

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Third Session
June 6, 2005**

The Committee on Ways and Means was called to order at 8:22 a.m., on Monday, June 6, 2005. Chairman Morse Arberry Jr. 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.

COMMITTEE MEMBERS PRESENT:

Mr. Morse Arberry Jr., Chairman
Ms. Chris Giunchigliani, Vice Chairwoman
Mr. Mo Denis
Mrs. Heidi S. Gansert
Mr. Lynn Hettrick
Mr. Joseph M. Hogan
Ms. Ellen Koivisto
Mr. John Marvel
Ms. Kathy McClain
Mr. Richard Perkins
Mr. Bob Seale
Mrs. Debbie Smith
Ms. Valerie Weber

COMMITTEE MEMBERS ABSENT:

Ms. Sheila Leslie

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Lila Clark, Committee Attaché
Connie Davis, Committee Attaché

**Assembly Bill 431: Makes appropriation for pilot project that will provide free medical center for uninsured working residents of Clark County.
(BDR S-994)**

Assemblyman Garn Mabey, Jr., District 2, introduced Dr. Carl Heard, M.D., Chief Medical Officer, Nevada Health Centers, Inc., a health center that provided care for anyone regardless of their ability to pay. Dr. Mabey said that the organization approached him and requested funding for a discount medical center.

Dr. Heard said A.B. 431 would in part fund discounted access to medical services for the working uninsured between 100 percent of the federal poverty level and 250 percent of the federal poverty level. He said there were some amendments that had been proposed to the bill and he submitted [Exhibit B](#), A.B. 431 Amendment Request. Dr. Heard said the bill would not provide for the

formation of a center, it would establish a network so that patients could access discounted services. He said patients would be asked to pay for some portion of the cost of the services they received.

Dr. Heard said that the language of the bill would allow for the launch of a pilot program that would provide a free medical center for the uninsured working residents of Clark County. He said he wanted to clarify that a center would not be created; it would be a referral system for patients to access discounted medical services.

Dr. Heard said the second amendment that had been requested was in Section 1, line 3, of the bill. He said the wording should be changed to "expenses to launch a pilot project that would provide a discounted medical care access system."

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, asked if the word "center" on line 4 should be changed to "services" if line 3 was changed to "discounted medical." Dr. Heard responded affirmatively.

Chairman Arberry asked if the bill would help people with the ability to pay for medical care and how would eligibility be determined.

Dr. Heard said the program was specifically for the working uninsured. He said the program would "carve out" a certain portion of the population and it was known that there were approximately 200,000 people in Clark County who fell into that category. He said those people earned just enough not to be eligible for Medicaid and other types of entitlement programs but they did not make enough earnings to pay for insurance and to gain access to the medical system. The bill would provide discounted access to services including a primary care doctor for a discounted fee, specialty services if needed, and ancillary services to assist the specialist.

Chairman Arberry asked if anyone else was providing the same services in the state. Dr. Heard said it had not been done in Nevada but it had been done in several other states. He said he had been using Arizona as a model and a similar program was operating in Phoenix and Tucson and had been recognized and funded by the federal government. He said the program in Arizona had received national recognition for the work it had done.

Ms. Weber asked how the target group would find the service. Dr. Heard responded that there would be a public relations campaign that had already been initiated. He said that currently there was a pilot program underway. It had been started on a very small scale based on a volunteer effort between Nevada Health Center and Great Basin Primary Care Association. He said there were approximately 18 specialties represented, two hospitals and a third preparing to participate. There were also 35 specialty physicians participating. Dr. Heard said there had been 10 patients in the first two weeks of the pilot program from a family practice at Martin Luther King, which was the Enterprise Health and Dental Center. Those patients were referred through the specialty care access network so they could attain affordable care. Dr. Heard said the first two patients were looking for nephrologists and had no insurance. One of the patients needed dialysis and had no access to dialysis care and for three weeks had been without dialysis and could not afford the care. Dr. Heard said that patient was referred to a nephrologist who offered his services at a greatly discounted cost and the patient was also referred to the dialysis center for greatly discounted access to care.

Ms. Weber asked if the referral system was through the community health centers. Dr. Heard replied that patients would access the care directly. They could call and explain their economic situation and be referred to a primary care group that would be able to provide discounted fees for service care. He said if the patient subscribed to the Access Health care system, which typically cost approximately \$20 per person for six months, the person would have access to all the discounted specialty services that would be generated through the system.

Mr. Hogan asked if he was correct in his understanding that at one point the bill would have provided a center for care but that plan had been changed so that the services would be provided at the providers' offices. Dr. Heard said that was correct.

Mr. Hogan asked how much of a discount would be offered to the patients. Dr. Heard said the rates were usually based on Medicaid rates and in Arizona the rates were discounted to one-third of Medicaid rates. He said it was a special program that had been recognized nationally and meant the patient could access very deeply discounted services. Dr. Heard said that testing was being done in Las Vegas to determine what rates would be sustainable because the volume of working uninsured was unknown and if the services were too deeply discounted the specialists, hospitals, and diagnostic centers would be unable to sustain their commitment to the program. He said they were seeking the ideal balance and hoped that the fees would be set at Medicaid rates and less.

Mr. Hogan asked if there was any plan to gain support from the employers who were indirectly benefiting by not providing adequate medical insurance coverage to their employees. Dr. Heard said Mr. Hogan had raised an interesting point and there was a lack of clear information. He said if the statement was made that the employers were benefiting but the extent of the benefit was unknown it would be much more difficult to ask them to "step up." Dr. Heard said detailed information would be generated about the working uninsured population in an attempt to discover why they did not have insurance. He said that in many cases people chose not to have insurance because "they could save \$100 per month or whatever it would be for the premium." Dr. Heard said that several assumptions had been made in the public health sector that there were certain segments of the economy that had been very reluctant to give people insurance in a timely fashion. He said there might be a six-month or one-year wait time for coverage.

Dr. Heard said he hoped Nevada would be able to repeat what had happened in other states and that would encourage people to buy into insurance eventually because they had learned the value of health care and would choose to invest more in insurance in the future. That would help the public health sector to understand better the market forces and how a public policy could be developed that would provide more uniform coverage.

Mr. Denis asked if the Hispanic community would be included in the marketing effort and would there be translators for those individuals who could not speak English. Dr. Heard said yes, and the Hispanic population was a very significant portion of the working uninsured. He said there would be no questions asked about documentation status and there was a "don't ask, don't tell policy in community health center systems." He said there were bilingual staff in his company and they had discovered in the pilot program that approximately one-half of the patients were Spanish speaking.

Mr. Denis asked if any federal funds would be provided for the project. Dr. Heard said the hope was that a relatively small investment from many agencies could be leveraged. He said there had already been a \$56,000 cash contribution from the Conrad Hilton Foundation, North Vista Hospital, St. Rose, Nevada Health Centers, and Great Basin Primary Care Association. There had also been another \$60,000 in-kind contribution. Dr. Heard said those contributions would be leveraged against an HCAP grant process that the federal government had in place. He said Clark County was behind in applying for that grant and he would work with the Clark County Health Access Consortium to submit a grant proposal for up to \$1 million per year for three years. That would become "seed" money to get the program growing and building in the direction shown in the pilot program.

Mr. Marvel asked if the program would relieve pressure from the emergency rooms. Dr. Heard said the idea was that it would. He said if a patient could be provided with a primary care provider that would decrease the likelihood of using the emergency room for primary care needs. In addition, there was a plan to put together a 24-hours, 7-days a week telephone answering nurse network. Once the patient was established with Access Health he would have someone to call so a decision could be made about whether he needed to go to the emergency room.

Mr. Marvel said he believed it was a great program.

Mrs. Gansert asked what the enrollment fees would be. Dr. Heard said there were no enrollment fees being charged in the pilot program. He said the programs of three other states had been analyzed and the fees usually started out at \$20 every 6 months. He said that would provide a discounted booklet for access to services and the patient would need a referral from his primary care doctor. Dr. Heard said the highest fee he had seen so far was \$50 for 6 months per enrollee.

Mrs. Gansert asked if the bill would basically be a referral service with negotiated rates. Dr. Heard said yes. Mrs. Gansert said she liked the idea of a referral center as that would avoid the overhead costs of a "bricks and mortar" facility. Dr. Heard said the program was meant to be very inclusive and everyone in the health sector could participate to the extent they felt they could from the perspective of their own financial best interests.

There being no further testimony on the bill, Chairman Arberry closed the hearing and opened S.B. 524.

Senate Bill 524: Authorizes and provides funding for certain projects of capital improvement. (BDR S-1486)

Mr. Stevens said S.B. 524 implemented the Joint Subcommittee on Higher Education/Capital Improvements' recommendations. He said the bill listed all the projects with approximately \$53 million in General Funds and the remainder of the funding in bonds. Mr. Stevens said the bill established a property tax rate of 15.85 cents for state general obligation debt, 1.15 cents for Question 1 bonds, overall the same 17 cent rate that was assessed in the current biennium. Mr. Stevens said the figures in the bill matched the figures shown in the report of the Joint Subcommittee on Higher Education/Capital Improvements that had been approved by the full Committee.

ASSEMBLYMAN PERKINS MOVED TO DO PASS S.B. 524.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

Mr. Seale asked if the information in the bill was the same information as the Committee had seen a few days before in a spreadsheet. Mr. Stevens said the information from the spreadsheet had been put into the bill.

MOTION CARRIED. (Ms. Leslie was not present for the vote.)

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Mr. Stevens said the final major budget bill to be introduced in the Committee on Ways and Means was A.B. 577, the pay bill. He said the pay bill included both the salaries for unclassified state employees as well as pay raises for classified state employees. He said the bill included the majority of the Governor's recommendations on the unclassified salary levels that had been included in The Executive Budget. For classified employees the bill provided for a 2 percent pay raise in July 2005, a 4 percent pay raise in July 2006, and an additional step in the pay plan effective July 1, 2005. On the unclassified side it would allow any position that was recommended to be transferred from classified service to unclassified service the option of remaining in the classified service while the incumbent remained in the position. If the incumbent chose to go to the unclassified service he could not return to the classified service in that position and if the incumbent left the position, the new person who filled the position would be unclassified.

Mr. Hogan asked what the proportion of the positions recommended by the Governor to become unclassified would become unclassified. Mr. Stevens said there were a number of levels of employees that the Governor had recommended become unclassified. He said the department directors already were unclassified but the deputy department directors were included in the bill as unclassified. Mr. Stevens said division administrators were recommended to be unclassified. He said the Governor had recommended that the deputy division administrators and bureau chiefs become unclassified and that recommendation would retain all those positions at their current level. He said some of the deputy division administrators and bureau chiefs were unclassified and some were classified and they would be status quo in the bill. Mr. Stevens said the Governor had recommended that executive assistants to department directors be unclassified and that was included in the bill. The Governor also recommended that public information officers become unclassified and that was not included in the bill. Mr. Stevens said medical positions were also included in the unclassified pay bill.

Mr. Stevens said the bill had not been introduced and he was seeking authority from the Committee to consider introduction of the following bill draft request:

- BDR S-1490 – Increases salaries of certain state employees. (A.B. 577)

ASSEMBLYMAN MARVEL MOVED FOR COMMITTEE
INTRODUCTION OF BDR S-1490.

ASSEMBLYMAN PERKINS SECONDED THE MOTION.

THE MOTION CARRIED. (Ms. Leslie and Ms. Giunchigliani were
not present for the vote.)

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Senate Bill 95 (1st Reprint): Makes various changes concerning state financial administration. (BDR S-1205)

Mr. Stevens said the bill was the appropriation to the Rainy Day Fund that had been recommended in The Executive Budget. He said the bill also included some "clean-up" language of the statutes pertaining to the Controller's Office and the Treasurer's Office. Mr. Stevens said the language would help make clear how the Disaster Relief Account was handled. He said staff of the Fiscal Division recommended the language be approved.

Senate Bill 203 (1st Reprint): Revises various provisions relating to industrial injuries and occupational diseases of certain police officers and firefighters. (BDR 53-1078)

Mr. Stevens said he had not yet reviewed S.B. 203 and it could be discussed at the meeting of the Committee later in the day along with the other bills to be discussed.

Senate Bill 314 (1st Reprint): Transfers money from Fund for the Promotion of Tourism to certain state and local governmental entities for various cultural, historical and tourist-related activities. (BDR S-468)

Mr. Stevens said S.B. 314 would transfer additional funds from the room tax to various projects.

Senate Bill 521: Makes appropriations to Division of Parole and Probation of Department of Public Safety and to State Board of Parole Commissioners for installation of and expenses relating to closed-circuit security systems. (BDR S-1487)

Mr. Stevens advised the Committee of the purpose of the bill.

Senate Bill 522: Authorizes expenditures by agencies of State Government. (BDR S-1488)

Mr. Stevens said S.B. 522 was the Authorizations Act.

Senate Bill 523 (1st Reprint): Temporarily reduces rate of tax on certain businesses. (BDR 32-1478)

Mr. Stevens explained that the modified business tax rate would be reduced from .65 percent to .63 percent.

Senate Bill 525: Apportions State Distributive School Account in State General Fund for 2005-2007 biennium. (BDR S-1491)

Mr. Stevens explained the purpose of the bill.

Senate Bill 461 (2nd Reprint): Revises provisions regarding education. (BDR 34-1323)

Ms. Giunchigliani asked Chairman Arberry to consider S.B. 461. She said that in a conference committee the evening prior to the meeting an issue had been worked out for the university school for profoundly gifted pupils but that information was not added to the conference report on A.B. 180 so Senator Washington had asked that S.B. 461 be utilized to insert the language

needed for the university school for profoundly gifted pupils. She referred to [Exhibit C](#), Proposed Amendment to S.B. 461 – R2.

Ms. Giunchigliani summarized that the existing language would be taken out of S.B. 461 and the Davidson Charter School would be a charter school rather than a private school and there would be no funding from the Distributive School Account. She said the Davidsons had met with representatives of the Department of Education to establish the governing structure which was missing from the original bill.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO AMEND AND DO
PASS S.B. 461.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

Mr. Seale asked if there was a sunset provision on the bill and Ms. Giunchigliani said there was not. She said that any charter school that was formed, if it became sponsored, could qualify for funds from the Distributive School Account. She said the school felt that it would be inappropriate to ask for any funding at that time.

Mr. Seale confirmed that there would be no state funding and Ms. Giunchigliani said that was correct.

MOTION CARRIED. (Ms. Leslie was not present for the vote.)

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Assembly Bill 576: Makes various changes regarding state financial administration and makes appropriations for support of civil government of State. (BDR S-1489)

Mr. Stevens said A.B. 576 was the Appropriations Act and had “to sit” for 24 hours before it could be voted on by joint rule. He said the bill had been introduced the day before and was on the agenda for a hearing that morning so that it could be passed out of Committee if that was the pleasure of the Committee. It would then be in a position to be brought before the Floor of the Assembly for a vote later in the day.

Ms. Giunchigliani said there had been some discussion about an issue with Clark County’s election system having to go into the Appropriations Act but that issue had been worked out in conference committee and the problem had been worked out.

Mr. Stevens said the only discussion in the back language of the bill was regarding the prevailing wage issue. He said the language had been copied from the last Appropriations Act and no new language had been added. Mr. Stevens said that the language would be changed for future editions of the Appropriations Act.

ASSEMBLYMAN MARVEL MOVED TO DO PASS A.B. 576.

ASSEMBLYMAN PERKINS SECONDED THE MOTION.

MOTION CARRIED. (Ms. Leslie was not present for the vote.)

There being no further business at that time, the meeting was recessed until 11 a.m.

RESPECTFULLY SUBMITTED:

Lila Clark
Committee Attaché

APPROVED BY:

Assemblyman Morse Arberry Jr., Chairman

DATE:_____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>June 6, 2005</u>		Time of Meeting: <u>8:00 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B	Dr. Carl Heard	A.B. 431 Amendment Request
	C	Assemblywoman Giunchigliani	Proposed Amendment to S.B. 461 – R2