

**MINUTES OF THE
JOINT SUBCOMMITTEE ON HUMAN RESOURCES/K12
OF THE SENATE COMMITTEE ON FINANCE
AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-third Session
April 29, 2005**

The Joint Subcommittee on Human Resources/K-12 of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order at 8:00 a.m. on Friday, April 29, 2005. Chair Barbara K. Cegavske presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

SENATE COMMITTEE MEMBERS PRESENT:

Senator Barbara K. Cegavske, Chair
Senator William J. Raggio
Senator Dina Titus
Senator Bernice Mathews

ASSEMBLY COMMITTEE MEMBERS PRESENT:

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

GUEST LEGISLATORS PRESENT:

Senator Bob Coffin, Clark County Senatorial District No. 10

STAFF MEMBERS PRESENT:

Steven J. Abba, Principal Deputy Fiscal Analyst
Michael J. Chapman, Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Anne Vorderbruggen, Committee Secretary

OTHERS PRESENT:

Ronald Memo, Option Care of Nevada
J. David Wuest, Arlington Clinical
Jennifer L. Kizer, Administrative Services Officer, Division of Mental Health and Developmental Services, Department of Human Resources
Carlos Brandenburg, Ph.D., Administrator, Division of Mental Health and Developmental Services, Department of Human Resources
Michael J. Willden, Director, Department of Human Resources
Julie A. Butler, Budget Analyst, Budget Division, Department of Administration
Dave Luke, Ph.D., Associate Administrator for Developmental Services, Division of Mental Health and Developmental Services, Department of Human Resources

CHAIR CEGAVSKE:

We will have a short presentation regarding home infusion therapy.

RONALD MEMO (Option Care of Nevada):

I would like to recognize other members of the home infusion therapy coalition who are here today. They are Mr. J. David Wuest with Arlington Clinical, Ms. Sharon MacKey with Coram Healthcare, Ms. Darlene S. Hart with Critical Care Systems and Ms. Leslie Vaughan with Apria Healthcare.

Home infusion therapy providers are classified as pharmacies in the State of Nevada. We are not a traditional retail pharmacy. We provide intravenous (IV) and injectable medications. Over 90 percent of our patients are admitted to our service from hospitals or acute settings. Our services are similar to those provided by the hospitals but on a smaller scale. There are three components of our service. The first is medication. In the State of Nevada, drugs are reimbursed at average wholesale price minus 15 percent which is essentially our cost. The second part is per diem which represents each day a patient is provided access to therapy. The per-diem costs encompass insurance verification, authorization, clinical coordination, IV rooms, 24-hour on-call service, medical malpractice liability insurance, overhead and administrative costs. With the current model of reimbursements, we are getting back the cost of the medication. The Division of Health Care Financing and Policy (DHCFP) has approved S codes which are mandated by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Many of the rates were based on previous history. The only history the State of Nevada had with our industry was on IV antibiotics. We are looking for reimbursement on a per-diem level for the other S codes that would be stratified based on the actual amount of time, resources and cost required to deliver those services. The third component is nursing service. Although we are licensed by the state as a nursing pool or as a home health agency, the state only reimburses Medicare-certified agencies. Most of us do not provide Medicare-certified agency services. We would like to have available to us the same rates that are currently made available for a Type 29 provider.

The last issue is that we would like to get better clarification of our site of practice. We have been classified as a retail pharmacy which is a Type 28 provider in the State of Nevada. As a Type 33 provider, which is durable medical equipment, and as a Type 37 provider for antibiotics, we are all over the board in terms of regulations. Our site is not understood. Many times, drugs require first-dose monitoring and they also require a controlled environment, so what we have is called ambulatory. The S codes recognize ambulatory infusion centers by offering an SS modifier. We would like to have that part of the coding.

J. DAVID WUEST (Arlington Clinical):

We have been working with DHCFP for the past two years, attempting to get HIPAA compliant and get changes in how we are reimbursed. When we met with them in October, they stated they recommended budgetary expenditure adjustments for three of the ten providers they deal with and we are one of the three. Included in the information we provided on home infusion therapy ([Exhibit C](#), original is on file at the Research Library) are DHCFP's

recommendations. Out of the many therapies included in the S code system, we provide only three. We are asking for additional S codes.

We offer a viable alternative to a hospital stay. We cannot supplant what a hospital does, but once the patient is stable, we can transfer them to our services. We think we can take at least a day and a half off of a five-day hospital stay by getting them transferred to our service. If it were made easier to bill and we were paid appropriately, people would be motivated to get patients out of the hospital earlier.

MR. MEMO:

Included in [Exhibit C](#) is the definition and list of the services covered under per diem. The rate of \$27.89 recommended for most of the S codes was calculated by DHCFP based on X codes included in the Nevada Medicaid bulletin for antibiotic therapy. That was calculated at \$23.23, plus a retail pharmacy dispensing fee of \$4.76. In that same bulletin, it recognized a professional fee of \$16.80 per dose, not per dispensing, which is a big difference for us. We are looking for an adjustment on the S codes to reflect the level of professional services we offer. We are not just a dispensing pharmacy.

The reimbursement scale we have is called a relative value scale. It is based on the amount of resources required to provide the services. As providers, we do not want to have a reimbursement scale that does not allow us to offer the standard of care we are used to providing. In those instances, we would often choose not to provide the service rather than lower the standard of care.

The nursing is revenue neutral from our point of view. The nursing agencies are already being reimbursed for their services. We want to be paid for the care we provide which is dietician, registered nursing and respiratory therapist services. The other services are better provided by the Type 29 providers and we recognize that. Many times, we get referrals late on a Friday afternoon or on weekends and we need a nurse to get the patient out of the hospital. So, we must use our own nurse. Our nurses are specially trained and they have the knowledge to assist patients for better outcomes.

MR. WUEST:

Currently, if we utilize the S codes, it is defined as home care. The majority of us have service in our offices where people can come in if it is high-risk medicine, chemotherapy, oxygen or if extra monitoring is needed. We need to make sure the SS modifiers for ambulatory infusion centers are included so if we have to treat patients in our offices, we can do it legally with the proper coding. We currently cannot bill for office visits because the code defines it as home care.

CHAIR CEGAVSKE:

Because we do not know the dollar amount you need, our recommendation is that you work with the DHCFP. We will be closing these budgets in a week and a half. If you and the agency can come up with something before the budget is closed, you can present it to us. Otherwise, it might have to be brought to us in the interim.

Joint Subcommittee on Human Resources/K12
Senate Committee on Finance
Assembly Committee on Ways and Means
April 29, 2005
Page 4

MR. WUEST:

We have been working with the DHCFP and we will continue to work with them.

CHAIR CEGAUSKE:

We appreciate the information you have provided today on home infusion therapy. Thank you for coming with this issue for us to look at as a way to save money.

Let us go to "Joint Subcommittee on K-12, Human Resources, Closing List #5" ([Exhibit D](#), original is on file at the Research Library).

MICHAEL J. CHAPMAN (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

[Exhibit D](#) begins with division-wide issues that cross over several agencies of the Division of Mental Health and Developmental Services. On page 2 of [Exhibit D](#) is an overview of the Governor's recommendation. The Governor has recommended \$358,157,248 in General Funds which is a 46-percent increase over the \$244,831,879 approved in the 2003 Legislative Session. The Governor's *Executive Budget* includes 452.61 additional full-time equivalent (FTE) positions which would increase the FTEs from the currently-approved 1,308.39 to 1,761.

There are two common division-wide issues for the Subcommittee's consideration. The first one is deferred maintenance, decision module M-425. The Governor recommends General Fund appropriations of \$3.5 million in the biennium to fund several projects identified as deferred maintenance. This amount is in addition to \$2.8 million recommended in the Governor's Capital Improvement Program (CIP) for maintenance projects. Some of the deferred maintenance items in decision module M-425 include ADA upgrades, cleaning or replacement of carpet and upholstery, water backflow prevention and projects to protect the buildings.

The Governor's *Executive Budget* recommends the disconnection of utilities and securing of six buildings on the Northern Nevada Adult Mental Health Services (NNAMHS) campus. Because a number of items such as HVAC cleaning and rebalancing and roofing maintenance are included in decision module M-425 for NNAMHS, the Division agreed that \$4,900 worth of deferred maintenance could be eliminated from the budget due to these building closures. In addition, the Budget Division submitted amendment No. 69 which eliminates a variety of projects totaling \$542,083 at Southern Nevada Adult Mental Health Services (SNAMHS) and \$2,545 at NNAMHS. This is either due to incorrect estimates or the projects were deemed unnecessary.

Decision module M-425 also includes an HVAC cleaning and rebalancing project at building No. 8 on the NNAMHS campus. This will not be necessary if CIP project M-33 is approved since those costs are included in the maintenance project.

The second item under division-wide closing issues is the service-provider rate increases. This is in decision module E-350. The 2001 Legislature passed A.B. No. 513 of the 71st Session which directed the

Department of Human Resources to prepare a strategic plan that included recognition of service provider rates. In conjunction with A.B. No. 513 of the 71st Session, a Letter of Intent was issued directing the Department of Human Resources to incorporate the results of that study into their 2003-2005 budget presentation. The 2003 Legislature approved rate increases of 7 percent and 8 percent in the first and second year of the biennium, respectively. This session, the Governor is recommending additional rate increases of 3 percent in the first year and 5 percent in the second year of the biennium. The funding impact and table are included in [Exhibit D](#).

SENATOR RAGGIO:

Staff has done a good job on both these closing items and they are appropriate.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DIVISION-WIDE DECISION MODULE M-425 ON DEFERRED MAINTENANCE AS PRESENTED ON PAGES 2 AND 3 OF [EXHIBIT D](#) WITH THE ADJUSTMENTS RECOMMENDED BY STAFF, AND DIVISION-WIDE DECISION MODULE E-350 ON SERVICE PROVIDER RATE INCREASES AS PRESENTED ON PAGE 3 OF [EXHIBIT D](#), WITH SERVICE PROVIDER RATE INCREASES OF 3 PERCENT IN FY 2005-06 AND 5 PERCENT IN FY 2006-07.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYWOMEN GIUNCHIGLIANI AND WEBER WERE ABSENT FOR THE VOTE.)

MR. CHAPMAN:

On page 3 of [Exhibit D](#) are other issues that affect division-wide agency budgets. The first one is on the federal medical assistance percentage (FMAP) changes projected by Federal Funds Information for States. They recently revised their projections for federal fiscal year 2007, which resulted in a decrease in the FMAP rate from 54.97 percent, which is built into the *Executive Budget*, to 54.26 percent. The fiscal impact in fiscal year (FY) 2007 is \$392,736. This is a decrease in the amount of Medicaid funds that would be available to the Division in the second year of the biennium. It would result in a corresponding increase in General Funds. There is an amount of \$432,627 in [Exhibit D](#) which we will be discussing when we get to the revised caseload projections in developmental services.

SENATOR RAGGIO:

Please explain your comment about the developmental services budget with relation to the \$432,627 increase in General Funds.

MR. CHAPMAN:

The Subcommittee directed that the agency provide revised caseload projections for developmental services. Included in those caseload projections are additional clients that would be recommended to receive services. If the decision is made to approve the revised caseload projections, there would need to be a corresponding adjustment to capture the additional costs for service-provider-rate increases.

Joint Subcommittee on Human Resources/K12
Senate Committee on Finance
Assembly Committee on Ways and Means
April 29, 2005
Page 6

SENATOR RAGGIO:
Is the amount of \$432,627 not accurate?

MR. CHAPMAN:
That number would be associated with the additional caseload that has been presented in the revised caseload projections in decision module M-200.

SENATOR RAGGIO:
I do not think we have any choice on this other than to recommend we approve this and apply it as applicable in the budgets.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE THAT THE DIVISION'S BUDGETS BE CLOSED REFLECTING A REDUCTION IN MEDICAID TITLE XIX REVENUES, AS APPLICABLE, WITH A CORRESPONDING INCREASE IN GENERAL FUND APPROPRIATIONS IN FY 2006-07.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

JENNIFER L. KIZER (Administrative Services Officer, Division of Mental Health and Developmental Services, Department of Human Resources):

These numbers do not seem right to me.

MR. CHAPMAN:
These numbers were provided by the agencies this past week. This is a combination of the numbers provided by the agencies.

THE MOTION CARRIED. (ASSEMBLYWOMEN GIUNCHIGLIANI AND WEBER WERE ABSENT FOR THE VOTE.)

MR. CHAPMAN:
On pages 3 and 4 of [Exhibit D](#) is the salary adjustment recommendation for the approximately 181 FTE nursing staff (decision module E-810). This is the two-grade salary increase recommended by the Governor. This would impact the Division's budgets by approximately \$2.4 million, \$2.3 million of which would be General Funds.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR A TWO-GRADE SALARY INCREASE FOR NURSING STAFF WHERE APPLICABLE THROUGHOUT THE DIVISION'S BUDGETS.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYWOMEN GIUNCHIGLIANI AND WEBER WERE ABSENT FOR THE VOTE.)

Joint Subcommittee on Human Resources/K12
Senate Committee on Finance
Assembly Committee on Ways and Means
April 29, 2005
Page 7

CHAIR LESLIE:

If the FMAP numbers are wrong, please inform our staff as soon as possible.

MR. CHAPMAN:

On page 4 of [Exhibit D](#) are issues that are common across the mental health agency budgets. There are two to discuss.

The first one is medication inflation. This is in decision unit M-101 throughout the mental health agency budgets. The Governor recommended additional funding of \$5 million in the first year, of which \$4.7 million is General Funds, and \$8 million the second year, of which \$7.6 million is General Funds. This is developed based upon information received from the Centers for Medicare and Medicaid Services (CMS). The inflation factors of 26 percent in the first year and 40.7 percent in the second year are derived from the tables provided by the CMS. Staff recently received information from the CMS that resulted in reduced inflation factors of 24.32 percent and 37.62 respectively in the biennium. Staff recommends adjustments decreasing the medication inflation amounts as noted by the Governor by \$304,865 in the first year and \$564,482 in the second year of the biennium. This is included in the individual agency closing sheets in [Exhibit D](#).

SENATOR RAGGIO:

When did we receive the update?

MR. CHAPMAN:

We received the update about two weeks ago.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION MODULE M-101 FOR MEDICATION INFLATION IN THE MENTAL HEALTH AGENCY BUDGETS, REFLECTING THE REDUCED INFLATION RATES RECOMMENDED BY STAFF BASED ON THE CMS PROJECTIONS.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

ASSEMBLYWOMAN GANSERT:

Yesterday, we approved budgets for the Department of Corrections. They had some different medical consumer price index (CPI) numbers. What is the difference between these inflation factors?

MR. CHAPMAN:

It was broken out into two components. One component was the CPI associated with medical costs. The other component was the medical inflation. They used the same rates for medication inflation in closing the prison budgets yesterday.

THE MOTION CARRIED. (ASSEMBLYWOMEN GIUNCHIGLIANI AND WEBER WERE ABSENT FOR THE VOTE.)

MR. CHAPMAN:

The caseload increases for the mental health agencies are in the series M-200 decision units. There are six different decision units spread across the three mental health agency budgets. The Governor has recommended a total of \$25.4 million in General Fund appropriations over the biennium to support caseload increases in medication clinics, residential placements, outpatient counseling, psychiatric ambulatory services, service coordination and psychosocial rehabilitation. Based upon the caseload projections, the Division projects statewide unduplicated caseloads to increase from 28,546 in FY 2004-2005 to 33,213 in FY 2006-2007. Staff recommends reducing the medication costs by \$61,378, of which \$57,812 is General Funds, across the biennium. This is related to the reduced inflation rates provided by CMS. Staff is recommending reductions in General Fund appropriations of \$29,840 across the biennium to reflect updated AVATAR software costs.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE CASELOAD INCREASES AND NEW POSITIONS RECOMMENDED BY THE GOVERNOR IN THE M-200 DECISION UNIT SERIES THROUGHOUT THE MENTAL HEALTH AGENCY BUDGETS WITH THE ADJUSTMENTS RECOMMENDED BY STAFF FOR REDUCED MEDICATION AND AVATAR SOFTWARE COSTS.

SENATOR RAGGIO SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYWOMEN GIUNCHIGLIANI AND WEBER WERE ABSENT FOR THE VOTE.)

* * * * *

MENTAL HEALTH AND DEVELOPMENTAL SERVICES

HR, MHDS Administration — Budget Page MHDS-1 (Volume II)
Budget Account 101-3168

MR. CHAPMAN:

Budget account 101-3168 is the Mental Health and Developmental Services administration account. Budget amendment No. 29 requests a full-time management analyst II position and a 0.25 administrative assistant to manage the AVATAR billing system that was implemented in the 2003-2005 biennium. The Budget Division advises that this decision unit was on the Department of Human Resources' top 30 budget priority list but was not included in the *Executive Budget*.

During the March 31, 2005, work session, the Subcommittee questioned the Division regarding the functions of the centralized billing system and how it compared at the agency level. In that discussion, the administrative services officer indicated that billing positions in the agencies have been short of staff since the 1992-1993 budget reductions. This recommended funding, which is not included in the *Executive Budget*, would total \$55,293 in the first year, of which \$47,590 would be General Funds, and \$70,999 in the second year, of which \$61,109 would be General Funds. Staff has concerns about adding

another 0.25 FTE administrative position. On page 7 of [Exhibit D](#), staff has given the Subcommittee three options to consider.

Under "Other Items" on page 7 of [Exhibit D](#), the *Executive Budget* includes funding of \$143,969 each year to support the psychiatric residency program in northern Nevada. There was discussion during the Subcommittee budget hearings regarding a similar program in Clark County. If the Subcommittee wishes to implement a psychiatric residency program in Clark County, General Fund appropriations of \$180,048 and \$250,574 would be needed in the first and second years of the biennium, respectively, to support four FTE residents across the biennium.

E-710 Replacement Equipment — Page MHDS-4

In decision unit E-710, staff recommends technical adjustments for revised computer hardware and software pricing.

E-811 Unclassified Changes — Page MHDS-4

Decision unit E-811, the unclassified salary proposal, will be discussed by the money committees at a later date.

There are three position transfers in this budget account. Staff has made a technical adjustment to include the correct quality assurance specialist position that is transferred from SNAMHS. The *Executive Budget* transferred the wrong position.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE POSITION OF FULL-TIME MANAGEMENT ANALYST II AS RECOMMENDED IN BUDGET AMENDMENT NO. 29 WITH ADMINISTRATIVE SUPPORT PROVIDED BY EXISTING STAFF; AND AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR REVISED COMPUTER HARDWARE AND SOFTWARE PRICING.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYWOMEN GIUNCHIGLIANI AND WEBER WERE ABSENT FOR THE VOTE.)

SENATOR RAGGIO:

A residency program for psychiatry is important. I support the continuation of the residency program in northern Nevada. With all of the mental health issues occurring in southern Nevada, it is appropriate that we fund a residency program in southern Nevada.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$180,048 IN FY 2005-2006 AND \$250,574 IN FY 2006-2007 TO SUPPORT FOUR FTE RESIDENTS IN A PSYCHIATRIC RESIDENCY PROGRAM IN SOUTHERN NEVADA.

CHAIR LESLIE:

I also feel strongly about the psychiatric residency program. One of the best things about the residency program is that it helps us retain the psychiatrists. I think this is money well spent. It provides excellent training to our residents. We will get more than this amount of money back in terms of services to our citizens.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

CARLOS BRANDENBURG, PH.D. (Administrator, Division of Mental Health and Developmental Services, Department of Human Resources):

For the last three bienniums, this has been a stabilized program. We have been able to recruit and retain many of the residents coming out of the program. A number of them are working for us in northern Nevada and it would be a nice augmentation to our program in southern Nevada.

THE MOTION CARRIED. (ASSEMBLYWOMEN GIUNCHIGLIANI AND WEBER WERE ABSENT FOR THE VOTE.)

* * * * *

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE REMAINDER OF THE ITEMS IN BUDGET ACCOUNT 101-3168 AS PRESENTED ON PAGES 6, 7 AND 8 OF [EXHIBIT D](#), AND AUTHORIZE STAFF TO MAKE THE NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR RAGGIO SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYWOMEN GIUNCHIGLIANI AND WEBER WERE ABSENT FOR THE VOTE.)

* * * * *

HR, Nevada Mental Health Institute — Budget Page MHDS-8
Budget Account 101-3162

MR. CHAPMAN:

Budget amendment No. 34 recommends the addition of two full-time psychiatric caseworkers and a 0.5 FTE administrative assistant to support the Washoe County Mental Health Court program. The program is currently supported through a contract with Project Restart. This budget amendment would increase General Fund appropriations by \$32,703 in the first year and \$3,351 in the second year of the biennium. The first-year costs are driven primarily by onetime equipment and transportation costs. During the work session, the Division indicated the change from contract services to state employees would improve the continuity of work assignments with the district court, especially in the area of confidential client information. There is some pending legislation to increase the funding to support the Mental Health Court in Washoe County along with some new funding recommended in Assembly Bill (A.B.) 175 for a Mental Health Court in the south.

ASSEMBLY BILL 175: Makes appropriations for various improvements to mental health services, mental health courts and community triage centers.
(BDR S-1359)

SENATOR RAGGIO:

I support budget amendment No. 34. The Mental Health Court has been doing well in Washoe County. We received a letter dated April 21, 2005, from Judge John S. McGroarty and Judge Jackie Glass of the Eighth Judicial District Court regarding the Clark County Mental Health Court ([Exhibit E](#)). The Clark County Mental Health Court has been operating under a grant from the Bureau of Justice Assistants. That grant ends in August 2005. My recommendation is that we approve budget amendment No. 34 to support the Washoe County Mental Health Court and that the Clark County Mental Health Court be put on a high-priority list for funding.

CHAIR CEGAUSKE:

If you had a contract that included the promise of confidentiality, would that address the concerns regarding the contract services for the Washoe County Mental Health Court program?

DR. BRANDENBURG:

It is not just a matter of confidentiality. When you have a Mental Health Court client, you have to get a release of information from the contractor to go into our agency. Information is needed as soon as possible when you are dealing with a judge, the public defender's office or the district attorney. There is also a disconnect between the treatment the contractor is providing and what we provide in the outpatient services. In addition to confidentiality, there are issues of continuity of services and being responsive to the needs of the courts.

CHAIR LESLIE:

I want to disclose that I work in the Mental Health Court program in Washoe County. This discussion has nothing to do with my salary and it does not impact me. One of the most important things for the severely mentally ill is to have someone they trust. When we have a new caseworker every other week in the contract program, it upsets the clients and sets them back. The confidentiality issue slows down the process. We spend a considerable amount of time checking on whether releases have been obtained instead of working with the clients.

I support converting these positions to in-house state employees. Currently, some of the clients are served through the contract where there is constant turnover and some are served through the state. I also support Senator Raggio's suggestion that we create a high-priority list and put funding for the Mental Health Court in southern Nevada on that list as well as funding for autism.

MR. CHAPMAN:

The Governor is recommending to eliminate a health services coordinator position and use the funding to support two new consumer services assistants. These are former clients who work in the agency with current clients. There has been discussion regarding the success of using the former clients. This also provides on-the-job training for former clients.

E-710 Replacement Equipment — Page MHDS-16

Decision unit E-710 contains revised computer hardware and software pricing. Additional vehicle liability and collision insurance was included for replacement vehicles. Since this insurance is already included in the Base Budget, staff recommends eliminating this duplicate coverage.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3162 WITH STAFF RECOMMENDATIONS AS OUTLINED ON PAGES 9, 10 AND 11 OF [EXHIBIT D](#); APPROVE BUDGET AMENDMENT NO. 34 THAT CONVERTS THE SERVICES FOR THE MENTAL HEALTH COURT FROM CONTRACT TO IN-HOUSE STATE EMPLOYEES WITH ASSOCIATED STAFFING COSTS; AUTHORIZE STAFF TO MAKE THE NECESSARY TECHNICAL ADJUSTMENTS; AND PLACE THE SOUTHERN NEVADA MENTAL HEALTH COURT PROGRAM ON A HIGH-PRIORITY LIST.

SENATOR RAGGIO SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYWOMEN GIUNCHIGLIANI AND WEBER WERE ABSENT FOR THE VOTE.)

HR, Facility for the Mental Offender — Budget Page MHDS-21
Budget Account 101-3645

MR. CHAPMAN:

Budget account 101-3645 is the forensic facility in northern Nevada. The current capacity of the facility is 48 beds. The one closing issue staff is bringing to your attention is the discussion that revolved around salary upgrades for correctional officers and forensic specialist positions. Staff was directed by the Subcommittee to work with the agency to identify the affected positions. Staff evaluated that information and processed it through our budgeting system to confirm the numbers. As noted on page 13 of [Exhibit D](#), the fiscal impact of a two-grade increase for five correctional officers would require additional General Fund appropriations of \$28,238 in FY 2005-2006 and \$29,373 in FY 2006-2007. The 38 forensic specialist positions would require General Fund appropriations of \$176,503 in the first year and \$182,960 in the second year of the biennium.

CHAIR LESLIE:

We have to treat all the correctional officers the same. If we accept the Governor's recommendation for the other correctional officers, we must also do it for these as well as the forensic specialists. If we do this, they will still be two grades behind the correctional officers and they are doing the same work. We will not have pay equity.

DR. BRANDENBURG:

This is a hybrid program. When we started the program in 1975, we did not want to staff it completely with correctional officers because we needed to have a therapeutic environment with therapeutic services. We went to the

Joint Subcommittee on Human Resources/K12
Senate Committee on Finance
Assembly Committee on Ways and Means
April 29, 2005
Page 13

Department of Personnel and created a new series of forensic specialists that were Peace Officers' Standards and Training certified and had the ability to be clinically trained. We put a senior correctional officer in each of the shifts to be in charge of the correctional duties. We also got a correctional sergeant and a correctional lieutenant. Even though the forensic specialists handle many of the duties of the correctional officers, they also do most of the therapeutic duties.

CHAIR LESLIE:

If we went along with the Governor's suggestion on the correctional officers and did not increase the forensic specialists, they would be four grades behind. If we do what is outlined here, they will still be two grades behind, which is what they are today. This creates morale problems because you have people doing essentially the same work but not getting the same pay. If we were going to have true equity, we would have to increase the forensic specialists four grades. Why has the Department of Personnel not addressed this?

DR. BRANDENBURG:

The Department of Personnel did try to address it. The forensic program is a unique program where you have custody and therapy going on at the same time and it has always remained behind the correctional officers. Two or three years ago, the Department of Corrections eliminated their forensic specialists because of the inequity.

CHAIR LESLIE:

My recommendation would be to raise the forensic specialists four grades so we have pay equity. It is not fair to the people who are dealing with the criminally insane, the most dangerous mental health assignment in the state.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE A TWO-GRADE INCREASE FOR THE FIVE CORRECTIONAL OFFICER POSITIONS AND A TWO-GRADE INCREASE FOR THE FORENSIC SPECIALIST POSITIONS AT LAKE'S CROSSING.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

CHAIR LESLIE:

I will go along with this motion because I know we cannot raise the forensic specialists four grades. This has gone on too long not to fix this inequity. It has to be in the budget next time.

DR. BRANDENBURG:

I will work with the Department of Personnel to come up with a plan for the next Legislative Session.

SENATOR MATHEWS:

You can never make up inequities. A two-grade inequity is a big inequity. If we do not do something about it now, two years from now they are going to be even further behind. It needs to be increased now.

THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

* * * * *

MR. CHAPMAN:

On page 13 of [Exhibit D](#) are a couple of items of note in the Lake's Crossing budget. There is a vacant psychiatric nurse position which has been vacant for almost three years. During the budget hearing, the Division requested that the position be continued. They believe the two-grade salary increase should help the recruitment effort in this area.

Under item 2 on page 13, a videoconferencing project is recommended in the Information Technology Projects budget account. Staff worked with the agency and they have identified approximately \$1,468 of overtime that could be reduced if the project is approved. Staff requests authority to make that adjustment if the videoconferencing project is approved in the Information Technology Projects budget account.

SENATOR CEGAVSKE:

Could the videoconferencing project be coordinated with the videoconferencing for domestic violence, or are they two separate issues?

DR. BRANDENBURG:

The judges in the rural areas want videoconferencing capability in the small communities where there is a lack of certified domestic violence counselors. This project will be videoconferencing between Lake's Crossing and the Eighth Judicial District Court in Las Vegas. Coordinating the two projects would not work because of the location.

MICHAEL J. WILLDEN (Director, Department of Human Resources):

The Department of Human Resources has a number of videoconferencing requests in its budgets. The Health Division has the technology that can link any videoconferencing equipment in the state. It is called the TANDBERG Solution.

ASSEMBLYWOMAN GIUNCHIGLIANI:

What is the status of your counselors becoming certified or qualified to do the domestic violence counseling?

DR. BRANDENBURG:

That was an option we presented because of the lack of certified domestic violence counselors in the rural areas. A bill was being introduced by the judges in the rural areas.

ASSEMBLYWOMAN GIUNCHIGLIANI:

I do not agree that you should teleconference domestic violence counseling. We were trying to resolve the concern by getting your staff certified. You made that commitment.

DR. BRANDENBURG:

We have 110 licensed staff in rural areas that would be willing to do domestic violence counseling if they were provided the training.

ASSEMBLYWOMAN GIUNCHIGLIANI:

Videoconference counseling does not work, especially in the area of domestic violence. They need face-to-face counseling. If more money is needed for

Joint Subcommittee on Human Resources/K12
Senate Committee on Finance
Assembly Committee on Ways and Means
April 29, 2005
Page 15

training your staff to provide that accommodation for the rurals, please let me know.

CHAIR CEGAVSKE:
I agree that face-to-face counseling is preferred.

E-710 Replacement Equipment — Page MHDS-24

MR. CHAPMAN:
Staff made some technical adjustments in decision unit E-710 to reduce the number of copies of Windows licenses, along with reductions for computer hardware and software pricing.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE THAT BUDGET ACCOUNT 101-3645 BE CLOSED AS PRESENTED ON PAGES 12, 13 AND 14 OF [EXHIBIT D](#), WITH THE NECESSARY STAFF ADJUSTMENTS.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYWOMAN WEBER WAS ABSENT FOR THE VOTE.)

* * * * *

HR, Rural Clinics —Budget Page MHDS-28 (Volume II)
Budget Account 101-3648

MR. CHAPMAN:
On page 16 of [Exhibit D](#), there are three closing items that require direction from the Subcommittee.

E-325 Services at Level Closest to People — Page MHDS-35

The Governor is recommending a new clinic to serve the community of Laughlin. This recommendation includes 7.51 FTE positions that would staff the clinic beginning October 1, 2005. General Fund appropriations in the amount of \$467,663 are recommended in the first year of the biennium and \$542,135 in the second year. The Division estimates its caseloads would be approximately 270 to 330 clients. The decision unit does not include building rent. The City of Laughlin and Clark County have agreed to support the office space for the clinic in this biennium. In this decision unit, staff recommends technical adjustments for computer hardware and software prices and changes in medication inflation rates.

ASSEMBLYWOMAN GIUNCHIGLIANI:
I appreciate that the City of Laughlin and Clark County are going to pay the rent for the Laughlin clinic, but they should not assume it will later become a state responsibility.

SENATOR RAGGIO:
Is this clinic in operation now?

Joint Subcommittee on Human Resources/K12
Senate Committee on Finance
Assembly Committee on Ways and Means
April 29, 2005
Page 16

DR. BRANDENBURG:
No, it will be a new clinic.

SENATOR RAGGIO:
Is the clinic needed in this area?

DR. BRANDENBURG:
Absolutely. This is the third session we have tried to get the Laughlin clinic approved. The operating expenses of all the other clinics in the rural areas are funded by the state. The community is offering free rent as a way to show good faith and try to get this clinic which they desperately need.

SENATOR RAGGIO:
I do not see any reason why we should treat this clinic any differently than the other rural clinics. When we do the budget next session, I expect we will have to fund this rural clinic the same as the other rural clinics. That is the state's responsibility.

CHAIR CEGAUSKE:
I agree the Laughlin clinic is needed. Does WestCare still provide services for drug and alcohol abuse in Laughlin?

DR. BRANDENBURG:
WestCare provides a substance abuse program in Laughlin. There are no mental health programs available in that community.

SENATOR TITUS:
Will we be serving only Nevada residents in Laughlin, or will people come in from bordering states?

DR. BRANDENBURG:
It is the other way around right now. I have received numerous letters from my counterpart in the state of Arizona advising that our residents are going to Bullhead City to try to get services because we do not have any programs. The people we will be serving in that community will be Nevada residents.

E-402 Access to Health Care and Health Insurance — Page MHDS-36

MR. CHAPMAN:
Decision unit E-402 is the Governor's recommendation for behavioral health redesign for rural Nevada children. The Governor recommended funding of \$660,777 in the first year of the biennium and \$1.38 million in the second year. This decision unit is an effort to reduce staffing ratios for children with severe emotional disturbance (SED). The Governor has recommended reducing the staffing ratio to serve the youth and adolescent SED caseload from 75:1 to 35:1 for outpatient counseling and from 35:1 to 12:1 for service coordination. This would be a two-phased approach. The first phase would occur this Legislative Session, with the second phase to occur in the next Legislative Session if the first phase is approved.

The Division has calculated a total need of 44.43 FTEs as recommended in the Governor's *Executive Budget*. Since this is the first phase, they recommended

one-half of those positions, approximately 23.01 FTEs. An error was noted in how the staffing for this decision unit was calculated. The total caseload for youth and adolescents was used as opposed to the SED caseload. As a result, the Division has provided two options for the Subcommittee's consideration. The first option would be to approve the Governor's recommendation to phase in the program. This would reduce the need for funding to \$344,456 in the first year and \$697,267 in the second year. The second phase would be included in the proposed budget for the 2007 Legislative Session.

The second option for the Subcommittee's consideration would be to fund the entire SED caseload in rural clinics. This would require 22.5 FTE positions. This would achieve a lower staffing ratio for outpatient counseling from 35:1 to 30:1.

E-288 Maximize Internet and Technology — Page MHDS-35

The Governor has recommended reductions of \$79,200 in each year of the biennium for travel for contracted psychiatrists. The travel reduction in this budget account is based upon an estimate to reduce the travel hours and associated costs by approximately 25 percent because of the recommended teleconferencing system in the Information Technology Projects budget account. The Division has requested that this funding be reinstated. Although there would be some budget reductions as they implement the teleconferencing system, the savings may not be apparent in the early stages of the implementation. Staff does not believe it would be prudent to restore the entire amount and has provided four options for the Subcommittee's consideration on page 18 of [Exhibit D](#).

There is a supplemental appropriation in [Senate Bill \(S.B.\) 90](#) to cover revenue shortfalls this current fiscal year.

[SENATE BILL 90 \(1st Reprint\)](#): Makes supplemental appropriation to Department of Human Resources for unanticipated operating expenses for Fiscal Year 2004-2005 at emergency hospital annex at Desert Regional Center and for unanticipated shortfall in revenue for Fiscal Year 2004-2005 for rural clinics. (BDR S-1191)

E-900 Transfer In Computer Costs From 3164 — Page MHDS-38

Decision module E-900 transfers in dial-up communication line costs from the MHDS Information Systems budget account 101-3164. This is in support of the current dial-up services for rural clinics. The videoconferencing project includes T-1 line costs. If that project is approved, staff recommends eliminating the dial-up costs from this budget account and from the MHDS Information Systems budget account 101-3164.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3648 AS PRESENTED ON PAGES 15, 16, 17, 18 AND 19 OF [EXHIBIT D](#); INCLUDE THE FUNDING THE GOVERNOR RECOMMENDED FOR THE NEW LAUGHLIN CLINIC; FUND 22.51 FTE POSITIONS TO SUPPORT THE ENTIRE 616 SED YOUTH CASELOAD AT THE REDUCED STAFFING RATIOS (INCLUDING

THE LOWER OUTPATIENT COUNSELING RATIO OF 30:1) WITH AN INCREASE IN FUNDING ABOVE THE AMOUNTS RECOMMENDED BY THE GOVERNOR TO \$670,655 IN FY 2005-2006 AND \$1.40 MILLION IN FY 2006-2007, WITH A REPORT BACK TO THE SUBCOMMITTEE ON THE PHASING IN OF THE POSITIONS; RESTORE TRAVEL FUNDING IN DECISION UNIT E-288 IN THE AMOUNT OF \$47,520 IN THE FIRST YEAR OF THE BIENNIUM AND \$15,840 IN THE SECOND YEAR, CONTINGENT UPON APPROVAL OF THE VIDEOCONFERENCING PROJECT IN THE INFORMATION TECHNOLOGY PROJECTS BUDGET ACCOUNT; AUTHORIZE STAFF TO ELIMINATE THE DIAL-UP LINE COSTS IF THE VIDEOCONFERENCING SYSTEM IS IMPROVED IN THE INFORMATION TECHNOLOGY PROJECTS BUDGET ACCOUNT; AND AUTHORIZE STAFF TO MAKE THE NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR MATHEWS SECONDED THE MOTION.

CHAIR LESLIE:

Severely emotionally disturbed children have waited too long in our state for treatment. This is the right thing to do. We have seen what happens when we do not adequately fund mental health services. Our state is in the top five in terms of suicide, we have high rates of abused children entering our criminal justice system because they do not get mental health treatment and many juvenile delinquents do not get mental health treatment.

During the budget hearings, we talked about using interns to fill some of the positions. We have had trouble keeping these positions filled in our rural communities and if we can train them in rural Nevada, they are more likely to stay.

DR. BRANDENBURG:

My understanding is that we cannot bill for social work interns. I do not think there is a system in place like there is in the psychiatric residency program where the supervisor is allowed to bill.

CHAIR LESLIE:

Would you please explore that and make sure we are doing everything we can to fill those positions.

Do you need more money in order to accomplish training your staff to provide domestic violence counseling? How much more money would you need?

DR. BRANDENBURG:

When we testified on the domestic violence bill, we indicated additional resources were needed. The information regarding the amount of money required was going to be supplied by the agency.

CHAIR LESLIE:

Would you please make that a high priority and get the information to the Subcommittee. We can recommend closing this budget today, but if we know how much money is needed, it could be put on the high-priority list.

DR. BRANDENBURG:

I appreciate your support, but I want to make one last appeal for restoration of the full travel funds. When this budget was first developed, staff thought they could save money by using telepsychiatry. Our pilot program in Silver Springs has not produced savings. Telepsychiatry would be an augmentation to our existing services. Assembly Bill 9, which would have helped recruit and retain doctors, did not pass the Assembly. By reducing the travel money, I will have to reduce the amount of times the psychiatrists visit clients in the small communities.

ASSEMBLY BILL 9: Limits liability of certain persons, corporations and associations that contract to provide medical services for Division of Mental Health and Developmental Services of Department of Human Resources. (BDR 3-237)

CHAIR CEGAVSKE:

If we were to look at either the travel funds or the telepsychiatry, which one would you prefer?

DR. BRANDENBURG:

If it is one or the other, I would take the travel money so we could have the psychiatrist. The idea of the telepsychiatry was as an augmentation for after-hour crises. A psychiatrist is in those small communities 10 hours a month as opposed to Washoe and Clark Counties where they are present 40 hours a week. If I had to choose one or the other, I will choose the travel because I need to have the face-to-face counseling.

SENATOR RAGGIO:

I am persuaded. I will modify the motion to restore the travel funding.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3648 AS PRESENTED ON PAGES 15, 16, 17, 18 AND 19 OF EXHIBIT D; INCLUDE THE FUNDING THE GOVERNOR RECOMMENDED FOR THE NEW LAUGHLIN CLINIC; FUND 22.51 FTE POSITIONS TO SUPPORT THE ENTIRE 616 SED YOUTH CASELOAD AT THE REDUCED STAFFING RATIOS (INCLUDING THE LOWER OUTPATIENT COUNSELING RATIO OF 30:1) WITH AN INCREASE IN FUNDING ABOVE THE AMOUNTS RECOMMENDED BY THE GOVERNOR TO \$670,655 IN FY 2005-06 AND \$1.40 MILLION IN FY 2006-2007, WITH A REPORT BACK TO THE SUBCOMMITTEE ON THE PHASING IN OF THE POSITIONS; RESTORE TRAVEL FUNDING IN DECISION UNIT E-288 IN THE AMOUNT OF \$79,200 IN EACH YEAR OF THE BIENNIUM; AUTHORIZE STAFF TO ELIMINATE THE DIAL-UP LINE COSTS IF THE VIDEOCONFERENCING SYSTEM IS IMPROVED IN THE INFORMATION TECHNOLOGY PROJECTS BUDGET ACCOUNT; AND AUTHORIZE STAFF TO MAKE THE NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR MATHEWS SECONDED THE MOTION.

Joint Subcommittee on Human Resources/K12
Senate Committee on Finance
Assembly Committee on Ways and Means
April 29, 2005
Page 20

ASSEMBLYWOMAN GANSERT:

I support the motion. Psychiatry is very personal and I agree that telepsychiatry would not be appropriate for domestic violence counseling.

THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

HR, Southern Nevada Adult Mental Health Services – Budget Page MHDS-41
(Volume II)
Budget Account 101-3161

MR. CHAPMAN:

The adjustments in budget account 101-3161 primarily relate to computer hardware and software pricing and the medication inflation adjustments.

E-425 Enable, Motivate and Reward Self Sufficiency — Page MHDS-50

E-426 Enable, Motivate and Reward Self Sufficiency — Page MHDS-50

E-427 Enable, Motivate and Reward Self Sufficiency — Page MHDS-51

E-428 Enable, Motivate and Reward Self Sufficiency — Page MHDS-52

The Governor has submitted four decision units for the new hospital approved for construction in Capital Improvement Project (CIP) 03-C1. Included in these decision units is a total of 259.35 FTEs. The hospital will come online in May 2006, so the funding reflects two months in FY 2006 and 12 months in FY 2007. The annual costs will be somewhere in the \$20 million range. As the Subcommittee may recall, A.B. 204 was recently passed and signed by the Governor. It provides for the fourth pod of the new hospital facility.

ASSEMBLY BILL 204 (1st Reprint): Authorizes and provides funding for certain projects of capital improvement. (BDR S-1392)

On pages 23, 24 and 25 of [Exhibit D](#) are adjustments to this budget account recommended by staff. In decision unit E-426, staff recommends reducing the inflation rate for electric utility costs to 4 percent which is consistent with the rates used throughout the *Executive Budget*.

In decision unit E-427, staff recommends eliminating two full-time custodian positions and two half-time maintenance worker positions with associated staffing costs. Fiscal staff also recommends eliminating duplicate maintenance and utility costs.

M-503 Federal Mandate – Page MHDS-48

On page 24 of [Exhibit D](#), a half-time clinical social worker position is recommended that would provide preadmission and resident review follow-ups on patients who are provided Medicaid and Medicare services in approved nursing homes. This is to comply with federal regulations.

E-326 Services at Level Closest to People – Page MHDS-49

Decision unit E-326 would establish an in-house pharmacy service with one pharmacist position. Pharmacy services are currently provided through a contract. This would decrease General Fund appropriations by \$241,413 in the first year of the biennium and \$458,852 in the second year. Throughout these decision units, staff is recommending adjustments for standard computer hardware and software pricing and for the AVATAR software pricing changes.

E-710 Replacement Equipment – Page MHDS-52

In decision unit E-710, staff is recommending one replacement van be eliminated. Some duplicate vehicle insurance costs have been eliminated because they were already included in the Base Budget, and these are replacement vehicles.

E-901 Transfer Quality Assurance Position to Admin — Page MHDS-53

Decision unit E-901 transfers a quality assurance position to the administration account. Staff has made technical adjustments to transfer the correct position.

In item No. 7 on page 24 of [Exhibit D](#), fiscal staff recommends increasing pharmacy sales and medication costs associated with the new Laughlin clinic.

Item No. 8 on page 25 of [Exhibit D](#) addresses the omission of a medical director position the agency requested in its budget submittal. The Governor did not include this item in the *Executive Budget*. The cost for the first year of the biennium would be \$33,169 for two months and the second full-year cost would be \$201,496.

SENATOR RAGGIO:

The position for a medical director at the new hospital in Las Vegas was not in the Governor's *Executive Budget*. What is the justification or need for this position?

DR. BRANDENBURG:

When the budget was first developed, the medical director position was in the decision unit for budget account 101-3161. I later put the position in budget account 101-3168 which is where all the medical director positions are. Because it was put in budget account 101-3168, it became an item for special consideration and did not make the short list.

In terms of justification for the position, I have a statewide medical director who is the medical director at SNAMHS on a full-time basis. I do not have a statewide medical director providing overall guidance on medical and psychiatric needs. I am currently eight or nine months behind on death reviews because the medical director is too busy performing the day-to-day medical director activity at SNAMHS. This position is desperately needed.

SENATOR RAGGIO:

Is this position vital?

DR. BRANDENBURG:

Yes, it is.

Joint Subcommittee on Human Resources/K12
Senate Committee on Finance
Assembly Committee on Ways and Means
April 29, 2005
Page 22

SENATOR RAGGIO:

Does the Budget Division agree with this amendment and would you send us a budget amendment for that purpose?

JULIE A. BUTLER (Budget Analyst, Budget Division, Department of Administration):

We support this amendment and we will provide a budget amendment.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3161 AS PRESENTED ON PAGES 20, 21, 22, 23, 24 AND 25 OF [EXHIBIT D](#); INCREASE THE INPATIENT BED CAPACITY AT SNAMHS FROM 131 BEDS TO 217 BEDS; INCLUDE 256.33 NEW FTE POSITIONS WITH ASSOCIATED STAFFING AND FACILITY COSTS; ELIMINATE THE DUPLICATE MAINTENANCE AND UTILITY COSTS; AUTHORIZE STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS; AND ACCEPT THE BUDGET AMENDMENT FOR THE NEW MEDICAL DIRECTOR POSITION.

SENATOR RAGGIO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

HR, Southern Food Service — Budget Page MHDS-56 (Volume II)
Budget Account 101-3159

MR. CHAPMAN:

Budget account 101-3159 contains three dietician positions. The food is prepared by a contract service provider. There are no major issues in this budget account.

E-425 Enable, Motivate and Reward Self Sufficiency — Page MHDS-58
E-426 Enable, Motivate and Reward Self Sufficiency — Page MHDS-58
E-427 Enable, Motivate and Reward Self Sufficiency — Page MHDS-59
E-428 Enable, Motivate and Reward Self Sufficiency — Page MHDS-59
E-450 Effectiveness of Family Services — Page MHDS-60

On page 27 of [Exhibit D](#) are four decision units associated with the increased bed capacity at SNAMHS. Decision unit E-450 reflects reduced food services associated with a six-bed reduction at Desert Regional Center.

E-805 Classified Position Reclassifications — Page MHDS-60

Decision module E-805 reclassifies an existing dietitian II position to a dietitian III. This is associated with the anticipated increased duties and complexities of service associated with the new hospital.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3159 AS RECOMMENDED BY THE GOVERNOR AND AUTHORIZE STAFF TO MAKE THE NECESSARY TECHNICAL ADJUSTMENTS.

Joint Subcommittee on Human Resources/K12
Senate Committee on Finance
Assembly Committee on Ways and Means
April 29, 2005
Page 23

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (ASSEMBLYWOMAN GIUNCHIGLIANI AND
SENATOR TITUS WERE ABSENT FOR THE VOTE.)

* * * * *

MR. CHAPMAN:

There are a number of items that cross the Developmental Services budget accounts which staff is bringing to your consideration as common issue items. The service provider rate increases and the deferred maintenance for the Desert Regional Center were already discussed in the division-wide overview.

Decision unit M-200 reflects the caseload increases in the Developmental Services budget accounts. On page 28 of [Exhibit D](#) is a table showing the Governor's recommendation. The Governor has recommended an increase of 282 clients for service coordination.

During the budget hearings and work session on these budget accounts, the Division was directed to review the caseload projections. The Division provided updated caseload information that would request to serve an additional 604 clients over the biennium. This is an increase of 322 over the 282 clients recommended by the Governor. As a result of the revised caseload projections, the Division has identified a General Fund need of \$9.9 million in the 2005-2007 biennium. This is a \$5.2 million increase over the \$4.6 million recommended by the Governor. Staff reviewed these caseload projections and did not note any material omissions or errors in reviewing that documentation.

The Subcommittee must decide whether to go along with the Governor's recommended caseload projections or consider approving the revised projections as submitted by the Division. If the Subcommittee approves the revised caseload increases, there are additional clients that would receive services in decision unit E-350 for the Desert Research Center, Sierra Regional Center and Rural Regional Center, so those costs would have to be increased.

SENATOR RAGGIO:

Are the revised caseloads accurate?

DR. BRANDENBURG:

Yes, the revised numbers are accurate.

SENATOR RAGGIO:

Does the Budget Division agree with this revised amount for caseload, as well as the rate increases? Can we expect an amendment to the budget for the increased amounts?

MS. BUTLER:

Yes, we agree with those revised estimates and we will provide a budget amendment.

MR. CHAPMAN:

Continuing with the common issues for Developmental Services, under item 2 on page 29 of [Exhibit D](#), 4.5 new FTE positions are recommended in decision unit M-502 for quality assurance compliance with CMS requirements along with requirements imposed by the DHCFP. In reviewing this decision unit during the budget hearing, the Division acknowledged there were some Title XIX Medicaid revenues that were omitted from the Rural Regional Center budget. Revenues of \$75,672 should be included in the 2005-2007 biennium if this decision unit is approved.

On page 30 of [Exhibit D](#), staff has given the Subcommittee some options to consider in approving the positions in decision unit M-502 in the Developmental Services budget accounts. One option would be to go along with the Governor's recommendation for four quality assurance positions along with two 0.25 FTE administrative assistants. Another option would be to approve the four quality assurance specialist positions and utilize existing administrative staff. The third option would be to approve three quality assurance specialist positions with or without the two 0.25 FTE administrative assistant positions.

Temporary Assistance for Needy Families (TANF) was discussed during the Subcommittee hearings. There are currently 112 families in the family preservation program that are supported with funds from the TANF account. The *Executive Budget* recommends supporting these 112 families with increased General Fund appropriations in the family preservation program, while reducing the General Fund appropriations in the three regional center budgets with the TANF funds. The TANF funds would be used to fund residential placements in the regional center budgets. Staff does not have any concerns with that recommendation.

On page 31 of [Exhibit D](#), item 4, the Governor is recommending additional bed reductions in the Desert Regional Center and Sierra Regional Center budgets. This is decision unit E-450. It is a continuation of a trend that has been going on for the last several bienniums. The Governor is recommending a 12-bed reduction at Sierra Regional Center and a 6-bed reduction at Desert Regional Center. If this is approved, Sierra Regional Center would be staffed for 30 beds and Desert Regional Center would be staffed for 54 beds. Staff takes no exception to the Governor's recommendation and did not note any material errors or omissions in the decision units.

Item 5 on page 31 of [Exhibit D](#) is the transition of private Intermediate Care Facilities for Persons with Mental Retardation (ICF/MR) beds to community placements. This is decision unit E-452 and it affects the three regional centers. Currently, there are approximately 60 placements in private institutional facilities. The Governor is recommending moving these individuals or placements out into the community. This reduces funding in the Medicaid budget. There is an increase of \$169,641 in General Fund appropriations across the biennium. This decision is in compliance with the directive of the U.S. Supreme Court's Olmstead decision to give people with disabilities the opportunity to receive health care in a community-based setting.

During the budget hearing before the Subcommittee and the work session, there was extensive discussion regarding funding for autism. The Division included

decision units in their budget submittal to the Governor for funding to serve families with members who have autism. The funding requested by the Division included 3.76 new FTE positions and total General Fund appropriations of approximately \$1 million in the first year of the biennium and \$3.5 million in the second year. Additional Medicaid funds of approximately \$68,000 would be available the first year of the biennium and \$1.3 million in the second year. According to the information provided by the Division, the funding in the first year would support 72 families for self-directed services. The services would include in-home care, training and other supports based upon individual preferences. During the first year of the biennium, the Division indicated they would seek an amendment to the existing Medicaid waiver to add intensive behavior intervention services for the second year. This would allow the Division to serve an additional 78 families that could qualify for institutional care and would be phased in over the second year under the amended waiver. This service would be provided to children aged two through eight and would be phased out by age ten. The services would be targeted to families with incomes of up to 500 percent of the poverty level. This item is not included in the *Executive Budget* but, due to the level of interest expressed during the budget hearing and the work session, staff is bringing it to the Subcommittee's attention.

CHAIR CEGAUSKE:

I think it has been clearly expressed by this Subcommittee that we want to put autism on a priority list. This is something we are supporting unanimously. There was much compelling testimony on the day of the hearing. Is it not until age two that we have the diagnosis of autism? Do we provide services starting from birth? Do we need to lower the age, or is two an appropriate age?

MR. WILLDEN:

I do not have a medical background, but from talking with our clinicians in our early intervention services and with Dr. Dave Luke, Associate Administrator for Developmental Services, it is difficult to diagnose children with autism in the early ages. The diagnosis is usually confirmed in the preschool years and early school years. We provide autism services in the early intervention services program, the age zero to three program, which is run by the Health Division. After that program, the children are assigned to school districts and to the Developmental Services program for services.

CHAIR CEGAUSKE:

The parents had told us about different things that had worked for their children. This refers to individual preferences. Will this be a new program? Please clarify what the program will entail.

DAVE LUKE, Ph.D. (Associate Administrator for Developmental Services, Division of Mental Health and Developmental Services, Department of Human Resources):

There was testimony that, for a number of families, there are preferences and they found different things that work. This unit would provide self-directed services for the first year for 72 people and those would continue. The families themselves would direct and choose the services they would like. The second year the waiver would be for the more specialized intensive behavior intervention services.

Joint Subcommittee on Human Resources/K12
Senate Committee on Finance
Assembly Committee on Ways and Means
April 29, 2005
Page 26

CHAIR CEGAVSKE:

Would they be able to choose from a number of services?

DR. LUKE:

There are a number of vendors in the community that offer various services.

ASSEMBLYWOMAN SMITH:

This is one of the most important things we are discussing. How many families need these services?

MR. CHAPMAN:

There would be 72 in the first year of the biennium with an additional 78 in the second year. By the end of the biennium there would be a total of 150. They would be phased in.

DR. LUKE:

We currently have approximately 400 people in our service system but they are not all children in this age range. It is important to remember that, since this is targeted to a specific age range, people would be moving through the program. Even though we would be serving 150 at any given time, there would be people moving through the program. There are more children with autism. A number of them would not qualify for our level of care and would be served primarily by the school district. This would set a standard that would be for individuals with a higher level of need.

ASSEMBLYWOMAN SMITH:

Does this funding provide any respite for families?

DR. LUKE:

Yes. The self-directed option would allow the families to decide how much respite they would like and what type of therapy or other supports they prefer. There are recreational programs and different therapies.

SENATOR RAGGIO:

I think we have all indicated that the autism program should be at the top of our priority list and I would support that.

Are items 4 and 5, on page 31 of [Exhibit D](#), consistent with the requirements of the Olmstead Decision? Item 4 would eliminate ICF/MR beds and increase community placements. Item 5 would transition private ICF/MR beds to community placements.

DR. LUKE:

Yes, they are consistent with the Olmstead decision and are part of our state Olmstead plan.

SENATOR RAGGIO:

Are we doing enough in that regard so we are not in opposition to the Olmstead decision?

Joint Subcommittee on Human Resources/K12
Senate Committee on Finance
Assembly Committee on Ways and Means
April 29, 2005
Page 27

DR. LUKE:

We are making consistent progress. We are meeting the requirements of the Olmstead decision at our current pace.

SENATOR RAGGIO:

On the agency-wide decision module M-502, there was some discussion about how many quality assurance specialist positions are necessary. The Governor has recommended four. If we approve one for each of the regions, would that be sufficient?

DR. LUKE:

If we had three instead of four, the one that would be removed would be from Las Vegas. With the rapid growth and size of that community, we need two quality assurance specialists in Las Vegas.

CHAIR LESLIE:

Please explain why you need four quality control specialists.

DR. LUKE:

We perform our quality assurance in cooperation with Medicaid. We work cooperatively with them and have to comply with the requirements they have set for us. The individuals we are serving have had lifelong institutional histories. We are getting to the point where there are no more institutional beds and the individuals are now living in community settings. We must monitor the providers and the settings constantly. Another related factor is that the service coordination staffing ratio is 1:45.

MR. WILLDEN:

With regard to Senator Raggio's earlier question about a budget amendment for the revised caseloads, there would have to be a new projection of the level of services needed and the money that is needed to fund those services. To the best of my knowledge, the Budget Division will not be providing an amendment that says to fund this M-200 decision module and cut something else.

SENATOR RAGGIO:

I wanted to make it clear that if we support that, it is an add-on to the budget.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE CASELOAD INCREASES THAT WILL APPEAR IN DECISION UNIT M-200 IN THE DEVELOPMENTAL SERVICES BUDGETS; AUTHORIZE STAFF TO MAKE ADJUSTMENTS TO DECISION UNIT E-350 TO INCLUDE THE SERVICE PROVIDER RATE INCREASES FOR THE ADDITIONAL CASELOAD; APPROVE TWO QUALITY ASSURANCE SPECIALIST POSITIONS WITHOUT THE ADMINISTRATIVE ASSISTANT POSITIONS; APPROVE THE GOVERNOR'S RECOMMENDATION TO MOVE TANF FUNDS FROM THE FAMILY PRESERVATION PROGRAM TO THE REGIONAL CENTER BUDGETS; APPROVE THE GOVERNOR'S RECOMMENDATION TO INCREASE COMMUNITY PLACEMENTS; AUTHORIZE STAFF TO MAKE THE NECESSARY ADJUSTMENTS; AND RECOMMEND THAT THE AUTISM PROGRAM BE PUT ON A HIGH-PRIORITY LIST.

Joint Subcommittee on Human Resources/K12
Senate Committee on Finance
Assembly Committee on Ways and Means
April 29, 2005
Page 28

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

CHAIR LESLIE:

I want to thank the Subcommittee and the staff for rerunning the caseload projections. I realize that is a large adjustment to the budget. Our state has a responsibility to our citizens with mental retardation and I am glad we are stepping up to our responsibility in both of these budgets today and providing adequate funding.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

SENATOR BOB COFFIN (Clark County Senatorial District No. 10):

Autism is an important issue. There was a discussion on the Senate Floor yesterday on the death penalty for juveniles. There are many kinds of autism. I consider age ten an arbitrary limit because they frequently cannot be diagnosed by age ten. If they are not treated, autistic children may become the young people who commit serious crimes because they have no emotions.

DR. BRANDENBURG:

Was your motion for two positions at Desert Regional Center or two positions overall, as opposed to the four that were requested?

CHAIR CEGAVSKE:

It is for two positions overall. You can put them where you feel they are needed.

HR, Sierra Regional Center — Budget Page MHDS-62 (Volume II)
Budget Account 101-3280

E-710 Replacement Equipment – Page MHDS-68

MR. CHAPMAN:

In decision unit E-710, staff is recommending technical adjustments for the revised computer hardware and software prices.

E-903 Transfer in Clinical Prg Planner From Admin — Page MHDS-69

Decision unit E-903 transfers a clinical program planner from MHDS administration into this budget account.

HR, Desert Regional Center — Budget Page MHDS-72 (Volume II)
Budget Account 101-3279

M-425 Deferred Facilities Maintenance — Page MHDS-76

MR. CHAPMAN:

Decision unit M-425 was recommended for approval earlier in this meeting under the Division-wide closing issues.

M-503 Federal Mandate — Budget Page MHDS-77

Joint Subcommittee on Human Resources/K12
Senate Committee on Finance
Assembly Committee on Ways and Means
April 29, 2005
Page 29

Decision unit M-503 recommends a half-time development specialist position to perform preadmission screening and resident review follow-ups for 29 Medicaid recipient youths in 6 different nursing homes in southern Nevada. Staff did not take exception to this recommendation.

HR, Family Preservation Program — Budget Page MHDS-82 (Volume II)
Budget Account 101-3166

MR. CHAPMAN:

We have already touched on a couple of the items in this budget account. The first one is the transfer of 112 families from TANF funding to General Fund appropriations with a reduction in General Funds in the regional center budgets. The Governor recommends adding 30 additional families over the 2005-2007 biennium. A table is provided on page 38 of [Exhibit D](#) that shows the FY 2004 actual, FY 2005 work program and the Governor's recommendations in the first and second years of the biennium.

The Governor recommended increasing the monthly payment to families from the current \$310 a month to \$350 a month. The Division indicates this will be the first adjustment in six years. The Division currently serves all who come forward for assistance and qualify.

HR, Rural Regional Center — Budget Page MHDS-86 (Volume II)
Budget Account 101-3167

MR. CHAPMAN:

There are not many issues left to discuss in this budget account after the discussion of the common issues.

E-710 Replacement Equipment — Page MHDS-92

Decision unit E-710 requested General Fund appropriations of \$37,752 in the biennium to replace a variety of equipment. In discussions with the Division, it was determined that one heavy-duty network printer is not necessary. Six local color printers were recommended and the Division indicated that black and white laser jet printers would be sufficient. Staff has incorporated those adjustments into the closing sheet, [Exhibit D](#).

E-902 Transfers in ASO II From Administration — Page MHDS-93

Decision unit E-902 transfers in an administrative services officer II position from MHDS administration. The Division indicates that this position performs duties strictly related to the rural regional center.

HR, Mental Health Information System — Budget Page MHDS-95
Budget Account 101-3164

MR. CHAPMAN:

Budget account 101-3164 is the technology support budget for the entire Division.

E-276 Maximize Internet and Technology — Page MHDS-97

There are currently four positions in this budget account. In decision unit E-276, the Governor is recommending 2.51 additional positions. As noted on page 42 of [Exhibit D](#), these new positions include two new agency program information specialists. One of these will be located on the northern campus at NNAMHS and the other will be on the southern campus at SNAMHS. The Division has acknowledged that the \$34,135 associated with temporary services in the Base Budget should be eliminated. Staff has made that adjustment.

A half-time administrative assistant support position is recommended by the Governor for these two positions. It is staff's suggestion that the Subcommittee consider not approving the half-time administrative assistant position and that existing administrative staff provide support to the two new agency program information specialists.

E-275 Maximize Internet and Technology — Page MHDS-97

There was a major conversion of the existing information systems infrastructure to the AVATAR system. The AVATAR system is currently supporting the Mental Health agencies. The Governor is recommending \$36,433 in the first year of the biennium to conduct a gap analysis study to expand AVATAR to Developmental Services. In response to Subcommittee questions, the Division identified a suite of products that would be useful for Developmental Services. Those three products are listed on the bottom of page 42 of [Exhibit D](#).

E-710 Replacement Equipment — Page MHDS-98

Decision unit E-710 recommends technical adjustments for revised software pricing.

Earlier in this meeting we discussed the dial-up services that are being transferred to the rural clinics budget account. If the videoconferencing project is approved in the Information Technology Projects budget account, the dial-up service lines are no longer needed as they will be replaced with T-1 lines.

HR, Sierra Regional Center — Budget Page MHDS-62 (Volume II)
Budget Account 101-3280

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE THAT THE REMAINING ITEMS IN BUDGET ACCOUNT 101-3280 BE CLOSED AS PRESENTED ON PAGES 33 AND 34 OF [EXHIBIT D](#), AUTHORIZE STAFF TO MAKE THE NECESSARY TECHNICAL ADJUSTMENTS, AND THE DIVISION-WIDE AND AGENCY-WIDE ADJUSTMENTS APPROVED EARLIER IN THIS MEETING.

ASSEMBLYWOMAN GIUNCHIGLIANI SECONDED THE MOTION

THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

HR, Desert Regional Center — Budget Page MHDS-72 (Volume II)

Budget Account 101-3279

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE THAT THE REMAINING ITEMS IN BUDGET ACCOUNT 101-3279 BE CLOSED AS PRESENTED ON PAGES 35 AND 36 OF [EXHIBIT D](#), WITH STAFF TECHNICAL ADJUSTMENTS, AND THE DIVISION-WIDE AND AGENCY-WIDE ADJUSTMENTS APPROVED EARLIER IN THIS MEETING.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

HR, Family Preservation Program — Budget Page MHDS-82 (Volume II)
Budget Account 101-3166

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE THAT THE REMAINING ITEMS IN BUDGET ACCOUNT 101-3166 BE CLOSED AS PRESENTED ON PAGES 37 AND 38 OF [EXHIBIT D](#), WITH THE CASELOAD INCREASE AND INCREASE IN MONTHLY PAYMENT RECOMMENDED BY THE GOVERNOR, WITH STAFF TECHNICAL ADJUSTMENTS AND THE DIVISION-WIDE AND AGENCY-WIDE ADJUSTMENTS APPROVED EARLIER IN THIS MEETING.

ASSEMBLYWOMAN GIUNCHIGLIANI SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

HR, Rural Regional Center — Budget Page MHDS-86 (Volume II)
Budget Account 101-3167

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE THAT THE REMAINING ITEMS IN BUDGET ACCOUNT 101-3167 BE CLOSED AS PRESENTED ON PAGES 39 AND 40 OF [EXHIBIT D](#), WITH STAFF TECHNICAL ADJUSTMENTS AND THE DIVISION-WIDE AND AGENCY-WIDE ADJUSTMENTS APPROVED EARLIER IN THIS MEETING.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

HR, Mental Health Information System — Budget Page MHDS-95

Budget Account 101-3164

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE THAT THE REMAINING ITEMS IN BUDGET ACCOUNT 101-3164 BE CLOSED AS PRESENTED ON PAGES 41, 42 AND 43 OF [EXHIBIT D](#); THAT THEY APPROVE TWO AGENCY PROGRAM INFORMATION SPECIALIST POSITIONS WITH ADMINISTRATIVE SUPPORT PROVIDED BY EXISTING STAFF; AUTHORIZE STAFF TO MAKE THE NECESSARY TECHNICAL ADJUSTMENTS AND THE DIVISION-WIDE AND AGENCY-WIDE ADJUSTMENTS APPROVED EARLIER IN THIS MEETING.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR CEGAVSKE:
There being no further business to discuss at this time, I will adjourn the meeting at 10:37 a.m.

RESPECTFULLY SUBMITTED:

Anne Vorderbruggen,
Committee Secretary

APPROVED BY:

Senator Barbara K. Cegavske, Chair

DATE: _____

Assemblywoman Sheila Leslie, Chair

DATE: _____