at both the state and the local level in order to respond to public health emergencies or day-to-day routine public health matters.

Mr. Haartz said he would be addressing the importance of having an infrastructure in place to be able to respond to public health threats. He indicated that the Health Division worked closely with a number of different partners, both at the local level, including the Washoe County District Health Department, the Clark County Health District, the new Carson City Health Department, and numerous state agencies. Funding included in The Executive Budget for the Division was approximately \$171 million in FY2006 and \$174 million in FY2007. Approximately 58 percent of the funding for the Health Division came from federal funds, 26 percent of the funding was "fee revenue" and other revenue sources collected by the Health Division. There were some rebates and one instance of funding from taxes from Budget Account (BA) 3255, and there were also county participation funds wherein the counties contributed monies to the Health Division for the provision of public health nursing services in the rural counties.

Concerning the balance of the Health Division's budget, he continued, approximately 16 percent, or \$27 million, was made up of General Fund monies. The majority of the Division's General Fund, 82 percent of the \$27 million, served as match or Maintenance of Efforts requirements which allowed the state to draw down federal funds. He noted that individual cases would be addressed when those particular budget accounts were heard. For example, he stated, 3170 was the BADA main budget account; 3208 was Early Intervention; 3213 was Immunizations; 3215 was Sexually Transmitted Disease; and 3222 was Maternal-Child Health.

Mr. Haartz addressed the funding received by the Health Division through fee revenues. There were two types of fees in the Health Division's budgets and he said that the members would hear from their constituents about those particular issues. One type of fee was a self-supporting fee, in other words, the policy had been made by the Legislature that the activity performed by the Health Division was solely supported by fee revenues and there were no General Funds supporting it. For example, he noted the change in the current biennium where BA 3101 for Radiological Control Activities had been set up as an entirely fee-funded activity. When the Division was in that type of situation, the fees were based upon time and effort and the actual cost of performing that activity. He noted that occasionally the industry didn't like the fact that the actual cost of the fee could be substantial compared to what they had paid when it was subsidized by the General Fund. BA 3216, Health Facilities Licensure, had been fee-funded as well as BA 3101. The other type of fee was an "offsetting fee," in which there was a mix of General Fund and fee revenues in the budget accounts. In those instances, he explained, the fee tended to subsidize the General Fund support. There was an attempt to determine what the actual cost should be, and then the Division adjusted the fees to account for what the

General Fund was paying for. Examples included Budget Accounts 3224, 3194, and 3208. He noted that in those three instances, there was a General Fund contribution to provide for individuals who may not have the ability to pay.

The Executive Budget proposed an increase in FTEs for the Health Division. The approved FTE count for fiscal year 2005 was 485 FTEs. The Governor's recommendation was for a total of 547. Thirty-nine of the increase in FTEs were slated for Early Intervention Services, primarily for the provision of direct services to reduce waiting lists. The next largest group of FTEs requested would be nine in BA 3223, Health Administration. The purpose of that increase was to support the business of the Health Division to ensure that programs were able to conduct the services that they were being asked to provide. He noted he would speak on those issues more specifically in each budget account.

Mr. Haartz shared with the Committee the information that the Health Division had 214 temporary employees who were providing direct services on behalf of the State and the State Health Division. The majority of those temporary employees provided direct services to the early intervention clients under BA 3208. The other change of personnel was in BA 3194, which was an E-900 transfer of the Safe Drinking Water Act's responsibilities from the Health Division to the Nevada Division of Environmental Protection; 15.5 FTEs were recommended to be transferred to the Nevada Division of Environmental Protection, which would be based upon both the Committee's approval of the budget as well as the approval of what was currently listed as Bill Draft Request 660, an Executive Branch bill that would transfer the statutory authority from the Health Division to the Division of Environmental Protection.

Mr. Haartz continued to give a broad overview of the types of decision units in the Health Division's budgets. He noted there were three main types of decision units in the agency's budget. There was M-200, which was caseload growth and waiting lists, and he noted he would address that when he discussed BA 3208. Concerning BA 3170, Mr. Haartz stated the Committee had asked for waiting list information, capacity information, and unit costs for the provision of additional substance abuse services. He noted that information had been provided to the Committee's staff, and he would address that issue later in detail.

The second type of major decision within the Health Division budgets that were being presented dealt with federal mandates and/or Maintenance of Effort and match. Those typically included the M-502 Decision Units that were in various Health Division budget accounts. Maintenance of Effort and match related directly to the State contributing a certain amount of resources to be able to draw down federal funds and typically was a requirement to receive funding. That issue would be discussed under Budget Accounts 3170, 3208, 3213, and 3222.

Mr. Haartz explained that the third type of decision unit that occurred in all Health Division budget accounts was one of infrastructure. Those decision units were to make sure that the Health Division had the ability to perform the services that were either required by statute or that the Health Division had been asked to perform, even though there was no specific statutory mandate, or as a result of accepting federal funds. Those included some of the system-driven decision units such as the M-100s, the M-300s, the M-302s, and the M-304s which, as part of the budget development process, were built into the agency's budget.

The other types of infrastructure decision units that he would address and that the individual bureau chiefs would also talk about included the E-710s, E-720s, E-800s, E-805s, and E-811s. The E-710s were replacement equipment and Mr. Haartz stated that for an agency that essentially had 770 FTEs, which included the temporary employees, they looked to replace the existing infrastructure, not purchase or do new things, just maintain the current structure. A couple of the E-720s were seeking more motor pool vehicles to allow staff to be able to do their jobs better.

Mr. Haartz stated that the E-800s across various budgets were for housekeeping purposes and it was the first time such housekeeping had been done. The Division was looking for ways to better track and organize the statewide cost allocation charges that had been assigned to various budget accounts. The statewide cost allocation charges were all being located in the Health Division's main Administrative Budget 3223. Regarding E-805, there were several instances in which the State Health Division sought to make sure employees were properly classified and compensated for the jobs they were being asked to perform. Many of those position changes were in the process of being approved by the State Department of Personnel or had been approved. E-811 was the Governor's initiative to unclassify certain positions within the Executive Branch. For the Health Division, that totaled 17 positions. Essentially, he stated, it unclassified the Deputy Administrator position, the seven Bureau Chiefs, two Public Information Officers, the State Epidemiologist, the State Biostatistician, six Education and Information Officers, and one Executive Assistant. For the record he noted that one of the Education Information Officers shown was actually a system error and they were working with the Budget Division and the Fiscal Analysis Division staff to remove the error. The system showed that position being unclassified from an Education Information Officer when the position was actually a Health Program Specialist.

Overall, Mr. Haartz continued, the E-811 decision unit with increased salaries would assist the Health Division in recruiting talented public health managers and public health professionals when vacancies occurred. It would also provide parity in salaries across the Executive Branch. One of the issues he planned to touch on, in terms of the ongoing challenges, was the recruitment and retention of personnel for this Division.

Mr. Haartz brought to the Committee's attention the fact that the Health Division had achieved numerous accomplishments over the current biennium. Accomplishments had been pointed out in an exhibit distributed during the January 26, 2005, hearing and he noted that they should all be proud of the number of the Health Division's accomplishments, either as directed or on their own initiative. One, he noted, was the \$5 million in new federal funding that had been obtained in the current biennium. They had also not lost any federal funding. The Health Division continued to help grow the infrastructure in Nevada and the provision of services through applying for federal funding. The staff worked very hard in collaboration with the regulated industry to get the Sentinel Registry up and running as required by A.B. 1 of the 2002 18th Special Legislative Session.

Regarding the Early Intervention Services' re-engineering, he believed everyone should be proud of how that had improved the provision of Early Intervention Services to children through age two with developmental delays. More children than ever were being served, he noted, and he would address that issue when he presented BA 3208. He explained that waiting lists still remained and would continue to be an ongoing challenge. He stated that the Health Division had

complied with all the Letters of Intent and done numerous other activities that had been requested, and he felt that reflected on the dedication of the staff of the Health Division.

Mr. Haartz stated that President Bush's proposed budget for fiscal year 2006 had been released. If approved, there were several potential impacts that needed to be addressed. The one he was most concerned with was the elimination of the preventive health and health services block grant. That was slated for an across-the-board federal elimination. In Nevada, those funds were used to provide public health nursing services in the rural counties. He noted those grants were the primary funding source for nurses. When services were provided to individuals who lacked the ability to pay for public health services, there was no procedure to charge fees to those individuals, and even if fees were charged, they would be unable to collect very much. The counties already contributed, but if the federal grant was eliminated, and it was approximately \$430,000 in BA 3224, there would be a need to come back before the Committee to discuss how public health services and nursing services, in particular, were to be provided to the rural residents of Nevada.

The Maternal-Child Health block grant and the federal Substance Abuse Prevention Treatment block grant were level funded in the President's proposed budget. He noted that the Women, Infants and Children Program funding and the Ryan White funding, were slated for increases. Public Health Preparedness was being slated for a decrease. There were some pluses and some minuses, and the Health Division, he explained, would watch the Congressional process very closely because of the direct impact on Nevada.

Another success, Mr. Haartz stated, was Early Intervention Services. Effective July 1, 2003, Early Intervention Services was consolidated in the State Health Division along with various programs from the Division of Child and Family Services and from the Director's office. They had created a new business model and on January 1, 2005, 1,526 children were being provided services, which was more than ever before, there were also 500 children on the waiting list. The challenge faced by the Health Division was that as services became better known and they began to offer more services, more referrals were being received. This was a good thing insomuch as families were seeking access to services. The challenge was being able to provide appropriate services. What drove this program and its services was the State's acceptance of the federal Individuals With Disabilities Education Act. That portion of the budget would be discussed in BA 3208.

Another challenge would be the continuing improvement of the public health infrastructure's ability to detect and respond to naturally occurring and man-made events. Primarily, federal funds were used. There were two main federal grants that the Health Division received and distributed at the local level and information about that would be covered under BA 3218.

In the recruitment, hiring, and retention areas, the Division attempted to be as competitive as possible. They were somewhat successful, but by their most recent calculation the turnover rate was 14 percent. It was hard to be successful and provide direct services, he said, when there was a 14 percent turnover/ vacancy rate.

Mr. Haartz stated each bureau chief would have the opportunity to present their budgets and they would focus on the main decision units within their budget accounts and speak a little about what the budget account was intended to

accomplish and what the significant points were within the budget account. He asked that two budget accounts be heard out of order. When BA 3216 was heard, he asked that 3235 also be heard. That would allow Ms. Graham to present both her budgets at the same time. Also, when 3222 was heard, he requested that 3214 also be allowed to be heard subsequently so that Ms. Wright could present the two budget accounts within her Bureau.

Chairwoman Leslie told Mr. Haartz that his suggestion would be noted.

Mr. Haartz concluded his remarks and offered to answer any questions before presenting BA 3223.

Chairwoman Leslie stated that his presentation was very good and that the Health Division should be commended for an excellent job in implementing the Letters of Intent. She noted that some major changes had been made last session and that the Health Division had absorbed those changes and done a very good job overall.

Chairwoman Leslie had one question of Mr. Haartz which concerned unclassifying the bureau chiefs. She also noted that the epidemiologist and the biostatistician, one of which required a doctoral degree, and some positions slated to be unclassified had salary increases of less than \$100. She asked how that would help recruit and retain when those positions became unclassified. The loss of the people in those positions in terms of overall employment security troubled her. Those incumbents were the people, she noted, who made things work. Those positions were very technical and the thought that a new administrator could come in and replace those positions seemed dangerous.

Mr. Haartz responded that functionally and realistically, even if those positions remained classified, a new administrator or director could still convince them that they would be better off leaving. Moving positions to the unclassified service would reflect a more "private sector" model where individuals could be appointed and serve at will. He noted that the increase in compensation would make the higher level positions more competitive for the Division to recruit and it would properly recognize the difficulties of those jobs and would compensate them at a higher level. A challenge he believed they would face with the chiefs' positions was a compensation of approximately \$90,000 per year. Not to necessarily single out Washoe County, but the equivalent of the Washoe County District Health Department Bureau Chief was a Division Director, as Mr. Haartz understood, and those positions, which were also unclassified, started at \$81,000 and topped out at \$105,000. It was, he stated, very difficult to compete against a market where there were no incentives for individuals to accept a senior management position at the state level.

Chairwoman Leslie asked if those were unclassified positions.

Mr. Haartz stated that it was his understanding that they were appointed and served at the pleasure of Washoe County.

Chairwoman Leslie stated she was not yet persuaded and very troubled by unclassifying the positions.

Mr. Haartz said he believed the declassification would help the Health Division and it would make their positions comparable to other positions and provide some parity across state government.

Senator Cegavske told Mr. Haartz that she appreciated his excellent overview and found it helpful for the new members of the Committee as well as those who had sat there before. She stated she understood the "unclassification" but, she noted, it seemed that there were some inconsistencies in how that would be done. Could he, she asked, help direct the Committee in understanding who was included and excluded.

This was, he explained, a Governor's Office and State Department of Personnel initiative and they had made the determination along the tiered structure. He explained there was a proposal to make 12 tiers and that various positions were grouped within a tier structure based upon the significance or consequence of errors associated with that position starting from department directors and moving on down. He stated his belief that the general logic behind those positions was to look at the concept of management teams overall. The information was provided to the Health Division and it would be up to the Division to build the budget to make those adjustments.

Ms. Giunchigliani asked Mr. Haartz to comment on the trauma centers in southern Nevada and the issuance of the letter that went out with regard to the Sunrise area. She explained the issue was the distance and location of having one trauma center so close to another. She also wanted to know about manufactured housing parks and their problems with water. What budget would contain that portion?

Mr. Haartz noted that the issue of manufactured housing was a tenuous connection. The issues were more in the zoning, planning, and sanitation aspects and the Health Division's only authority was in counties where there was no local health jurisdiction. Within NRS 278, local planning and development provided for public health authorities to do some oversight.

Mr. Haartz stated if the entity responsible for supplying the water had a permit as a public drinking water system it would be in BA 3194. Part of the E-900 transfer would consolidate those activities in the Division of Environmental Protection. If, he explained, the water was a private domestic well and it served an individual home, there would be no jurisdiction. Regulation started when it was a public water system and it served a certain number of connections. A trailer or mobile home park or a campground that had a well as its water source and served members of the public or residents would be a regulated water source. The Health Division would be involved with the permit and inspection.

Ms. Giunchigliani thanked Mr. Haartz for his explanation.

Mr. Haartz noted that trauma center issues would be handled under the Bureau of Licensure and Certification in BA 3216.

Chairwoman Leslie called BA 3223.

**HR, OFFICE OF HEALTH ADMINISTRATION (101-3223)**  
**BUDGET PAGE HEALTH-1**

Mr. Haartz said BA 3223 was the Office of Health Administration and the overall administrative budget account for the State Health Division, which organized all the Health Division's business functions such as the Administrative Office, the Office of the State Health Officer, the functions of the State Board of Health of which he served as Secretary, the State Epidemiologist, State

Biostatistician, and the Personnel functions for the agency. The most important aspect of the budget account was how it was funded. This budget account was primarily funded through "agency indirect" which was the charge that the Health Division, under a negotiated rate with the federal government, was allowed to assess against federal grants to pay for the administrative support structure for administering that grant. Typically, it paid for personnel costs, agency overhead, and the business office functions. The Health Division annually negotiated that rate with the Federal Division of Cost Allocation (FDCA). The budget showed this as an increase, but they were currently in negotiation with the FDCA and the rate remained uncertain. All the E-800s in other budgets would roll up into this budget account so that the State Health Division paid the statewide cost allocation charge which supported a number of state agencies.

The main decision unit in this budget account, he explained, was the E-250 which was a request for nine new FTEs, five of which were information technology positions; two were personnel related, and two were fiscal related. The Division's principal justification for requesting those positions was to make sure they had the infrastructure to provide needed services to do the job. Currently, he said, there were nine information technology positions approved in BA 3223, they were seeking to add five. Those positions would help support staff on day-to-day computer network technology needs. He stated that with the existing 500 FTE plus the 214 temporary employees, there was a computer services demand of 714 individuals. The five new positions would mainly be working on helping to maintain the network and providing direct assistance to staff when their computers stopped functioning. This would only begin to touch the tip of the iceberg as to the amount of information technology need for people to help other people do their job.

Chairwoman Leslie asked him to prioritize the nine positions requested.

Mr. Haartz said that all nine were needed.

Chairwoman Leslie asked him to think about it and let the Committee know.

He agreed to provide the information.

Mr. Denis asked about the technology portion of the budget. He wanted to know if this was increasing the amount of work. There was, he noted, a request for equipment. Was the workload going to be increased because of this other equipment or was this a supplement to the current workload.

Mr. Haartz stated it was not new workload or infrastructure; they were trying to provide more timely services. The equipment that they would address in E-710, or the other decision units, was about replacing existing level infrastructure and not adding new functions or new technology equipment, other than upgrading if a higher version was introduced. He stated that he would be happy to provide the Committee with a prioritization.

Chairwoman Leslie said the Committee would like more information on the need. She mentioned that five positions were added in this account last session. She wondered how the new positions fit with those old ones.

Mr. Haartz continued with E-275, which would maximize the use of the Internet and other technology. The Health Division had a statewide network and worked very closely with the State Department of Information Technology. They shared



resources in terms of information technology and infrastructure equipment. The purpose of that decision unit, an equivalent of an E-710, was to replace existing equipment such as servers, router switches, firewall software, et cetera. The Health Division had a replacement schedule in which they attempted to replace equipment on a three-year basis to make sure it stayed current and that they would not have a failure. The Health Division was requesting, and the Governor recommended, \$389,000.

Chairwoman Leslie asked if the replacement schedule was three years and Mr. Haartz agreed. She asked if they had submitted the detail to the staff and he stated they had and it was built into all the budgets and it had gone through the Department of Information Technology as well.

Mr. Denis asked for the documentation on the information technology request and Mr. Haartz said he would provide that.

Mr. Denis asked about the \$389,000 figure and Mr. Haartz explained it was \$389,690 for 2006 and \$296,760 in fiscal year 2007.

Mr. Denis asked for clarification with regard to the reference to E-710 requests.

Mr. Haartz stated it was the same in concept; replacement, not new equipment.

Mr. Denis then asked how the information technology worked within the system. Was it, he asked, all in one place or spread out over many offices.

Mr. Haartz said it was both, the technology equipment was in certain key locations and also spread out. The State Health Division maintained a statewide network that was in conjunction with the State Silvernet and the State Department of Information and Technology backbone. They maintained a data backup center in Las Vegas. All Health Division offices, which included Las Vegas, Carson City, Reno, and the rural counties, were all connected and had information technology available to them whether it was through desktop computers or other access. In Carson City there was, both within the Health Division offices and the Department of Information Technology, equipment purchased by the Health Division that was either managed by the State Health Division or managed by the Department of Information Technology for the benefit of the State as a whole.

Mr. Denis asked if there was a network map and Mr. Haartz stated he would provide one.

Mr. Denis next asked about the personnel who worked with the computers. Were they all located in a central location or disbursed throughout the system. The majority, Mr. Haartz stated, were located in Carson City, but there was also staffing in Las Vegas. Part of the request for five FTE was to place additional staff in Las Vegas.

Mr. Denis asked, if there were a problem, how many were located in Las Vegas. Mr. Haartz said he believed there were two positions. Mr. Denis inquired as to the number of new positions going to Las Vegas. Mr. Haartz replied that of the five additional information technology positions requested, one would go to Las Vegas, one to Reno, and three to Carson City.

Chairwoman Leslie asked if there was anything else outstanding in this budget account.

Mr. Haartz responded only the E-805, which was the reclassification of existing positions to ensure staff were properly classified and compensated, and the E - 811 in this budget account that would unclassify four positions. The amount also reflected the unclassified pay changes to his position as well as the State health officers positions. There was an unfunded decision unit which linked with BA 3190 and the purpose of that was to seek transfer of the Health Planning function, currently in this budget account, which was the responsibility under NRS 439A known as the "certificate of need," and the NRS 695-C activities, which were State Board of Health quality control activities related to Health Maintenance Organizations, into BA 3190 and have them funded by the General Fund. That decision, he noted, was not approved. Those duties would continue to be performed and funded by the Health Division agency indirects unless the Committee directed otherwise.

Chairwoman Leslie pointed out that this was the budget account where the Public Information Officer went from \$62,932 to \$63,000. She noted that this would not help recruit or retain. The salary for the Bureau Chief for the Bureau of Health Planning and Statistics would go from \$72,120 to \$78,000.

Mr. Haartz stated that in those two instances, they might not help with recruitment and retention. There were some advantages to being reclassified in terms of the use of leave.

Chairwoman Leslie stated there were some huge disadvantages also. Chairwoman Leslie said they would go on to BA 3190.

**HR, VITAL STATISTICS (101-3190)**  
**BUDGET PAGE HEALTH-9**

Emil DeJan, M.P.H., Bureau Chief, Bureau of Health Planning and Statistics, joined Mr. Haartz at the witness table. He introduced himself and said that the first part of the budget addressed BA 3190, the primary purpose of which was the operation of the Office of Vital Records, the Center for Health Data and Research, and the repository for Health Care Quality Assurance. Pursuant to NRS 440, the Office of Vital Records served as the official permanent custodian of birth and death records. The Office collected and produced data for research and decision-making, both for public and private agencies within the State and across the nation. Vital Records filed, maintained, and protected all vital records, including legal corrections and amendments, in permanent files. It maintained an official database of vital statistics information for use in a variety of private and public programs both statewide and nationally. The Vital Records staff provided certified copies of birth and death certificates as well as services to the related administration of vital records for the general public. The Center for Health Data and Research provided health data and technical assistance to public and private entities and to the general public. The Center produced, analyzed, and disseminated data from public health databases such as the vital events of births, deaths, fetal deaths, abortions, marriages and divorces, the statewide Cancer Registry, the statewide Trauma Registry, the UB 92 hospital discharge data system, and over 20 additional data systems which were part of the Center's data warehouse.

Mr. DeJan said data was produced in both annual and special reports and were often displayed on the Center's interactive website and the Health Division's website. The most recent Center publication was the "First Annual Report on

Sepsis in Nevada.” The Bureau’s newest registry was for sentinel events. Passage of A.B. 1 during the 2002 18th Special Legislative Session addressed concerns by Nevadans about safety and quality health care, and pursuant to NRS 439.850 the Repository of Health Care Quality Assurance had been established within the Bureau. The creation of the repository was part of NRS 439.800 to 439.890 and the regulations in AC 439.900 to 920, which mandated the reporting of sentinel events by 97 medical facilities, and that made Nevada one of 22 states with such reporting requirements in the nation. Mandatory reporting began January 1, 2005, and as of February 14 there had been ten mandatory reported sentinel events. The sentinel events registry was the repository’s first database. The Bureau’s staff carried out the required statutory and regulatory functions of the sentinel events registry. Mr. DeJan pointed out that each Committee member had in front of them a three-page chronology of the registry’s implementation and that chronology should be updated as it currently said eight sentinel events had been reported and it was now ten. The Health Division’s partnership with the Nevada Hospital Association had been the key to reporting compliance. The sentinel events registry work group, a partnership between the Nevada Hospital Association and the Health Division, worked diligently to implement:

- mandatory reporting of sentinel events,
- trained the medical facilities required to report,
- resolved issues, and
- ensured reporting compliance.

This group, he said, was now part of the Nevada Hospital Association’s patient safety committee as sentinel events were significant patient safety issues.

Mr. DeJan stated that the productivity of the many programs funded by BA 3190 was measured through eight workload performance measures and eight workload statistics. Those measures and statistics reflected the number of birth and death registrations processed annually by the Office of Vital Records which, because of Nevada’s population growth each year for the past 19 years, had and were projected to increase annually. The Vital Records amendments and corrections, the number of birth and death certificate copies verified and issued, and the number of abortions recorded and processed were essential services completed by this office. Those, he noted, tended to increase each year as Nevada’s population increased.

Marriage and divorce reports to the National Center for Health Statistics were received from each of Nevada’s 17 County Clerks and Records and also reflected the State’s population growth. Statistical requests and the technical systems reports completed by the Bureau of Center for Health Data and Research grew again as the volume of the number of databases increased each year and the number of statistical requests filled increased each year.

To fund the programs covered by BA 3190, the Governor had recommended a base budget of slightly over \$1.2 million for each of the biennium years. Mr. DeJan advised he would address the following main decision units.

Chairwoman Leslie interrupted Mr. DeJan to commend him for his fine overview but with regard to time she suggested Committee members ask any questions they might have to speed up the process.

Chairwoman Leslie again complimented Mr. DeJan on his presentation and specifically mentioned the sentinel registry and the detailed chronology

contained within. In the report the Committee had it showed that as of February 8 there were seven mandatory reports and she thought Mr. DeJan said by February 10 there were ten.

Mr. DeJan corrected the report and said there were 14.

Chairwoman Leslie asked also that now the database was established and showed 14 reports since January 1, what was being done with the information. How were the reports absorbed and reacted to.

Mr. DeJan stated they put reports into the database, checked each one as they came in, and corresponded back to the facility if there was a question. Part of what was to have been funded as a quality improvement organization taking the information from this registry had not been funded. Mr. DeJan said they did not have a database large enough to actually show anything in terms of trends. As stated in the report, the Hospital Association members had agreed to report retroactively as soon as they could and they did have nine retroactive reports from July 1, 2003, through December 31, 2004, and they expected to have more come in. Mr. DeJan said, "That will give you a broader indication of what we have seen in the past. At this point, we do not have plans, unless the Legislature desires something different, to publish a report in the immediate future."

Chairwoman Leslie then clarified that the Committee did not fund the outside analysis but stated she assumed an internal analysis would be done even if a full report was not published. She indicated she would like to see something come back so that they would know if they needed to do something in a particular area. She agreed 14 reports was not enough to perform an analysis but indicated that by the next session she expected to receive some kind of analytical report.

Mr. Haartz said they would be able to do some type of annual report even if there was not a lot of data there. He acknowledged the importance of an annual report.

Chairwoman Leslie asked if there was enough work in the next biennium to keep two people busy and Mr. Haartz responded that he thought there would be.

Ms. Giunchigliani asked if, on birth certificates and death certificates, Mr. Haartz had information regarding what other states charged and where Nevada fell in relationship to the other states.

Chairwoman Leslie acknowledged that information was provided in [Exhibit B](#), which showed Nevada about in the middle, and asked Mr. Haartz if he wanted to comment on the fees for birth and death certificates.

Mr. Haartz reiterated that Nevada was about in the middle of the 13 or so western states on birth certificates as well as death certificates. He commented the most insightful fee was the cumulative fee total which showed that a birth certificate, a death certificate, an amendment correction and certified copy, which were generally what the average person needed when they were interacting with Vital Records, cost \$43, which was on the low end compared to other states. He also noted that the fees were set in statute in NRS Chapter 440. Those were not fees that could be adjusted administratively through the regulatory process.

Senator Cegavske questioned the need for the new Administrative Service Officer position that was requested when there were no new programs.

Mr. Haartz explained that the position had always been needed but they had never been successful with their requests. The position was to assist with the financial management of the Bureau as it continued to grow in terms of transaction processing, making sure that the internal controls were appropriate. The Bureau provided that service through the Division administrative budget on kind of a “catch as catch can” basis and it was not sufficient. The Governor had recommended that it be funded from the standpoint of ensuring that there was a dedicated FTE to that Bureau, just like all other Bureaus within the Health Division. He noted that in the budget it was funded through the General Fund. The Bureau made the commitment that they would cost-allocate that position across available federal grants, notably in BA 3153, Cancer Control Registry. The Bureau’s goal was, within the next year as the grants renewed, to be able to write that position in on a cost-sharing basis so the General Fund portion would be considerably less than the 100 percent that was being shown now. For purposes of building the budget, it was 100 percent General Fund—it would not remain that way.

Senator Cegavske asked that if the Administrative Service Officer position had not previously been filled, who had been taking care of all this information.

Mr. Haartz explained that that function had been provided by the Health Division’s Business Office by the Administrative Services Officer IV position, by the Administrative Services Officer II, and by other management analysts. It had been a function filled by whoever was available at a point in time to put some time on it versus having a dedicated staff person who could provide that financial management function on an ongoing dedicated basis.

Chairwoman Leslie questioned whether the Committee would be receiving some of the sepsis information.

Mr. Haartz said he would be happy to provide the information and stated that the report was on the Health Division’s website and could be downloaded. The website address was [www.health2k.state.nv.us](http://www.health2k.state.nv.us). He thought on the right-hand side of the home page there was a link. If not available there, he advised clicking on the Bureau of Health Planning and Statistics and it was available under publications. He advised that the sepsis report would be provided on an annual basis.

Chairwoman Leslie called for BA 3153, the Cancer Control Registry.

**HR, CANCER CONTROL REGISTRY (101-3153)**  
**BUDGET PAGE HEALTH-15**

Emil DeJan, M.P.H., Bureau Chief, Bureau of Health Planning and Statistics, explained that the primary purpose of BA 3153 was the statewide central Cancer Registry. The Registry collected, registered, and contained the records of reportable cancer cases appearing in the state. Here, entire and complete cancer data were used to evaluate the appropriateness of measures for prevention and control of cancer and conduct comprehensive epidemic-like logical surveys of cancer and cancer deaths both statewide and nationally. Statutory mandate NRS 457 dictated the existence of the Cancer Registry. The Registry was, again, an important tool for monitoring incidents of cancer within

the state and sharing that information with health professionals, researchers, and the general public. There were no General Funds used in BA 3153. The productivity of the Cancer Registry was measured through eight workload performance measures and six workload statistics. The performance measures represented eight of the nine Cancer Registry elements that the North American Association of Central Cancer Registries, or NAACCR, measured annually. NAACCR was a collaborative umbrella organization that certified the quality of cancer registry data for central cancer registries, government agencies, and professional associations and private groups in North America. In 2002 and 2003, the Nevada Central Cancer Registry achieved the NAACCR gold standard for data submitted. This was the first time that Nevada ever reached that standard and expected to achieve that standard again for 2004. This was extremely important because funding from the National Program for Cancer Registries beyond a minimum level, which we had been receiving in the past, was dependent upon achievement of the gold or silver NAACCR standard. Over the past four years the Cancer Registry had been able to move from minimum funding to significant increases in federal funding by achieving the NAACCR gold standard certification. To fund a program that was covered by BA 3153, the Governor had recommended a base of slightly over \$900,000 for each year of the biennium. Mr. DeJan said he would address one maintenance unit.

The Governor had recommended in E-805 a position reclassification to upgrade one Administrative Aide III to a Cancer Registrar position and an NPD-19 had been approved for this position by the Department of Personnel. This staff member had been working out-of-class for the past year to meet the needs of the Cancer Registry's data efforts.

Chairwoman Leslie thanked Mr. DeJan for his presentation and congratulated him on the Registry's gold standard achievement. Chairwoman Leslie wanted to confirm that the federal grant from the Department of Energy had ended September 30, 2003. It was the Committee's understanding that the four positions funded by that grant were left vacant and that was why they were not reflected in the budget, and two positions were retained utilizing other funds.

Mr. Haartz confirmed that the federal grant had been terminated on September 30, 2003. They notified the registry on July 2, 2003, that it had ended the prior June 30, 2003. They had moved funding at the federal level so, yes, the federal grant did go away and positions were left vacant and they had had to do some rearranging.

Chairwoman Leslie called Budget Account 3203, the Environmental Public Health Tracking System.

**HR, ENVIRONMENTAL PUBLIC HEALTH (101-3203)**  
**BUDGET PAGE HEALTH-20**

Richard Whitley, Deputy Administrator, Health Division, and Acting Bureau Chief, Community Health, introduced himself. He stated that BA 3203 was relatively small, a single-purpose budget that was 100 percent federally funded. The Environmental Public Health Tracking System had been funded through the Centers for Disease Control and Prevention beginning in fiscal year 2003 as a three-year planning grant. This was the third year of the planning phase of the grant and at the end of this grant-year, Health Division staff planned to apply for the comprehensive implementation portion of this grant. The following decision units were included in BA 3203: E-710 was replacement equipment, E-720

was the purchase of computer software licensing and maintenance costs; and Decision Unit 811 recommended the change in the position of Education Information Officer to the unclassified service to provide consistency and equity between similar positions across agencies. There was no change in the FTE account in this budget. Mr. Whitley concluded his presentation on Budget Account 3203.

Chairwoman Leslie asked Mr. Whitley about the reclassification of the Education Information Officer. She asked if the reclassification that would bring this position to just 5 percent below the supervisor would be awkward in his management structure as usually there was a 10 percent separation.

Mr. Whitley replied in the negative.

Ms. Giunchigliani asked if this was the same as a Public Information Officer (PIO).

Mr. Haartz explained that a Public Information Officer usually served as a media contact, a public affairs-type person. An Education Information Officer in the Health Division was used as the equivalent of a health educator and so it was an individual with programmatic expertise and knowledge who assisted in the development of programmatic activities, not just responding to requests.

Ms. Giunchigliani asked if when she asked the prior day for a list from the different agencies that had PIOs, this person would not be showing up on that list because it was a program responsibility.

Mr. Haartz answered in the positive.

Chairwoman Leslie inquired regarding the federal grant, the Environmental Public Health Tracking System (EPHTS) project, and wondered what the work product would be.

Mr. Whitley explained that because the environment was a determinant of health and required working across several agencies, and the data was not necessarily uniform across agencies in terms of environmental data and health status data, the planning process for the last three years had been to identify the databases and to actually come up with some priorities in terms of being able to link the data and actually tell the story of the environment as a determinant of health. The implementation phase would actually be to do something with the data.

Chairwoman Leslie inquired what that something might be.

Mr. Whitley used the example of asthma, looking at air quality and emergency room encounters for people with asthma and being able to make some predictions and give communities warning about the possible impact of air quality on asthma, connecting databases that currently existed but did not really speak to each other.

Chairwoman Leslie asked that, given President Bush's budget cutbacks, did Mr. Whitley have any indication what the likelihood would be in the success of receipt of the grant.

Mr. Whitely stated they had no indication. It was a new grant and Nevada was one of 20 states that received it and, therefore, there were no states currently implementing it.

Chairwoman Leslie asked when he would know and Mr. Whitely answered that the grant application was not due for another eight months.

Mr. Denis asked if deaths were tracked in correlation between types of death to see if there was a pattern in certain types of environmental death or other things. Was there a system that kept track of that.

Mr. Haartz answered that there was no specific, dedicated system that did that. There was routine analysis in the vital records offices that Mr. DeJan was talking about in terms of outcomes and what was being recorded on death certificates but generally – we were moving that way but we were not there yet.

Chairwoman Leslie called Budget Account 3209, Health Aid to Counties.

**HR, HEALTH AID TO COUNTIES (101-3209)**  
**BUDGET PAGE HEALTH-24**

Mr. Haartz explained that historically BA 3209 had included a General Fund appropriation to the two public health districts in Nevada—Washoe County District Health Department and Clark County Health District—passing through the State Health Division on a quarterly basis to provide them a state appropriation to help improve their public health infrastructure. It had always, historically, been based on a per-capita allocation. That amount had fluctuated between \$1.10 per capita to as low as \$.55 per capita. Most recently it had moved to \$.80 per capita two sessions ago. Last session it was not funded due to budget shortfalls. The Health Division had done the math to provide the information to the Budget Division. He noted that, for the first time, in recognition of Carson City's efforts in forming a health department and assuming public health responsibilities, they were included in the per-capita calculations.

Chairwoman Leslie, to clarify, asked that what Mr. Haartz submitted for special consideration to the Budget Office was a per-capita rate of \$1.10.

Mr. Haartz responded yes, in the amount of \$2,413,000 in the first year and \$2,490,000 in the second year for special consideration.

Chairwoman Leslie stated that traditionally funding was placed in the budget; however, last session they were not able to do so.

Senator Raggio asked what funds flowed through to the counties.

Mr. Haartz replied that they had provided, in a presentation on January 26, a matrix that the Health Division maintained that provided a sense of the funding that flowed from the Health Division to each county, whether in the form of direct service or a pass-through of funding, either state or federal funds.

Senator Raggio requested the name of the document Mr. Haartz was referring to and Mr. Haartz replied it was under the tab "0607, Information by Budget Account." It was the second to last page within that handout.



Senator Raggio requested that Mr. Haartz read into the record what the flow-through was for the three counties referred to.

Mr. Haartz stated that the Health Division projections, based upon the State's population figures and the Governor's recommended budget, excluding Health Division administration and the two trust fund budgets within the Health Division were: for Carson City we're projecting that a total value of goods and services, including direct funding, would be \$5,860,769 for each year of the biennium; for Clark County, which has the largest population, the Health Division is projecting that \$103,199,304 would be the value to Clark County residents; and in Washoe County the value to residents would be \$25,818,163.

Senator Raggio asked what would happen if we restored the funding to a per-capita rate of \$1.10. What would be the additional amount that would be given to those counties.

Mr. Haartz responded that for Clark County the dollar amount was approximately \$1.5 million, for Washoe County it was a little under \$500,000, and for Carson City it represented about \$60,000.

Senator Raggio stated that Carson City had not participated before.

Mr. Haartz agreed with that statement but acknowledged that Carson City had not had a health department previously.

Chairwoman Leslie called on Senator Heck and Assemblyman Hardy to testify.

Assemblyman Joe Hardy, District 20, stated that he served on the Clark County Health District Board of Directors as well as being the Nevada Assemblyman for District 20. He had been involved with the Clark County Health District for probably six years, serving first as a City Councilman in Boulder City. The Clark County Health District played a role for the State, such as performing food inspections at the border of the State and performing inspections of tattoo conventions--activities where the State Health Division had not had the resources in the way of manpower to do the kinds of things that were under the State's purview. The Clark County Health District had done many things of benefit in Clark County--the public schools had clinics and they had identified public health issues for chronic diseases. He stated there should be a long-term look at public health issues. When looking at what was probably 1 percent of the Clark County Health District budget, that 1 percent still translated into \$1.5 to \$2 million a year, which was important for the people, the manpower, and that was the manpower that was many times shared with the state. Dr. Hardy said he would be supportive of restoring the \$1.10 per capita into the Health Aid to Counties' budget.

Senator Joe Heck was called next to give testimony. He introduced himself as State Senator for Clark County, District 5, but explained he was testifying as an emergency department physician and was there to urge support for restoration of Health Aid to Counties. He also explained he was a consultant to the Clark County Health District in the area of emergency medical services but did not deal with the Health Aid to Counties funding specifically in his course of consulting for the district. He stated there were significant issues with emergency department overcrowding in southern Nevada. While a lot of press had been given to mental health as one of the major issues at the root of that problem, the issue of misutilization of emergency department services needed to

be explored. One of the greatest areas of misuse of emergency department services was by those with chronic diseases who did not have the ability to seek routine medical care. They let their medical condition go on, they did not seek care from a primary health care provider, and ultimately they wound up in the emergency department where, as we all know, care was much more costly. In addition, that overcrowding either delayed or denied treatment in the emergency department for other individuals. The request for restitution for Health Aid to Counties in the case of the Clark County Health District was to develop and implement a chronic disease management and preventative program. By doing so it would help to offload the emergency department crisis just as they were trying to do with the mental health issue – they needed to look at all possible aspects of the crisis of health care in southern Nevada. He again urged support of restoration of the State's Health Aid to Counties.

Chairwoman Leslie called on Dr. Donald Kwalick, M.D., M.P.H., Chief Health Officer, Clark County Health District, to testify.

Dr. Kwalick indicated he and his colleagues would brief the Committee on the importance of state funding for public health services. Dr. Kwalick stated this was his eighth legislative session. He had been in public health at the federal, state, and local level for almost 40 years, 15 of those years in Nevada. He served as Nevada's State Health Officer from 1990 to 1997 and was a player in the original executive decision made in 1991 to decrease Health Aid to Counties from \$1.10 to \$0.55. That decision had been made with the explicit promise that funding would be increased to \$1.10 when the economy improved. He said that decision had been a mistake. The promise was never kept and Health Aid to Counties' funding had now been zeroed out. Currently the amount of State General Fund revenue that Clark County Health District received equated to less than 1 percent of the total Health District budget. What the Committee heard previously was that there was \$103 million coming to Clark County—that was Medicaid and other direct health services, not public health. He said that State money spent today on prevention would lead to future savings in the cost of medical care.

Dr. Kwalick told the Committee they had the opportunity to correct the mistake made in 1991. He went on to explain that the Committee needed to understand what public health was not—public health was not publicly-funded medical care—Medicaid, Medicare, community health centers. These were very important in the health care system but they were not public health. The *Harvard Public Health Review* defined it best stating, "Public health deals with health and well-being of the population as a whole. It's best distinguished from clinical medicine by its emphasis on preventing disease rather than curing it and it focuses on populations and communities rather than the individual patient." Dr. Kwalick opined that currently, our health care system was one-sided. It was a sickness scare system with an emphasis on treatment of disease after it occurred. Public health, on the other hand, focused on preventing disease. If we wanted to effectively improve our health status, that is, have healthier populations, we needed to attack the root cause of most of our medical problems and health care costs, chronic disease. Funding for population-based chronic disease prevention and control programs throughout Nevada would provide money to develop the infrastructure; to monitor the community's health status; to identify community health problems through information gathering, reporting, and data analysis; to inform, educate, and empower children, their parents, and high-risk groups about health issues in order to help them reach informed health decisions; and to mobilize community partnerships to identify and solve health problems. Through those and other essential services provided

by strong public health agencies, we would be able to decrease our years of potential life-loss and increase our overall quality of life-years. He urged the funding of Health Aid to Counties as a public improvement initiative at \$1.10 per capita. That would empower Nevada's public health authorities to implement a comprehensive chronic disease prevention and control program. You heard that the preventative health services block grant at the federal level may be eliminated. If there was a \$1.10 per capita throughout the state, that would go to the rural and frontier counties to help fund community health nurses to provide the services that they were doing.

Chairwoman Leslie requested clarification on the proposal of the group—was it to use the money, not as it had been in the past, where each health district made up their own mind how to use the money, but rather to do it in a coordinated fashion, targeting chronic disease and injury prevention.

Dr. Kwalick explained that what they were aiming for with this restoration was to concentrate on chronic disease prevention and control.

Chairwoman Leslie questioned the replacement of funding for the nurses. Dr. Kwalick said funding for the community health nursing services in the rurals could be replaced if the \$1.10 per capita was reinstated and there was nobody else providing services.

Chairwoman Leslie said if they were to do that, that would be more than the amount that was requested by the Division because that request was not in the \$2.4 million and the \$2.5 million.

Dr. Kwalick said the demographer had just released new information and at \$1.10 per capita, the 1.7 million population in Clark County would equate to about \$1.9 million rather than \$1.5 million. Similarly, he thought there was an increase in population in Washoe County and Carson City. Therefore, the \$2.4 million and \$2.5 million total would probably be \$2.75 million if they went to \$1.10 per capita.

Assemblywoman Giunchigliani stated there should be some discussion on what public health services in other localities looked like. She asked if Nevada was that different from other localities in other states with separate health districts with different boards.

Dr. Kwalick responded that he thought most states had local public health agencies that did a broad array of services and that each state's general fund revenue to local health departments funded 20 percent to 30 percent of their services. There were probably 50 comprehensive health districts throughout the country. There were hundreds of smaller public health agencies spread throughout the country.

Assemblywoman Giunchigliani asked if Nevada's were not considered comprehensive health districts.

Dr. Kwalick responded that they were but the problem was in getting the sufficient resources to really build the total infrastructure that was necessary to attack the main cause of disease and illness and the cost to society. That was chronic disease.

Ms. Giunchigliani asked what percentage was provided at the state level in Nevada.

Speaking for Clark County, Dr. Kwalick stated the total amount of General Fund revenue, forgetting about all the pass-through money from the federal government, was \$415,000. The total budget for the Clark County Health District was \$55,000,000 so it was less than 1 percent of the total budget and that was solely dedicated to tuberculosis control.

Ms. Giunchigliani asked if the restoration of the Health Aid to Counties would target chronic diseases so that there was accountability back to where the dollars were being utilized.

Dr. Kwalick answered in the affirmative.

Senator Raggio stated he would like to have a specific program that the three counties were planning for chronic disease control with the use of the funds. He would also like to see a breakdown from the staff as to how the current funding was being utilized; the \$103,000,000 that flowed through Clark County, \$25.8 million that went to Washoe County—what was the breakdown on that.

Barbara Lee Hunt, R.N., MPA, District Health Officer, Washoe County District Health Department, stated the plan was to have a comprehensive approach statewide through the local health jurisdictions to address chronic disease prevention and control.

Chairwoman Leslie asked for clarification of “statewide” as the current request was for Clark County, Carson City, and Washoe County.

Ms. Hunt stated Mr. Haartz might be better able to answer that question and explain how the rurals would be affected but that the three counties included about 85 percent of the state.

Ms. Hunt summarized three key points that were made in the documents provided for this meeting ([Exhibit C](#)). First, chronic diseases were killing and crippling Nevadans at an unprecedented rate. Before causing death, chronic diseases robbed Nevadans of many years of productive life, years when they could have been working, paying taxes, and contributing to society. Sixty-five percent of all deaths in Nevada were due to just five chronic diseases—heart disease, cancer, stroke, chronic obstructive pulmonary disease, and diabetes. That was 10,000 Nevadans dying of chronic disease every year. Second, chronic diseases were expensive. Seventy-eight percent of total health-care expenditures in Nevada went to the treatment of chronic diseases. In addition, the behaviors that caused chronic diseases were costing Nevada Medicaid alone millions every year--\$96 million for smoking and \$56 million for obesity, for example. Third, the local public health jurisdictions in Nevada were ready to take effective action. All that was needed was funding to implement evidence-based interventions, including evaluation, measurement, and reporting of their progress and outcomes. Local funds had been allocated to chronic disease prevention but it was only enough to scratch the surface of this complex problem. \$1.10 per capita to reinstate Health Aid to Counties for chronic disease prevention in Nevada was a bargain and would go a long way toward effectively addressing the problem. Nevadans needed the Committee’s leadership to help them reduce their risk for disease, improve the length and quality of their lives, and over time save the state and the counties millions of dollars in direct and indirect health-care costs.

Chairwoman Leslie stated that the criticism last session was that the health districts used the money for whatever they felt like. A coordinated chronic disease prevention program with the funding was now proposed. Chairwoman Leslie asked if every two years they would come forward with a new program.

Ms. Hunt replied that no, that was not the intention. Chronic disease was the number one cause of death and disability in the state.

Chairwoman Leslie stated that if that were true it should be a statewide program, not necessarily a disjointed one where there was not a program in Ely but if one was to go to Carson City there would be a program.

Ms. Hunt agreed. She stated that in addition to funding Health Aid to Counties to the health districts, the State Legislature would probably want to look at the rurals as well.

Chairwoman Leslie called Mr. Winkleman to testify.

Daren Winkleman, representing the Carson City Health Department, introduced himself. He stated that just a little over a year ago Carson City had formed a new health authority creating the fourth recognized health authority for the state. By forming a new health authority, Carson City had made a commitment to its citizens and visitors that they were ready to have a strong public health infrastructure. That was the first time that the Carson City Health Department might have been eligible for Health Aid to Counties funding. That funding would help Carson City build a much needed infrastructure and allow the Carson City Health Department the ability to address a very big concern, which was chronic disease. Chronic diseases were among the most common of costly health problems, they were also among the most preventable. Adopting healthy behaviors such as eating nutritious foods, being physically active, and avoiding tobacco use could prevent or control the devastating effects of those diseases. Knowing the effects of chronic disease and wanting to be pro-active, all the health authorities within the State saw the importance of the prevention of chronic diseases and had teamed up to ensure the problem was addressed. Again, the Carson City Health Department, Clark County Health District, and Washoe County Health District supported this budget request. Mr. Winkleman thanked the Subcommittee for their time and consideration.

Chairwoman Leslie called for testimony on Budget Account 3194, Consumer Health Protection.

**HR, CONSUMER HEALTH PROTECTION (101-3194)**  
**BUDGET PAGE HEALTH-25**

Amy Roukie, Administrative Services Officer, Nevada State Health Division, former Chief of the Bureau of Health Protection Services, presented Budget Account 3194, Consumer Health Protection. She stated this was the new budget account supporting the Bureau of Health Protection Services, which included the public health engineering function and the environmental health functions. It was intended to support the activities related to statutory mandates and several chapters of *Nevada Revised Statutes*. Those programs assured safe water, safe food, and safe health and public facilities, thereby creating a foundation of public confidence that encouraged economic development in the state. The staff associated with that budget was located in seven offices throughout the state which allowed for local assistance and a

consistent point of contact. Ms. Roukie stated she would forego the details of the budget but she did mention the fact there was the Decision Unit E-900 which, as Mr. Haartz had mentioned previously, transferred the Safe Drinking Water Act. Last session the Drinking Water State Revolving Fund, Budget Account 3211, was transferred to the Nevada Division of Environmental Protection, which was the first of two phases of moving the water programs so that they could coordinate their activities through the Nevada Division of Environmental Protection (NDEP). Beyond that, she deferred to questions from the Committee.

Chairwoman Leslie asked if the NDEP and the Health Division were comfortable that the transfer could go forward and that there would be enough staff to make sure that there was not a drop in service.

Ms. Roukie replied that not only was the Nevada Division of Environmental Protection involved in the process of defining the budget requirements and the staff were involved but they also had the support of Region 9, USEPA, in this transfer and they were comfortable with not only the staff but the associated costs and revenues that would be joining this transfer.

Chairwoman Leslie requested that Mr. Haartz talk a little bit about the supervisor position for inspecting the food establishments.

Mr. Haartz replied that what Chairwoman Leslie was referring to was an unfunded decision unit reflected in the budget as E-999. The Health Division had approached this body the last legislative session seeking a couple of new positions. One was a supervisor and one was a line staff. They had suggested that once the fees were raised they approach IFC. The Health Division had subsequently approached IFC. IFC had approved one of the positions, the direct staff. The supervisor had not been approved and the IFC suggested that the Health Division come back to the 2005 Committee and request the position, which the Division had done. However, based on the mechanics of how the budgets were built the fee revenue was counted in the base budget and the supervisor position had to be funded with General Funds. That, obviously, had not made the cut on the list and so what Mr. Haartz requested if, in fact, fee revenue in excess of what was budgeted developed, that they be allowed to approach IFC to establish the supervisor position. We had staff in all counties and justified the necessity of an additional person in Las Vegas for quality control program supervision.

Ms. Giunchigliani inquired, who should be a lead agency regarding the area of health care. Her concern was the mobile home manufactured housing, because there were a lot of mobile homes in rural areas and they did not really have a health district. Who was responsible and for what.

Mr. Haartz clarified who was responsible for health care. He stated the subject they were discussing was public health, not health care, and protecting the environment and the citizens of the community. He believed in a county or jurisdiction where there was a public health department such as Clark County Health District, Washoe County, or in Carson City. Unless the law provided specifically otherwise, it was reasonable to expect that they were able to best manage the issues that impacted their community and, therefore, would be the lead agency in sanitation issues unless the law specifically directed somebody else, such as the State Health Division, to do it. For the rural counties, the lead body would be the State Health Division—the Bureau of Health Protection, the Bureau of Community Health—our staff.

Chairwoman Leslie requested clarification of the unclassification of the Bureau Chief. Here we had a Bureau that dropped in size from 40 FTEs to 22 FTEs. Was a Bureau Chief still planned at that level.

Mr. Haartz replied that there were two significant programs that would remain—the Environmental Health Sanitation and the Radiological Control Program. They were contemplating still having a Bureau and, yes, there still would be a Bureau Chief.

Mr. Denis asked, with regard to the computer equipment, how they used their computer system.

Ms. Roukie replied that the Health Division had responsibility to maintain data. Security of data was important as well. Currently that data included the Public Water Safety and Supervision Program that was reported for the Safe Drinking Water Act through the USEPA. Beyond that, the Division managed not only the Radiological Health Section, which Mr. Marshall would speak of shortly, but also the Environmental Health Section. For example, currently not only did the Division maintain connection to other public health agencies and share information and disseminate data but they also collected data related to food-borne illness, food inspections, restaurant inspections, those types of things. The Division also had responsibilities for not only regulatory oversight but fee collection, so a majority of those activities were maintained in the infrastructure through data.

Mr. Denis asked if the equipment in the E-710 request was to be housed in one area.

Ms. Roukie explained that her Bureau and the activities in the E-710 budget account were located in seven offices throughout the state. What was requested was replacement computer equipment for systems that were more than five years old.

Mr. Denis asked for information on how the equipment was all networked.

Mr. Haartz explained that the information they would provide would show not only how the entire network was put together and how it overlapped with the Department of Information Technologies, but also within the Bureaus, and it all coalesced together.

Chairwoman Leslie called for Budget Account 3101, the Radiological Health.

**HR, RADIOLOGICAL HEALTH (101-3101)**  
**BUDGET PAGE HEALTH-33**

Chairwoman Leslie stated that the Committee did not see any major issues but requested a brief explanation of the changes in funding that have occurred in this account and the staffing levels and what impact that's having on the programs.

Stanley Marshall, Chief, Bureau of Health Protection Services, explained that Budget Account 3101, Radiological Health, proposed for fiscal years 2006 and 2007, was a maintenance budget account with funding sources of fee revenue and federal funding after removal of State General Funds by the 2003 Nevada

Legislature. The proposed budget had no significant decision units. The budget supported statewide radiation control programs developed pursuant to *Nevada Revised Statutes* 457 and 459, including licensing and enforcement activities for users of machine-produced radiation sources such as medical and industrial x-ray machines, accelerators, and radioactive materials. Other programs included statewide radon awareness education, oversight of radiological activities at the Department of Energy Nevada Test Site, joint inspection of the Department of Energy Waste Isolation Pilot Plant to transuranic radioactive waste shipments departing Nevada for disposal in New Mexico, and statewide radiological emergency response support to local and county first-responder personnel. The Division was designated by NRS 459 as the lead state agency to develop such programs and therefore provide such technical radiological support to local governments under the state of Nevada Comprehensive Emergency Management Plan. To answer Chairwoman Leslie's question specifically, there had been no problems with the swap-out of General Fund and the increase in fees, although the industry had found it somewhat difficult on a case-by-case basis because of the significant increases. Overall there had been no problems.

Senator Raggio asked if there were any plans for augmented or renewed activity at the low-level waste site near Beatty.

Mr. Haartz explained that the low-level waste site Senator Raggio referred to was south of Beatty and currently housed the closed low-level waste site and there was no new activity there. The other half of the site was still open and still a functioning hazardous waste dump managed by the Division of Environmental Protection.

Chairwoman Leslie called for Budget Account 3152, the Health Radioactive and Hazardous Waste.

**HR, HEALTH RADIOACTIVE AND HAZARDOUS WASTE (251-3152)**  
**BUDGET PAGE HEALTH-38**

Chairwoman Leslie pointed out the major concern in this budget was the perpetual care fund and the \$250,000 each year being requested for clean-up activities. Chairwoman Leslie requested that Mr. Haartz report on the status of the clean-up at the Beatty hazardous waste dump being managed by the Division of Environmental Protection and what problems were anticipated in the foreseeable future. Did adjustments need to be made to make sure the site was safe.

Mr. Haartz replied that the main point in this budget account was that for the first time an expenditure was being proposed in the account in 2006/2007 to deal with the still open and functioning hazardous waste site of the dump. There was a proposal that \$250,000 a year be expended by the Division of Environmental Protection through the Health Division so monitoring wells could be established and remediation activities implemented. Some of the older trenches at the waste site were unlined and were essentially trenches dug in the ground. At this point they believed they needed to go in and do some monitoring and possible remediation. As to the impact on the balance of the trust fund, there were two things that were occurring in 2006 and 2007 that offset each other. One was that the amount of transfer from this account to Budget Account 3101 was reduced by approximately \$130,000 based upon increasing the fees in BA 3101. Based on time and effort there was less need



to tap this account for staff to go to the site. Secondly, there were fees being generated annually by the hazardous waste dumping and between the two of those that should keep the balance relatively sound and static to where it currently was, although it would go down a little bit.

Senator Titus acknowledged money for burial of low-level radioactive waste was no longer coming in but asked if once the site was closed would the company, US Ecology, not maintain some responsibility for helping to pay if the Department had to go back in or monitor or do remediation.

Mr. Haartz replied it was his understanding when the site was closed in the early 1990s the Health Division took possession of the license and US Ecology's liability was reduced or eliminated. It was always a State of Nevada property operated by US Ecology. The closure activities were continued by the company, US Ecology, through approximately 1995 in accordance with license conditions and prearranged requirements that dated back to the land lease of 1977. The planned transition involved completion of those activities, then amendment of the license to return it to the State, with the State Health Division as the responsible party for the facility on State-owned property.

Senator Cegavske inquired if this budget was just for the Beatty waste site and Mr. Haartz replied in the affirmative.

Chairwoman Leslie requested that Mr. Haartz prepare a one-page briefing addressing the issue of the adequacy of the trust fund to cover other possible future needs, what were the major milestones within the next ten years regarding required cleanup activities.

Mr. Haartz requested clarification of the one-page briefing paper.

Chairwoman Leslie stated she wanted the expected ongoing costs to maintain both sites and cost projections with regard to the trust fund. The concern was the fact the principal of the trust fund was beginning to be used and was that going to continue. The briefing paper need not be restricted to one page.

Chairwoman Leslie called for Budget Account 3216, the Health Facilities Hospital Licensing.

**HR, HEALTH FACILITIES HOSPITAL LICENSING (101-3216)**  
**BUDGET PAGE HEALTH-41**

Chairwoman Leslie said the Committee did not see any major issues in this account and asked the Committee members if they had any comments or questions.

Having none, Chairwoman Leslie called for Budget Account 3235, Emergency Medical Services.

**HR, EMERGENCY MEDICAL SERVICES (101-3235)**  
**BUDGET PAGE HEALTH-115**

Chairwoman Leslie stated the Committee did not see any major issues with this account either but did inquire about the change of the EMS Medical Services

Representative to a Health Program Manager; it was being changed from grade 35 to grade 37.

Pamela S. Graham, B.S., R.N., LNC, Chief, Bureau of Licensure and Certification, explained that Decision Unit E-805 was to upgrade the EMS Representative III or the Program Manager for EMS Services to a Health Program Manager, which was currently pending Personnel approval. That would provide for consistency across the Bureaus for the level of work and the responsibility that this individual had and be in concert with the State Personnel's desire to not work someone out of class, which was currently occurring, and as parity among different agencies and their positions.

Chairwoman Leslie requested that Ms. Graham provide additional information to the staff on that subject and wanted clarification that the EMS Medical Services Representative was being changed to the Health Program Manager.

Ms. Graham clarified it was an EMS Representative III that was the Program Supervisor for EMS in everywhere but Clark County and it would become a Health Program Manager I.

Chairwoman Leslie called for Budget Account 3224, Community Health Services.

**HR, HEALTH COMMUNITY HEALTH SERVICES (101-3224)**  
**BUDGET PAGE HEALTH-50**

Chairwoman Leslie said the Committee's concern was that the federal grant could be eliminated, noting it was scheduled to be eliminated in President Bush's new budget. What impact was that going to have on nursing services in the rurals.

Richard Whitley, Deputy Administrator, Health Division, Acting Bureau Chief for Community Health, introduced himself. He explained that Budget Account 3224, the Community Health Services Nursing Program, included 39.25 FTEs and provided traditional public health nursing services to residents of Carson City and the 14 rural and frontier counties in Nevada. There were 18 clinic sites and 54 satellite sites that provided public health nursing services. The revenues supporting those programs included federal grants, State General Fund, county contributions, and client service fee revenue. One of the most significant decision units in Budget Account 3224 was the Decision Unit E-810 which recommended a 10 percent adjustment to nursing salaries in order to improve recruitment and retention.

Currently the Community Health Nursing Program had seven Community Health Nurse positions that were vacant. The State had not been able to compete with private or public entities for nursing salaries and benefits. Some of the positions were filled with part-time contract nurses due to the shortage of applicants willing to work for the current salary range. The 10 percent salary adjustment would affect 28 nursing positions. With regard to Chairwoman Leslie's comment on the President's budget and the proposal to cut the preventive health block grant, Mr. Whitley explained that the grant was totally dedicated to nursing salary time and it cross-cut all the positions allowing for those nurses to address chronic disease prevention issues and health education and health promotion.

Chairwoman Leslie asked what the Division's plan was if the grant was eliminated.

Mr. Whitley replied that currently there were vacancies in those positions and so the Division had the dual challenge of filling positions but at the same time being mindful of how to pay for them. They were very aggressive on grant funding and relied mostly on various grants. They just found out last week about the grant being cut from the President's budget so they did not have a contingency plan but were actively exploring the options.

Chairwoman Leslie acknowledged that Nevada was the worst state in the nation with regard to the nursing shortage so the salary increase sounded reasonable and hoped that it would help with the Department's recruitment. She asked that Mr. Whitley keep the Committee apprised of what the contingency plan was as it developed. There were no further questions or comments.

Chairwoman Leslie called for Budget Account 3220, the Health Communicable Disease Control.

**HR, COMMUNICABLE DISEASE CONTROL (101-3220)**  
**BUDGET PAGE HEALTH-57**

Chairwoman Leslie said that the major issue was the six new positions which were in the breast and cervical cancer early detection program. She noted the Department had switched from using contractors to state positions and asked for comment on why that was done and if federal funding was assured for the foreseeable future.

Mr. Whitley replied the Department felt confident about the funding for cancer control, which included the breast and cervical cancer screening and early detection program. Their motivation in converting the positions from contract positions to state positions was for cost savings. The contract positions cost more than state positions. There were no further questions or comments.

Chairwoman Leslie called for Budget Account 3215, the Sexually Transmitted Disease Control Program.

**HR, SEXUALLY TRANSMITTED DISEASE CONTROL (101-3215)**  
**BUDGET PAGE HEALTH-66**

Chairwoman Leslie stated the major issue was the AIDS medication and asked Mr. Whitley to tell the Committee what the Division requested that was not included in the Governor's budget. She would like to know what the Division's thinking was, whether there would be a shortfall for the year that we were in and then what it was looking like for future years.

Alex Haartz, M.P.H., Administrator, Health Division, responded and said the Health Division had submitted an ancillary request for approximately \$830,000 in the first year and \$915,000 or so in the second year of the biennium seeking additional General Fund in support of the AIDS drug assistance programs (ADAP), specifically the purchase of medications. The funding was provided to Northern Nevada Hopes and in southern Nevada, UMC Wellness Center. Those were the two regional facilities for the provision of AIDS medication and ancillary services for individuals who qualified for the AIDS Medication Program.

That decision unit was predicated upon projected caseload growth of approximately 105 people in one year and 9 percent more in the second year. In terms of overall prioritization it was not funded, it was not contained in the Governor's budget, it was wholly General Fund. In the current fiscal year, the Division believed there was available funding that would suffice for State fiscal year 2005. They continued to be confident in that. One of the issues that they had learned, and they had always talked about waiting lists, was that the federal government did make additional funding available to states who declared they had a waiting list and so that created a conundrum in terms of, "do we declare a waiting list and establish one and take the federal government's word that they make supplemental funding available to us in a timely manner."

Chairwoman Leslie asked if he was sure they were not coming forward with a supplemental appropriation.

Mr. Haartz stated that for fiscal year 2005 the Division was not coming forward with a supplemental appropriation.

Chairwoman Leslie inquired if the Division was raiding other grant funds to do that.

Mr. Haartz replied in the negative. The handout provided, [Exhibit D](#), spoke to the somewhat complexity of Ryan White funding and where it went in the State and how it could be used. There was a statewide coordinating group that provided advice and had the ability at the community level to redirect funds, but it would not be raiding.

Chairwoman Leslie inquired about the money that might be available; was it one-time money that the Division had never received in the past.

Mr. Haartz explained that because the state of Nevada had never declared that there was a waiting list for individuals waiting for services, the Division had been ineligible to apply. Based on recent conversations with the Health Resources Services Administration (HRSA) they had said they were once again making funding available and so the Division had decided to at least take the steps to start the process so that if the Division declared a waiting list they would automatically be eligible and the federal government needed to keep us in mind when they allocated funds. The federal government had said there would be a new round of funding this year.

Chairwoman Leslie stated that if the funding was not available and a person on the waiting list needed the drugs, it was unacceptable to tell that person they were on a waiting list, there had to be a better way. She said they needed to talk some more about what the real need was. She said she didn't think anyone on the Committee wanted to walk away and leave someone with AIDS on a waiting list just so the Division could go to the federal government to say, "Now we have a need." There were no further comments or questions.

Chairwoman Leslie called for Budget Account 3213, the Immunization Program.

**HR, IMMUNIZATION PROGRAM (101-3213)**  
**BUDGET PAGE HEALTH-72**

Chairwoman Leslie asked for clarification on the issue that Title 21 block grant funds were being transferred from the Check Up Program, \$2.9 million in 2006, \$3 million in 2007, to cover the cost of the vaccines for the children.

Mr. Haartz answered in the affirmative and stated that the Health Division served as the State purchaser. What we were using was the state General Fund that was in this budget account as the match to cover the Check Up kids to be able to purchase all the vaccine at the State's discounted rate.

Chairwoman Leslie asked if Mr. Haartz was confident that there would be enough funding to purchase all the necessary vaccines for our state in the next biennium with all the different funding sources.

Mr. Haartz said he would be speculating as to what new vaccines might be coming out and what those costs would be. The program operated under a Letter of Intent that said that prior to adding any new vaccines, the Division was supposed to come before the IFC, prepare a cost benefit analysis, and explain why the Division should be spending the money on a new vaccine. He stated that at that point the Division was projecting that there would be sufficient funding to cover all vaccine purchases barring any new vaccines that were released for new purposes.

Chairwoman Leslie stated that when the Committee closed this budget they would take a look at re-extending the Letter of Intent.

Chairwoman Leslie inquired about the goals of the Division in this area acknowledging that Nevada was still only 42nd in the nation in terms of immunizing children before age two and we had wanted to get to 90 percent. It appeared we had made some improvement over the last couple of bienniums and we reached 78.1 percent. She asked that if we were not putting any money in this account, were we going to get any higher than that, were we going to reach 90 percent. What was our plan to become higher than 42nd in the nation.

Mr. Whitley advised that the State was reaching its objectives as they related to school entry. The State had requirements and they were the safety net to catch children. It was the children age two years and under that the percent of immunizations was 76 percent, and that made Nevada ranking 29th among states for childhood immunization coverages.

Chairwoman Leslie questioned that statistic as it was not the information they had on the highlights.

Mr. Haartz said it was how the federal methodology measured and counted the number of shots, and where everybody landed on that, but he would look into it.

Mr. Denis asked what kind of success the Division was having with non-English speaking parents getting their children immunized, and was Mr. Haartz doing anything special to deal with that.

Mr. Whitley advised that they provided translation services in their public health clinics both at the local health districts as well as in the rural public health nursing clinics. He didn't think the Division's data suggested that non-English residents had any less immunization rate than other children.

Mr. Denis asked if the flu vaccine was included for children who were covered under the Vaccines for Children Program and Mr. Haartz responded in the affirmative.

There were no further comments or questions.

Chairwoman Leslie called for Budget Account 3222, the Maternal Child Health Services.

**HR, MATERNAL CHILD HEALTH SERVICES (101-3222)**  
**BUDGET PAGE HEALTH-78**

Chairwoman Leslie stated the Committee did not see any major budgetary issues but they did want to talk about the proposed change of the Health Program Specialist position that the Division had requested be changed to a Public Information Officer. That position was currently vacant.

Judith Wright, B.A., Chief, Bureau of Family Health Services, State Health Division, responded to the inquiry. She stated that it was an error in the budget, the Division was not reclassifying the position.

Chairwoman Leslie asked for other questions on Budget Account 3222. There were none.

Chairwoman Leslie called for Budget Account 3214, the WIC Food Supplement.

**HR, WOMEN, INFANTS AND CHILDREN (WIC) FOOD SUPPLEMENT (101-3214)**  
**BUDGET PAGE HEALTH-109**

Chairwoman Leslie said the Committee saw no major issues in the account but requested the issue of caseload be addressed as there were inconsistencies about the number of people WIC planned to serve.

Judith Wright, B.A., Chief, Bureau of Family Health Services, Health Division, responded to the inquiry. She stated that the Division was expecting 60,000 participants by the end of the biennium and that the program had continued to grow, hitting a record month in September of 46,000. It grew 21 percent in the last biennium. The program was going to an electronic benefit transfer which would enable them to incorporate more people into the program using the same administrative dollars.

Chairwoman Leslie asked if they had enough money to provide for all eligible participants without a waiting list and Ms. Wright answered in the affirmative.

Mr. Haartz added that in the President's budget the WIC program was slated for a significant increase.

Ms. Wright added that they projected \$1.5 million more.

Ms. Giunchigliani said she had looked at who qualified for the program and stated that with the change in our society we now had many dads actually raising newborns. Were those dads prohibited from joining the program as from what she had in front of her, participants must be residents but they also must be pregnant or breast-feeding women.

Ms. Wright stated that WIC served pregnant and breast-feeding postpartum women, infants to age one, and children to age five. A custodial dad could come in and enroll his children in WIC.

Ms. Giunchigliani pointed out that just the name of the program, Women, Infants and Children, indicated that dads would not qualify and suggested that radio spots include an explanation that children being cared for by dads qualified.

Ms. Wright stated that her staff had said that was not a problem. Dads did bring kids in but she would look into it.

With regard to WIC, Chairwoman Leslie commented that it looked like the Division was moving toward community-based clinics rather than the state clinics.

Ms. Wright said they were. The budget had deleted 7.02 FTEs and those were for clinics that had been taken over by local community-based organizations, which had worked out very well. The clinic in Ely was with Head Start. Since the budget had been completed, Carson City had been taken over by the Ron Wood Resource Center. There were three FTEs there that had been reclassified to help with all the growth. The idea was that it was more cost-efficient and closer to the community so people were more likely to visit. The people could get one-stop shopping, they could go right next door to Welfare, or whatever their need was.

Chairwoman Leslie referred to the Electronic Benefit Transfer card system, the EBT, and asked for confirmation that they were rolling it out in Clark County and asked when the transition would be complete.

Ms. Wright stated the first phase was to be completed by the end of this fiscal year and was basically North Las Vegas. After that they would either have the money in their budget or get another grant and finish the rest of Las Vegas, which was about seven clinics, in the first part of the next fiscal year. She said they were also talking to USDA about expanding the EBT to the rest of the State—into the rural communities. Nevada was the pilot project for the nation. The first one opened in Las Vegas on January 19, 2005.

Chairwoman Leslie asked about the computer equipment which was purchased for WIC. She asked if it was purchased for the community-based sites.

Ms. Wright answered that there were about 100 computers in the various WIC clinics across the state and they were on a four-year replacement program. The state maintained ownership of them and managed the equipment.

There were no other comments or questions on the WIC Program.

Chairwoman Leslie called for Budget Account 3208, Early Intervention Services.

**HR, EARLY INTERVENTION SERVICES (101-3208)**  
**BUDGET PAGE HEALTH-87**

Chairwoman Leslie stated there had been a major consolidation in the last session and she would like to hear how the implementation went. Chairwoman Leslie asked the Division to discuss caseload and waiting lists.

Janelle Mulvenon, M.S., Chief, Bureau of Early Intervention Services, said she would highlight some of the performance indicators. On December 1, 2003, they had served 930 children. That December 1 date was a federal, U.S. Department of Education count day, the official count day they used. This past December 1 they had served 1,308 children. That was a 40 percent increase from the previous year. They hoped to raise their standings from .94, which was the state's rating at the U.S. Department of Education, because with 1,308 children that would put the state in a ranking of 1.34. With regard to the waiting list, it was 107 days in the last quarterly report. She stated that, as Mr. Haartz had mentioned, in the beginning of fiscal year 2004 the waiting list of over 45 days was approximately 500, then it dipped to about 210, and it was now steadily increasing again. Part of the increase was attributed to the fact the clinics had 2.5 times more referrals than children exiting at the age of three, when they transitioned out of Early Intervention Services.

Chairwoman Leslie asked if it was correct that the recommended funding increase of \$2.8 million in 2005-2006, \$3.3 million in 2006-07, with 24 new FTEs, would serve 360 children.

Ms. Mulvenon said they estimated 360 children over the biennium. There was a staggered start of staff and the reason for that was that they did not anticipate all 360 children were going to be requesting services on July 1.

Chairwoman Leslie recognized that they were going in the right direction but 107 days was a long way from the federally mandated 45 days.

Ms. Mulvenon agreed and stated that with their standard and by federal regulations and requirements, it was 45 days. They were looking at a target of getting children in within the 45 days. She added that the U.S. Department of Education, Office of Special Education Programs, had visited the clinics the last week in January and spent two half days with the Division in Las Vegas and reviewed with them what the procedures were and helped work out an action plan to look at additional refinements the Division could make in their processes.

Chairwoman Leslie asked if the federal government was satisfied with Nevada's progress and therefore would not be sanctioning Nevada.

Ms. Mulvenon said they were asking the Division to look again at their refinements and provide information on how they planned to continue to reengineer and reorganize the services. The federal government did comment that Nevada had made excellent progress.

Chairwoman Leslie asked Mr. Haartz if that meant Nevada was safe for another two years if they kept going in the same direction.

Mr. Haartz replied that he believed as long as the federal government saw forward progress we would be okay.



Chairwoman Leslie inquired of the Child Abuse and Prevention Treatment Act (CAPTA) referrals. She asked if they could briefly discuss why the Division was requesting funding for that decision unit with General Fund support. She also asked if the Division was receiving all the Individuals with Disabilities Education Act (IDEA) money that was available from the federal government.

Ms. Mulvenon replied that IDEA funds were based on census information. At the present time, in President Bush's budget, Nevada was flat funded and so the Division was looking at remaining at the current level of funding.

Chairwoman Leslie stated that if it was flat funded then it was not based on census information.

Ms. Mulvenon replied that there were no additional funds to add to the Part C IDEA grant.

Chairwoman Leslie responded that the federal government was not then taking into account Nevada's growing population.

Ms. Mulvenon replied that there could be an adjustment, and there had been an increase this past year because Puerto Rico's birth census went down and so different states, including Nevada, received an additional amount.

Mr. Haartz added that Nevada consistently did not receive population adjustments and funding consistent with the need that existed in the State, for whatever reason, whether it was outdated formulas or whatever. He stated that Nevada could obviously use and expend more federal IDEA funds.

Chairwoman Leslie said she hoped the Division was aggressively making that case with the federal program offices.

Chairwoman Leslie inquired of the M-425 Decision Unit, the deferred facilities maintenance, and asked if the Division could provide staff with a list of the projects.

Ms. Mulvenon replied that there was a report that Public Works put out in year 2003 and the Division would be happy to get that report to staff.

Chairwoman Leslie stated, regarding the Medicaid match, that Nevada was putting quite a bit of new General Fund money, more than \$14 million, into that account and asked if that money couldn't be used as the match instead of the E-930 Decision Unit.

Ms. Mulvenon replied that the E-930 Decision Unit moved the General Fund portion that Medicaid contributed directly into the budget account. That was the purpose of that decision unit. It moved from Budget Account 3243, Medicaid, the General Fund portion that they contributed, into that budget account.

Chairwoman Leslie said the Committee would have their staff work with the Division to make sure everyone understood each other.

On the Maintenance of Effort, Chairwoman Leslie said the Committee just wanted some clarification on whether the \$14 million in new funding was now going to be forever included in the Maintenance of Effort requirement.

Ms. Mulvenon replied that the definition for Maintenance of Effort in the Part C IDEA grant was: the amount of funds that was budgeted for the current year

must be at least equal to the amount of funds that were expended the previous year.

Chairwoman Leslie asked if Ms. Mulvenon was answering in the affirmative.

Ms. Mulvenon responded that it was contingent on how much was spent in the previous year.

Mr. Haartz added conceivably and technically, yes.

Senator Cegavske inquired of the qualifications or what left somebody on the waiting list if they were missing just one of the services, were they still on the list. What service was it that the clinics were not able to provide to them that kept them on the waiting list.

Ms. Mulvenon responded that the children who were on the waiting list were waiting for their comprehensive evaluation to determine if they were eligible under the State definition of developmentally delayed and/or they were waiting for their individualized family service plan to be developed.

Chairwoman Leslie asked Ms. Mulvenon to outline the waiting list procedures and how people got on and went off the waiting list.

Ms. Mulvenon said they would be glad to do that.

Assemblywoman Smith asked if there was increased funding or opportunities for autism, or families of autistic children.

Ms. Mulvenon explained that the budget was not set out by disability. It looked at the level of service for any disability or any condition that would qualify for Early Intervention Services, so there was not categorical money for autism.

Chairwoman Leslie stated that she believed there was a budget request in the Division of Child and Family Services, through the mental health part of their agency, for autism services that were not funded in the Governor's budget.

Mr. Haartz added that, if the Committee approved this budget account as it was recommended, Budget Account 3276, which was the next one on the list, actually would be eliminated. It would collapse into Budget Account 3208. It was housekeeping in nature and the Division did not need a holding budget account anymore.

Chairwoman Leslie called on Budget Account 3170, Health, Alcohol and Drug Abuse, the BADA budget.

#### **HR, HEALTH, ALCOHOL AND DRUG REHABILITATION (101-3170)** **BUDGET PAGE HEALTH-121**

Chairwoman Leslie first inquired of the Maintenance of Effort and asked for confirmation that the funding was put in the budget as required by the federal government through the Maintenance of Effort provision. She asked Maria Canfield for reassurance that the level of funding, specifically for adolescents, continued. She pointed out that this was Assemblywoman Jan Evans' proposal back in 1999 and the Committee wanted to ensure that it was the Bureau's intention to continue the adolescent programs.

Maria Canfield, MS, CHP, Chief, Bureau of Alcohol and Drug Abuse, replied that all the funds in M-502 would be sub-granted to providers to serve adolescents who needed substance abuse treatment.

Chairwoman Leslie said that a supplemental appropriation of \$521,000 was to meet the MOE for 2004/2005.

Ms. Canfield confirmed that the \$521,000 was for the current fiscal year.

Chairwoman Leslie commented to Maria Canfield that the federal funds had gone up from \$14 million in 2004 to \$19 million in 2006. She stated she was assuming it was the block grant increase and asked if the trend would continue.

Maria Canfield replied that the increase in federal funds in the current year was largely due to a new competitive substance abuse prevention grant from the Center for Substance Abuse Prevention that the Bureau had applied for and was awarded. It was called the State Prevention Framework State Incentive Grant and that was covered in the E-250 unit. The block grant for the current year for the first time, at least in the last ten years, actually received a small decrease of about \$26,000 and was flat in the President's budget. The area of concern for the Bureau regarding federal funding had to do with the Department of Education's Safe and Drug Free Schools funding. The entire program was slated to be cut by the President's budget, which would result in a decrease to the Bureau of about \$470,000 each year of the biennium. That funding was directly passed through to community-based organizations to provide services to children who were at risk under the Safe and Drug Free Schools criteria.

Chairwoman Leslie asked to see that in writing and requested Ms. Canfield provide the Committee with a brief analysis of how many children would not be served and in what manner they would not be served.

Chairwoman Leslie said she had asked for a one-page overview on waiting list and system capacity, which she had in front of her. She said she knew from her work that it was almost impossible to get anybody into inpatient treatment. Yet, there was not any caseload growth in the budget.

Ms. Canfield replied that the information provided on the overview was very much summarized and addressed three issues that information had been requested on. Waiting List: to summarize, there were approximately 2,000 clients that were tracked annually as waiting for entry into treatment. The average wait was approximately 28 days. That was a federally-mandated wait list system and was not an ideal system to actually collect data on what the true waiting list was. Ms. Canfield said there were providers in the audience whom she thought would be happy to give information on the impact to their communities.

Ms. Canfield said the next piece of information requested had to do with system capacity. They had tried to estimate, if additional funds at some point were to be available, what the cost would be for a typical outpatient treatment episode for an adult or an adolescent, as well as a typical residential treatment episode for an adult or an adolescent who was much more acutely ill; and then an idea of how the funding would be spent. She said they had done a quick survey of the providers and that was presented here as well. In terms of unmet need the Bureau had used federal information, both in terms of unmet need as well as met need, to try to arrive at unmet need. The Bureau estimated that, in terms of adolescents, a conservative number of adolescents who would benefit from

treatments was about 13,720 in the 2004 year. In adults, it was over 117,000 adults. Those were all individuals who met the criteria as either abusing or dependent on alcohol or drugs and, in an objective way, in need of treatment.

Assemblywoman Giunchigliani asked if that projection included inmates who might be close to being released from both the male and female population.

Ms. Canfield replied that because it was a telephone survey methodology, the results did not include inmates in the survey estimation. She said that the number was so large that they could make it larger by adding in the inmates who came out who were in need of additional treatment if they had not been able to secure that help while they were in prison.

Assemblywoman Giunchigliani asked if BADA funding could be used for prisoners.

Ms. Canfield said the federal block grant or any part of the funding associated with the Maintenance of Effort could not be spent for substance prevention treatment funding in correctional facilities. The reason for that was the Department of Justice had a separate funding stream—the Residential Substance Abuse Treatment funding stream which, according to the President’s budget, was supposed to be increased rather significantly.

Assemblywoman Giunchigliani asked for clarification on the word “corrections”—would it include halfway houses.

Ms. Canfield answered the question in two parts. She said the way the Bureau defined corrections was whether the person could leave at will. The Bureau could and does treat, through their provider partners, large numbers of people who were coming out of different kinds of correctional facilities, both adults and children. As far as the issue of the treatment continuum, they defined transitional housing as a treatment level within their funding eligibility because, in order to be eligible for that service, the client had to be in either traditional outpatient or intensive outpatient treatment. When a client left treatment, one place they often went to be reintegrated into the community was to a halfway house and halfway houses were settings that did not provide treatment, and that was where the demarcation was.

Senator Cegavske stated she was concerned that alcohol and drug abuse was one of the most underfunded areas and one of society’s largest problems.

Chairwoman Leslie agreed and acknowledged the tremendous need that was out there. She requested that the Bureau provide some suggestions of where the Committee might want to look first in case the Committee was to take a look at trying to build capacity in the system.

Mr. Haartz stated he would be happy to provide that information. In looking at the issue historically, there had never been an M-200-type Decision Unit built into that budget account. He stated he did not have a good reason why, it had just never been done. He suggested that one option available to the Committee that the money committees had used previously was to provide a Letter of Intent that provided guidance to the Agency to build certain decision units. He stated they had done that in the Health Aid to Counties and other budget accounts where the Committee had indicated their intent.

Chairwoman Leslie stated that was the minimal option in her mind and requested other ones to consider.

**HR, HEALTH ALCOHOL TAX PROGRAM (101-3255)**  
**BUDGET PAGE HEALTH-129**

Chairwoman Leslie said they were not going to review Budget Account 3255 as there were no major issues with it.

Chairwoman Leslie called for Budget Account 3212, Public Health Tobacco Fund.

**HR, PUBLIC HEALTH TOBACCO FUND (263-3212)**  
**BUDGET PAGE HEALTH-131**

Chairwoman Leslie stated the Committee did not see any major issues in this budget account but did have one question. Staff had provided information on who the \$600,000 in grants went to but would like to know if, in the upcoming biennium, the Bureau's intent was to keep funding the same programs or were they going to open the application process to consider other programs.

Mr. Haartz replied that the Board of Trustees for the Trust Fund for Public Health was in the process of re-releasing an RFP and it should be out shortly, so there was no guarantee of being funded again.

Chairwoman Leslie asked how long a period the grants usually covered.

Mr. Haartz replied one year, although he didn't think there was anything that precluded an applicant from requesting multi-year funding as long as they could lay out a plan and a budget for how they would like to be considered.

Senator Cegavske said when she looked at the community health centers and who was allocated the money, she had questions why funding was allocated to some areas such as the Nevada State College. Was it because it was in close proximity to the basic high school and did they receive administration fees out of that money.

Mr. Haartz replied that part of the issue was who applied. A lot of times individuals indicated, or organizations indicated, they might apply and then the Bureau did not receive an application, or the quality of an application submitted really was unclear as to what they were attempting to accomplish and, just as in any grant, you needed a quality product to make a good decision.

Chairwoman Leslie called for Budget Account 3218, Public Health Preparedness Program.

**HR, PUBLIC HEALTH PREPAREDNESS PROGRAM (101-3218)**  
**BUDGET PAGE HEALTH-135**

Chairwoman Leslie said the Committee saw no major issues, although they did have some questions. She asked if there was going to be a reduction, given President Bush's budget, in this area.

Heidi Sakelarios, Health Program Manager, Public Health Preparedness, responded that the information that had been released so far in President Bush's budget included a proposed \$130 million reduction in funds for the Centers for Disease Control and Prevention specifically related to bioterrorism. They did not yet know how those funds would be impacted across the various programs and activities funded through CDC.

Chairwoman Leslie commented she thought that was the President's number one priority and asked that the Bureau keep the Committee informed.

Chairwoman Leslie inquired on Decision Unit E-811 and requested that the Bureau talk about whether the three positions were correctly classified and why Public Health Preparedness would need three Public Information Officers, or were some of those education officers.

Ms. Sakelarios explained that within Public Health Preparedness there was funding for one Public Information Officer and two Education and Information Officers.

Chairwoman Leslie asked who they reported to.

Ms. Sakelarios replied that the Public Information Officer, though housed in their program, reported to the Health Division's Public Information Officer, which was located in Administration; and the two Education and Information Officers ultimately reported to Ms. Sakelarios.

Chairwoman Leslie asked if they were all going to be unclassified.

Mr. Haartz replied that according to the Governor's recommendation and the Department of Personnel plan, yes. He also reminded the Committee that one was more public information/public affairs answering media or public inquiries, and the other was educational, program-development oriented.

Chairwoman Leslie inquired as to why the Bureau would want to have those positions unclassified, reasoning that if someone was doing a good job they should be objectively evaluated, her concern being that they might leave.

Mr. Haartz explained he didn't believe being moved to the unclassified service would put an individual at risk.

Chairwoman Leslie said the last decision unit the Committee had a question on was E-710. She asked for further comments regarding the people added to the network and why so much hardware was being replaced.

Ms. Sakelarios responded that \$290,450 was requested for replacement equipment during the upcoming biennium. That included the replacement of eight desktop computers per State fiscal year as prescribed by DoIT's equipment replacement schedule and two printers per state fiscal year. It also

included replacement of three laptop computers and 34 servers in State fiscal year 2007. In the original budget request authority was requested to replace a total of 19 laptops in State fiscal year 2007, 16 of those laptops would actually be utilized in the Public Health Coordinating Center and had just been purchased, therefore it would not be necessary to replace them in 2007. She stated they were interested in working with the LCB staff to decrease this decision unit by \$66,000, redirecting the funds toward education and training activities within the program's budget.

Assemblyman Denis asked how many total positions they had as far as information technology people.

Mr. Haartz replied that of the 21 positions approved, there were two positions that the federal grant funds said were specifically IT positions. The rest of the Health Division IT staff then provided assistance.

Chairwoman Leslie thanked Mr. Haartz and asked for public testimony.

Jeanette Belz, representing Nevada AADAPTS, was the first to testify. For the sake of time, Ms. Belz stated she had longer testimony (which is included below) but wanted to make three points . . . caseload, caseload, and caseload. Ms. Belz said the Bureau was excited to hear about the Committee's concerns regarding the lack of caseload adjustment. There were other agencies: Welfare, Mental Health, Medicaid that had caseload adjustments and to ignore the fact that there was an ever increasing number of people that required those services and that waiting lists were increasing just did not face reality and what was going on in Nevada. Nevada AADAPTS would be very much appreciative of the opportunity to assist in any way.

For the record, Jeannette Belz's written testimony is as follows, [Exhibit E](#):

Jeannette Belz, testifying on behalf of Nevada AADAPTS, which is a private non profit organization whose members provide prevention, treatment and intervention services to persons with addictive disorders. These services are partially funded by the State Health Division, Bureau of Alcohol and Drug Abuse.

The Federal Department of Health and Human Services conducts biennial household surveys in each state to study substance abuse services and unmet need. The 2003 estimate of need for services in Nevada showed approximately 198,000 individuals would benefit from services. It is important to note that not all persons in this category would be expected to actually seek services—it is just a measure of need.

According to BADA, approximately 33,500 persons received substance abuse services in 2003. About 37% of those, or 12,565 persons, received services through BADA subsidized programs.

The federal figures underscore the vast disparity between the need for services and our capacity to be able to provide them. The largest barriers to care in Nevada and the nation are availability of services, cost, and lack of a payer sources (including insurance). For example, many counties in rural Nevada do not have substance abuse services either publicly or privately funded. In the Las Vegas

and Reno areas, there is a lack of sufficient number of providers along with a lack of outpatient and residential care.

Providers will tell you that individuals seeking care that cannot receive services immediately, generally never make it on a waiting list—they simply hang up the phone. The courts will tell you of their frustrations in trying to get persons into treatment in timely manner. Too many people are waiting for services.

Nevada is the fastest growing state in the nation so there is absolutely no reason to believe that without additional funding the need will continue to outstrip the current providers' ability to provide services—and will do so at an ever increasing pace.

In 2004, more than 1946 persons alone were on the priority waiting list for substance abuse services for at least 28 days. That is not acceptable. The waiting lists for all substance abusers will only be longer in 2006 and 2007.

Nevada AADAPTS is extremely concerned that caseload growth has not been included in the BADA budget. The Welfare, Medicaid, and Mental Health budgets all include funding considerations for caseload growth.

We request that this committee address the need for caseload adjustments and consider providing additional funding to the Health Division to increase the number of substance abusers served. It is also suggested that a portion of these funds be used to develop a system to incentivize the private sector to further expand its services to persons at or below 200 percent of poverty.

Another area to explore is using general funds to leverage additional federal dollars such as through Medicaid. This would then maximize the amount of dollars available for direct services through both the public and private sectors.

Nevada AADAPTS appreciates the committee's time and respectfully requests that the Agency also be directed to include caseload growth for the substance abuse population in future budget requests to this body. Acknowledging caseload growth needs to become a reality so that persons requiring services are able to access them in a timely and effective manner.

If you have any questions I would be happy to answer them.

Chairwoman Leslie called on Dorothy North, who stated she was appearing as the Legislative Chair for Nevada AADAPTS. She stated that having a waiting list in an acute residential treatment facility was like having a waiting list in the emergency room—you could only run your list out so far. Some of the people you didn't get to just died, plain and simple. Ms. North's agency's primary beds were in Elko, Nevada. They had always, since 1979, had people in those beds that were from Las Vegas, Reno, and Carson City, so it was a statewide agency. They had a huge waiting list and only ran it out so far, but they did keep track of the people they turned down that they did not put on the list. That list was even longer. There were many rural areas without services and right now her agency was being asked to provide services in places like



Jackpot, Ely, and Lincoln County, where there were no services. Vitality Center had 41 residential treatment beds and they were building a facility this year, through housing money, that would bring them up to 52. Even with 52 beds, which would be both adult and adolescent, they would still continue to have a waiting list. She said, in listening to the morning's testimony about heart disease and cancer, every single one of the issues tied into the other big health issue, which was the abuse of alcohol and drugs.

Assemblywoman Giunchigliani asked if Vitality House was privately owned but qualified for housing dollars.

Ms. North explained that Vitality Center was a privately owned nonprofit. It had set up a separate component and they were also a community services agency that had a housing component and they built affordable housing for the very low income, multi-family, and also very low income active seniors. They did home-owner rehabilitation, that type of housing.

Ms. Giunchigliani inquired if that was state housing, federal, or a combination that they qualified for.

Ms. North replied that they just received a direct HUD grant—the first time any HUD money had gone directly into rural Nevada. It had taken six years to accomplish that. They were building 11 senior units with that money. It came through the Housing Division, it was USDA.

Ms. Giunchigliani stated then it would be her understanding that it was HUD dollars through the State of Nevada Housing Division and not State money that they were capturing. Ms. North said that was correct.

Ms. Giunchigliani inquired if they were closing some homes in Sparks.

Ms. North replied that they were going to have to give up a couple of the houses. They actually had four transitional care facilities in the Sparks area. One of the reasons they had to give up two of the homes was because of the fact it took them so long to get through the licensing process in Washoe County. In the meantime some of the funding streams they were going to rely on had dried up. Those homes had been totally self-supporting and what happened was that they were paying for them through the rents that people paid, which included not only their food and shelter but also their treatment costs.

Ms. Giunchigliani asked if their vouchers covered all of that.

Ms. North replied that there were no vouchers. She said they were people who came out of prison without job skills, people who were the most difficult to employ. It was a huge drain on the program's budget. They had lost almost \$60,000 last year.

Ms. Giunchigliani asked how many beds were there and Ms. North replied 40, and they had cut down to 20.

Ms. Giunchigliani asked for clarification on Ms. North's statement of losing them. She asked if they were privately owned.

Ms. North explained that what had happened was that they would be putting them up for sale and returning the money that had funded them, the money that helped the program purchase them in the first place.

Ms. Giunchigliani said the Committee would be back to look at that issue. The Committee was trying to find out, across the state, not just in Sparks, if there were already beds, might they be able to utilize them for some transitional housing.

Ms. North replied that it was a big need but there was not a funding stream that picked it up.

Chairwoman Leslie called upon Kevin Quint, Chair of the BADA Advisory Committee. Mr. Quint explained he was there to speak in support of increased funding for alcohol and drug treatment and prevention in Nevada. He stated for the record that BADA was a true partner with the community providers in planning, funding, and regulation and that was an important point to make. The money that BADA spent in discharging its duties in funding community-based agencies to prevent and treat addictive disorders was money well-spent. His Committee considered President Bush's cuts in his budget with regard to prevention, catastrophic. With that in mind, he urged the state of Nevada to take on a larger role in funding prevention and treatment services. He also wanted to state for the record that his Committee supported the cause of the caseload growth. It was hard to understand about waiting lists but, basically, if someone did not get a bed in a couple of days, they were not there anymore. Caseload growth would go a long way in helping them to deal with people who did not get treatment and when they did not get treatment they got worse. Mr. Quint said that about 15 years ago their mantra was, "Treatment Works" and they still said it and still meant it.

Chairwoman Leslie emphasized that President Bush's budget was a proposed budget and so before the State was looked at, the first line of defense was making sure that the citizens of Nevada let their congressional representatives know that it was an unacceptable reduction.

There were no further comments or questions.

Chairwoman Leslie asked if there was further testimony from the public. With none, she thanked the Committee members and announced that the next meeting of the Subcommittee would be Thursday and they would be discussing the Director's Office.

Chairwoman Leslie adjourned the meeting at 11:03 AM.

RESPECTFULLY SUBMITTED:

\_\_\_\_\_  
Cynthia J. Carter  
Transcribing Secretary

APPROVED BY:

\_\_\_\_\_  
Assemblyman Morse Arberry Jr., Chairman

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

\_\_\_\_\_  
Senator William J. Raggio, Chairman

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

<u>EXHIBITS</u>				
Committee Name: <u>Assembly Ways and Means</u>				
Date: <u>2/15/2005</u> Meeting: <u>Joint Subcommittee</u>				
Bill #	Exhibit ID	Witness	Dept.	Description
	A			Agenda
	B	Alex Haartz		Vital Record Fees
	C	Barbara Hunt		Chronic Disease and Injury Prevention Washoe County
	D	Alex Haartz		Ryan White Funding
	E	Jeanette Belz		Testimony