

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

**Seventy-Fourth Session
February 15, 2007**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on K-12/Human Services was called to order by Chairwoman Sheila Leslie at 8:06 a.m., on Thursday, February 15, 2007, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Ms. Sheila Leslie, Chairwoman
Ms. Barbara E. Buckley
Mr. Mo Denis
Mrs. Heidi S. Gansert
Mrs. Debbie Smith
Ms. Valerie E. Weber

SENATE COMMITTEE MEMBERS PRESENT:

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

GUEST LEGISLATORS PRESENT:

Assemblyman John C. Carpenter, Assembly District No. 33
Senator Dean A. Rhoads, Rural Nevada Senatorial District

STAFF MEMBERS PRESENT:

Steve Abba, Principal Deputy Fiscal Analyst
Mike Chapman, Senior Program Analyst
Gary Ghiggeri, Senate Fiscal Analyst
Patti Adams, Committee Assistant
Connie Davis, Committee Secretary

Chairwoman Leslie informed those present that the order of business would begin with an overview of general issues pertinent to the Division of Mental Health and Developmental Services (MHDS), followed by separate budget presentations, and public comment.



Chairwoman Leslie recognized Dr. Carlos Brandenburg and asked him to begin with an overview of mental health services.

Carlos Brandenburg, Ph.D., Administrator, Division of Mental Health and Developmental Services (MHDS) and the Substance Abuse Prevention Treatment Agency (SAPTA), Department of Health and Human Services (DHHS), introduced Jeff Mohlenkamp, Administrative Services Officer (ASO), MHDS, DHHS.

Dr. Brandenburg reported that Governor Gibbons had recommended \$78 million, or a 27.51 percent budget increase, and 110 new positions for mental health agencies in The Executive Budget for the 2007-09 biennium.

Additionally, Dr. Brandenburg advised that methamphetamine issues, which had been identified as a high priority by Governor Gibbons, would be addressed during the budget presentation for the SAPTA, previously known as the Bureau of Alcohol and Drug Abuse (BADA). Dr. Brandenburg advised that the Bureau of Alcohol and Drug Abuse agency name was changed to the Substance Abuse Prevention and Treatment Agency (SAPTA). Effective July 1, 2007, the SAPTA would be transferred from the Health Division to the MHDS.

Dr. Brandenburg asked for clarification on whether to proceed with similar budget initiatives across all MHDS budgets, or separately as each budget was presented.

Chairwoman Leslie asked Dr. Brandenburg to address the cost inflation for medications as an across-the-board issue; caseload changes separately for each budget account; the continuation of A.B. No. 175 of the 73rd Legislative Session funding in the opening remarks; and salary adjustments for the clinical staff as an across-the-board issue.

Beginning with the medication issue, Dr. Brandenburg advised that the inflation rate for medications was reflected under Maintenance (M)101 at \$2.1 million for fiscal year 2008 and \$4.5 million for fiscal year 2009. The budget projected a 7.25 percent medication inflation rate for fiscal year 2007-08 and a 7.75 percent inflation rate for fiscal year 2008-09. Dr. Brandenburg advised that the information for the medication inflation rate was provided by the National Health Expenditure Projection Study from the Centers for Medicare and Medicaid Services (CMS).

Dr. Brandenburg reported that, as a participant in the Minnesota Multi-State Consortium, Nevada was provided the opportunity to purchase medications at a substantial discount. In fiscal year 2006, the MHDS had collected over \$1.5 million worth of free medications "in the form of scholarships, patient assistance programs, or samples." Year-to-date in fiscal year 2007, over \$900,000 in free medications had been collected.

Chairwoman Leslie indicated it was her understanding that the medication inflation rate was derived from information provided by Express Scripts, a large, national pharmacy benefits manager.

Mr. Mohlenkamp recalled that initially the medication inflation rates were developed based on information provided by the CMS but that the numbers were revised by the Department of Administration's Budget Division staff.

Chairwoman Leslie asked that clarification be provided to the Subcommittee's staff regarding the source for the medication inflation rate.

In response to questions Chairwoman Leslie asked regarding medication discounts and protocol that allowed clients to use more expensive medications, Dr. Brandenburg expressed confidence in the MHDS decision matrix, an outline for prescribing medications. Additionally, he discussed his role as Chairman of the MHDS Pharmacy Oversight Committee, which met monthly to review medications and to ensure resources were being used in the best possible manner.

In response to questions Senator Cegavske asked regarding performance indicators, Chairwoman Leslie advised that the performance indicators referred to were in the MHDS Administration Budget Account (BA 3168), which would be addressed later in the hearing.

Chairwoman Leslie asked Dr. Brandenburg to address the budget recommendation for the continuation of the A.B. No. 175 of the 73rd Legislative Session funding for the expansion of mental health programs and, specifically, the mental health court, reflected under Enhancement (E)325.

Dr. Brandenburg reported that funding provided by the 2005 Legislature under the provisions of A.B. No. 175 of the 73rd Legislative Session supported a mental health court in Clark County and Carson City and provided for the expansion of the mental health court in Washoe County. Decision Unit E325 in The Executive Budget recommended funding in the 2007-09 biennium for continuing a current caseload of 225 individuals in all three mental health courts for a total of approximately \$2.2 million in fiscal year 2008 and \$2.3 million in fiscal year 2009.

Dr. Brandenburg advised that the Northern Nevada Adult Mental Health Services (NNAMHS) hospitalization rate for individuals in mental health court had decreased by 88 percent, and the incarceration rate decreased by 90 percent. In Carson City, the hospitalization rate for clients, participating in mental health court, decreased by 85 percent, and the incarceration rate decreased by 66 percent. Dr. Brandenburg described the mental health courts program as a partnership between the judiciary and the mental health system designed to provide a "wide-range of services for offenders with mental illness" that would maintain them in the community rather than more restrictive environments.

Chairwoman Leslie disclosed that she was employed by the Washoe County District Court's mental health court system and that the funding paid for the program, not her salary. Chairwoman Leslie indicated that the mental health court system would be discussed in greater depth during presentation of the NNAMHS budget.

Chairwoman Leslie asked Dr. Brandenburg to next address Community Triage Centers, Decision Unit E326. The Chairwoman asked Dr. Brandenburg to comment on the fact that for the first seven months of fiscal year 2007, the WestCare Community Triage Center in southern Nevada had drawn down only \$805,000 of a \$900,000 appropriation.

Dr. Brandenburg reported that community triage centers served a caseload of mentally ill individuals, who were not considered a danger to self or others but usually had co-occurring disorders, such as substance abuse. Community triage centers, such as WestCare in southern Nevada, were supported by a partnership

between the State, counties, and hospital associations using an integrated approach to deflect mentally ill clients away from emergency rooms into a system that provided the services they needed. Dr. Brandenburg advised that WestCare had the ability to draw down the entire \$900,000 appropriation by the end of fiscal year 2007.

Dr. Brandenburg further advised that funding for the community triage centers was recommended to continue in the base budget for the 2007-09 biennium. Dr. Brandenburg pointed out that because language under the provisions of A.B. No. 175 of the 73rd Legislative Session precluded funding for mental health services in the base budget, the Governor had recommended funding as an enhancement which would be included in the base, if approved by the Legislature.

Chairwoman Leslie asked Dr. Brandenburg to comment on the status of the \$500,000 appropriated to NNAMHS for the community assistance center planned for the Reno/Sparks area and whether the program would be operational by June 30, 2007. Chairwoman Leslie recalled that Subsection 7 of A.B. No. 175 of the 73rd Legislative Session included language that the MHDS could not expend any of the appropriation for the community assistance center until the Division had:

- Issued a Request for Proposals (RFP) for the selection of one or more appropriate contractors to operate the center.
- Received matching amounts of money from both local governments and hospitals.

Dr. Brandenburg indicated that although Reno, Washoe County, and the hospitals had appropriated funds, and Sparks' representatives were discussing an appropriation, he doubted that NNAMHS could expend the \$500,000 by the close of fiscal year 2007. He said that it appeared more likely the program would become operational by July or August 2007.

Chairwoman Leslie indicated that although a delay had occurred in developing the regulations she could confirm that Renown Health, formerly Washoe Medical Center, and Saint Mary's had come forward with sizeable contributions, and Reno and Washoe County were also going to provide contributions. The Chairwoman noted, however, that if the program was not operational by June 30, 2007, the \$500,000 appropriation would revert to the state General Fund.

Dr. Brandenburg confirmed the funding would automatically revert to the state General Fund, but that an annual \$500,000 appropriation was recommended going forward in the 2007-09 budget.

Chairwoman Leslie asked Dr. Brandenburg to comment on an additional 90 residential placements at Southern Nevada Adult Mental Health Services (SNAMHS). The Chairwoman recalled that under the provisions of A.B. No. 175 of the 73rd Legislative Session, the Legislature in 2005 added 90 residential placements for southern Nevada in addition to 90 in the budget for a total of 180, and funding was recommended in the 2007-09 budget for an additional 90 residential placements in the base.

Dr. Brandenburg advised that residential placement services provided a housing component that was especially important in Clark County where the

unavailability of housing saw many clients going between hospital emergency rooms and the SNAMHS facility. Dr. Brandenburg said the service maintained clients in the community, reduced hospital inpatient stays, and reduced the need to admit clients to the hospital. Additionally, Dr. Brandenburg advised that under the provisions of A.B. No. 175 of the 73rd Legislative Session, two separate categories were developed for residential placement services. Dr. Brandenburg said that funds were being under spent in category 29 and over spent in category 18, but once the budget was approved, the categories would be combined and tracked as category 18 residential support allowing funding to be encumbered and expended in one fiscal year.

In response to Chairwoman Leslie, who asked whether there was waiting list for residential placement services in Clark County, Dr. Brandenburg confirmed a waiting list existed and that there were many clients who could benefit from the program.

In response to questions Chairwoman Leslie asked regarding the SNAMHS contract with WestCare to provide beds for mentally ill clients, Dr. Brandenburg advised that A.B. No. 175 of the 73rd Legislative Session had included a \$7 million appropriation to support a contract with WestCare for 50 beds. However, once the Rawson-Neal Hospital opened, the number of contract beds was reduced from 50 to 25, and Decision Unit E328 in the SNAMHS budget provided funding for 22 psychiatric beds on campus in building 3 that would be operated by SNAMHS during the next biennium.

In response to concerns Chairwoman Leslie raised regarding hiring professional staff by July 1, 2007, to support the 22 beds in Building 3, Dr. Brandenburg advised that July, August, and September historically had been critical periods for mentally ill patients accessing medical assistance in Clark County emergency rooms. Dr. Brandenburg indicated that without authorization to immediately begin recruitment for psychiatric physicians, the operation of the 22 beds would likely be delayed until October 2007. Dr. Brandenburg explained that the recommendation for the July 1, 2007, date in The Executive Budget addressed the problem that would occur between the time the contract with WestCare expired on June 30, 2007, and October 1, 2007, when the 22 beds could be supported.

Chairwoman Leslie pointed out that the Subcommittee was not in a position to recommend the authorization until the budget process was completed. Chairwoman Leslie suggested extending the WestCare contract with a hiring plan to phase in the psychiatric physicians needed to support the 22 beds.

Dr. Brandenburg agreed that the WestCare contract could be extended for the three months the psychiatric staff was being recruited and hired.

Chairwoman Leslie noted that the budget did not provide funding to extend the contract and asked Dr. Brandenburg to work with the Subcommittee's staff on options to solve the hiring problem.

In response to questions Senator Cegavske asked relative to the number of vacant positions in all MHDS agencies, Dr. Brandenburg advised that agency representatives were prepared to provide current vacancy rates by discipline, position, and region.

In response to questions Senator Cegavske asked regarding the SNAMHS campus and Building 3, Dr. Brandenburg reported that fire-safety upgrades in

Building 3 had been completed. Although currently being used to house staff, Dr. Brandenburg reported that, if needed, the building could be available the following day to serve an additional 77 patients.

Senator Cegavske asked Dr. Brandenburg to comment on the request for increased security services on the SNAMHS campus.

Dr. Brandenburg described the large SNAMHS campus and incidents in which some of southern Nevada's homeless population had inappropriately accessed the campus. Those incidents involved vandalism and created a growing awareness of the need to ensure the safety of staff on a 24-hour-per-day, 7-days-per-week basis.

In response to Senator Cegavske's comments regarding vandalism that occurred on the church property located adjacent to the SNAMHS campus, Dr. Brandenburg reported that prior to the construction of the Rawson-Neal Hospital, the site for the hospital was used by homeless individuals. Additionally, Dr. Brandenburg said that although many of the homeless were forced to leave once construction was completed, sections of the campus, particularly below the Desert Regional Center, continued to draw members of the homeless population.

Assemblyman Denis asked Dr. Brandenburg to comment on the information technology (IT) technician position and the half-time dietician position recommended in the proposed SNAMHS budget.

Dr. Brandenburg advised that the half-time dietician position would be used to support the increased food service for the 22 beds in the new hospital. Additionally, Dr. Brandenburg reported on how adversely the SNAMHS campus was affected by a lack of infrastructure, especially in the information technology area. He explained that with 700 staff members and approximately 500 users, the one IT person currently employed by the SNAMHS could not provide the IT service needed for the entire campus.

Chairwoman Leslie asked Dr. Brandenburg to comment on whether the recommendation for a \$7.22 million salary adjustment in the 2007-09 biennium to support a two-grade increase for MHDS agencies clinical staff would assist in recruiting and retaining staff.

Dr. Brandenburg advised that the salary increases recommended in Decision Unit E814 for clinical professionals, psychologists, mental health counselors, nurses, and social workers would positively affect the workforce issue and bring in needed staff.

Chairwoman Leslie asked MHDS representatives to comment on the proposed elimination of Mojave Mental Health Services revenue tracking from the NNAMHS and the SNAMHS accounts. The Chairwoman had learned that the Division of Health Care Financing and Policy (HCFAP) would be reporting on Mojave revenue and expenditures through a new software mechanism and asked for assurance that the state-supported funding paid to Mojave was going to be adequately documented by HCFAP.

Jeff Mohlenkamp, Administrative Services Officer (ASO), advised that MHDS staff had been tracking the Mojave Medicaid funding over several bienniums, but HCFAP currently provided revenue and expenditure information for block grant reconciliations for Mojave Mental Health Services. Mr. Mohlenkamp

advised that the information could be more efficiently tracked by HCFAP rather than through the NNAMHS and SNAMHS budgets.

Chairwoman Leslie asked MHDS representatives whether the \$2.9 million supplemental appropriation request in The Executive Budget, which consisted of \$2.3 million for Lake's Crossing, \$439,365 for the Desert Regional Center, \$95,229 for the Rural Regional Center, and \$60,000 for increased caseload growth in the Family Preservation Program, was accurately reflected.

Mr. Mohlenkamp advised that although the \$2.9 million supplemental appropriation was needed, the supplemental needed for SNAMHS would, most likely, be nominal, if needed at all, and the funding for Developmental Services was anticipated to be less than initially projected.

Chairwoman Leslie noted, for the record, that Capital Improvement Projects pertinent to the MHDS budgets would be more thoroughly discussed at a later date by the Joint Subcommittee on Higher Education/Capital Improvements. Chairwoman Leslie expressed concern regarding the \$7.6 million recommendation for the design only of the Lake's Crossing facility in Clark County. It was the Chairwoman's understanding that a higher priority had been attached to the Lake's Crossing forensic facility, which she would address during the Joint Subcommittee on Higher Education/Capital Improvements hearing.

Dr. Brandenburg confirmed that \$7.6 million was recommended for design of the 50-bed Lake's Crossing forensic facility as well as the acquisition of the land in Clark County.

In response to a question Senator Cegavske asked regarding the location of the 50-bed forensic facility, Dr. Brandenburg said that although a site had not yet been selected, a meeting had been scheduled with the State Public Works Board (SPWB) representatives to explore possible locations. Dr. Brandenburg advised, however, that in an effort to consolidate services, the facility would, most likely, be located in the northeast corner of the Las Vegas Valley near Nellis Air Force Base and the Division of Child and Family Services.

Senator Cegavske referred to an earlier discussion regarding community triage centers and asked when the building occupied by the WestCare Triage Center was designated for removal to allow for the expansion of the freeway.

Chairwoman Leslie invited Richard Steinberg, Chief Executive Officer (CEO), WestCare, to the witness table to respond to the question.

Mr. Steinberg said he recently learned it would be another two years before the building would need to be removed.

Chairwoman Leslie recognized Justice of the Peace John Tatro and invited him to the witness table to provide information on his experience presiding over the mental health court in Carson City.

Judge Tatro described the mental health court program as "phenomenal." He told the members of the Subcommittee that the funding, provided through the passage of A.B. No. 175 of the 73rd Legislative Session had changed the court in a positive manner making it possible to have the assistance of a service coordinator, a public defender, district attorney, and two psychologists, one

who was in court each week and another who provided services to clients who were incarcerated.

Judge Tatro discussed the mental health court's positive affect on the lives of mentally ill offenders and their families and the thousands of dollars saved as a result of a dramatically reduced incarceration rate because clients were constantly monitored by an entire team of professionals. The judge indicated that without the funding, mentally ill offenders would be back on the street, their families would be uprooted, and the jails and mental health facilities would be crowded. Judge Tatro invited anyone who was interested to attend a mental health court session on any Wednesday afternoon in Carson City beginning at 3:30 p.m.

Senator Cegavske expressed her thanks to Judge Tatro and indicated she had attended and been impressed by Judge John McGroarty's mental health court in Las Vegas. Senator Cegavske said that after speaking with clients, their family members, and other judges, she was convinced the funding was well spent and encouraged its continuation. Senator Cegavske extended her appreciation to all of the judges presiding over mental health courts for their contributions to the success of the program.

Chairwoman Leslie also expressed her thanks to Judge Tatro for the good work he was doing in Carson City, and she encouraged those who were interested to take advantage of Judge Tatro's invitation to attend a court session.

Judge Tatro said, in his closing remarks, that the mental health court was exactly what was needed and expressed his appreciation for the funding.

HUMAN SERVICES-MENTAL HEALTH AND DEVELOPMENTAL SERVICES
MHDS ADMINISTRATION (101-3168) – BUDGET PAGE MHDS-1

Chairwoman Leslie opened the hearing on Budget Account 3168 with a discussion of major issues and asked Division of Mental Health and Developmental Services (MHDS) representatives to comment on the need for 3.5 new full-time equivalent (FTE) administrative positions.

Carlos Brandenburg, Ph.D., Administrator, Division of Mental Health and Developmental Services (MHDS), indicated that it had been a number of years since the MHDS had received funding for new staff.

Dr. Brandenburg said that growth in the Division required a great deal of staff time on services at the community level, which made it increasingly difficult to provide the necessary fiscal oversight and respond to requests from the Legislative Counsel Bureau (LCB) and the Budget Division. Dr. Brandenburg turned the microphone over to Jeff Mohlenkamp, who provided information on the specific issues being dealt with on a day-to-day basis.

Chairwoman Leslie asked for comments on issues directly related to the requested positions. Additionally, Chairwoman Leslie expressed concern relative to the use of the Substance Abuse Prevention and Treatment (SAPT) grant to fund 100 percent of the costs for the requested positions. Chairwoman Leslie asked whether the positions were being requested as a result of the former Bureau of Alcohol and Drug Abuse (BADA), currently identified as the Substance Abuse Prevention Treatment Agency (SAPTA), being moved from the Health Division to the MHDS.

Jeff Mohlenkamp, Administrative Services Officer (ASO), MHDS, said that under the provisions of the block grant, it was appropriate to expend SAPT funds for the positions. Mr. Mohlenkamp compared the proposed expenditure of the SAPT funds to the Health Division's method of operation in that there were no positions dedicated to the BADA or Substance Abuse Prevention Treatment Agency (SAPTA). Mr. Mohlenkamp said, however, that the funding "certainly" would be used to support the SAPTA under the authority of Dr. Brandenburg.

Mr. Mohlenkamp reported that responsibilities assigned to the management analyst 3 would include monitoring more than 300 contracts, and the oversight of grants and sub-grants, as well as division-wide duties. Mr. Mohlenkamp attributed missed deadlines and request for proposals (RFPs) not being initiated as frequently as necessary to the lack of a centralized mechanism to control and track contracts which, he said, required additional staff.

In response to a question Senator Cegavske asked relative to whether Health Division staff would relocate with the SAPTA to the MHDS, Mr. Mohlenkamp advised that caseload growth with the Health Division allowed them to retain the staff within their budget.

Senator Cegavske said it was her understanding that the positions were to transfer with the SAPTA to the MHDS and asked that information on the SAPTA positions be provided to the Subcommittee's staff. Senator Cegavske also expressed reservations regarding the use of the SAPT block grant to fund the cost of the positions and said that the issue required further discussion with staff.

Additionally, Senator Cegavske noted that the MHDS Administration performance indicators were provided in percentages and indicated a preference for numbers rather than percentages or measurement levels. The Senator requested that performance indicators be further addressed with the Subcommittee's staff.

Dr. Brandenburg said that the performance indicators for the MHDS central office attempted to measure the administration's performance in assisting each agency, under the direction of the MHDS Administrator, to carry out that agency's duties. Toward that end, Dr. Brandenburg said that a leadership practices survey was conducted that allowed the agencies to rate the effectiveness of the central office in a number of areas. Dr. Brandenburg indicated he would make himself available to discuss the issue with Subcommittee and staff.

Dr. Brandenburg reiterated the need for additional staff for the central office to address the numerous requests for information, collect additional Medicaid dollars, and maintain fiscal oversight over a biennial budget totaling over \$700 million. Dr. Brandenburg advised that the request for staff was based on the same model that had been approved in the past.

Chairwoman Leslie said that the Subcommittee wanted clarification that block grant funding would be transferred and would continue to support the same types of positions that had been funded in the BADA. Chairwoman Leslie advised that any positions that were to remain with the Health Division would need to be justified during their budget presentation. Additionally, Chairwoman

Leslie asked whether the use of federal SAPT funds for the 3.5 positions reduced the amount available for prevention and treatment services.

Mr. Mohlenkamp indicated he did not believe that the use of federal funds for the positions would reduce prevention and treatment services. He indicated that the oversight needed for the SAPTA could be provided at the divisional level and reiterated that the MHDS central office lacked the staff necessary to provide "good" fiscal oversight. Mr. Mohlenkamp pointed out that the new Medicare contractor had collected several hundred thousand dollars that the previous contractor had failed to collect. Mr. Mohlenkamp believed that with additional staff, more Medicaid, Medicare, and insurance dollars could be collected and contracting practices could be improved.

Chairwoman Leslie asked that MHDS representatives comment on increased In-State and Out-of-State Travel costs reflected under Enhancements (E) 255 and E258.

Dr. Brandenburg reported that increased funds were recommended for In-State Travel to allow the members of the Commission on Mental Health and Development Services to attend legislative meetings and conferences, such as the Juvenile Justice Conference. Currently, there was only enough funding for In-State Travel for the Commissioners to attend the Commission meetings. Dr. Brandenburg pointed out that there were no members of the Commission present for the current hearing because of the lack of funding.

Additionally, Dr. Brandenburg explained that In-State Travel funding was needed for MHDS administrators including the Administrator, the Deputy Administrator, the Auditor, the statewide Medical Director, and the ASO to visit the agencies under its direction and to provide the needed oversight.

Chairwoman Leslie asked Dr. Brandenburg to comment on the recommendation to increase Out-of-State Travel from \$3,126 each year in the base budget to a total of \$11,120 each year.

Dr. Brandenburg reported that the additional Out-of-State Travel funds were recommended in Decision Unit E255 to meet federally mandated pre-admission screening and annual resident review (PASSAR) for nursing homes. Dr. Brandenburg said that there were currently about 50 clients in Nevada nursing homes and between 10 and 15 clients in Utah. Dr. Brandenburg said a part of the MHDS mandate was to conduct a biennial report, which required Out-of-State Travel to visit clients in Utah.

Chairwoman Leslie indicated staff had pointed out that funding remained in the In-State Travel category for the current fiscal year and that the Commissioner from Elko could have attended the hearing.

Dr. Brandenburg advised that the In-State Travel funds had been encumbered for the Commission meeting scheduled for March.

Chairwoman Leslie asked that MHDS representatives meet with the Subcommittee's staff to address In-State and Out-of-State travel issues.

Chairwoman Leslie asked agency administrators to discuss the leadership practices survey.

Dr. Brandenburg explained that the leadership practices survey, based on a national standard, was used to survey internal stakeholders on the leadership performance of the central office staff and effectiveness of Budget Account 3168.

Chairwoman Leslie asked MHDS staff to provide a measure of the effectiveness of the leadership survey to the Subcommittee's staff.

Chairwoman Leslie closed the hearing on Budget Account 3168.

HUMAN SERVICES-MENTAL HEALTH AND DEVELOPMENTAL SERVICES
NORTHERN NEVADA MENTAL HEALTH INSTITUTE (101-3162) –
BUDGET PAGE MHDS-13

Chairwoman Leslie opened the hearing on Budget Account 3162 with a discussion of major budget issues and asked representatives of the Division of Mental Health and Developmental Services (MHDS) to comment on recommendations reflected under Maintenance (M) 200 for the medication clinics.

Carlos Brandenburg, Ph.D., Administrator, MHDS, reported that Decision Unit M200 recommended a caseload growth of 170 clients for the Northern Nevada Adult Mental Health Services (NNAMHS) medication clinics. Dr. Brandenburg advised that funding in the recommended budget would support opening two new off-site medication clinics. Dr. Brandenburg explained that several medication clinics operating independently of the NNAMHS campus could more effectively serve clients in the Reno-Sparks area by being more accessible than a clinic at one location at the NNAMHS hospital. Dr. Brandenburg advised that sites in close proximity to the community triage center in Reno were being looked at to achieve a "maximum economy of scale" in coordinating efforts between the NNAMHS and the triage center. The first clinic was projected to be operational by October 2007 and the second by July 2008.

Harold Cook, Ph.D., Agency Director, NNAMHS, testified that another primary reason for moving medication services into the community was that there was no available space available on the NNAMHS campus that could provide the necessary services for caseload growth. Additionally, Dr. Cook pointed out that with the rapid expansion of Washoe County, community-based services needed to be more accessible to clients.

In response to questions Chairwoman Leslie asked regarding the site for the second medication clinic, Dr. Cook advised that although the clinic sites had not yet been selected, plans called for the second site to be located in the Sparks area since a "heavy concentration" of clients resided in Sparks.

In response to a question Chairwoman Leslie asked regarding the feasibility of opening both clinics in the next biennium, Dr. Cook reiterated earlier statements that the first clinic was recommended to be operational in October 2007 and the second clinic in July 2008.

In response to a question Chairwoman Leslie asked regarding the need for two additional consumer services assistants, Dr. Cook advised that the current four consumer services assistants had proved to be invaluable in making services more accessible to clients. Dr. Cook explained that when a consumer services assistant was on premises, clients who were fearful of receiving services or

uncertain about what they needed were often better able to talk to a fellow consumer who could provide them with information and make them more comfortable with respect to accessing and maintaining services. Additionally, Dr. Cook said that having a consumer services assistant on site in each of the clinics would bring clients in who needed services.

In response to a question Chairwoman Leslie asked regarding the current number of consumer services assistants, Dr. Cook indicated there were currently four positions, only three of which were filled.

In response to a question Chairwoman Leslie asked regarding residential placements, Dr. Cook confirmed that 30 additional residential placements were recommended in Decision Unit M201.

Chairwoman Leslie asked for comments regarding the recommendation for the projected caseload growth for the Mental Health Court in Decision Unit M208.

Dr. Brandenburg advised that the NNAMHS was the only MHDS agency permitted to include projected growth for the mental health court because of the 50 clients that were served in the mental health court prior to passage of A.B. No. 175 of the 73rd Legislative Session. Dr. Brandenburg advised that Decision Unit M208 recommended an additional 100 clients for the biennium to address projected mental health court growth in Washoe County, and continued current caseload support was recommended for Clark County and Carson City.

Chairwoman Leslie expressed concern relative to the projected caseload growth in Clark County, which she indicated would be reviewed in the Southern Nevada Adult Mental Health Services' budget.

In response to Chairwoman Leslie who asked whether the projected mental health court caseload increase met expectations, Dr. Cook expressed satisfaction that the projected 100 new clients could be supported by the new medical staff.

In response to questions Chairwoman Leslie asked relative to the ratio of full-time positions (FTEs) to mental health court clients in Decision Unit M208, Dr. Cook advised that the caseload ratio was 20 clients to each service coordinator.

In response to Chairwoman Leslie, who asked if a national average of mental health court clients to service coordinators existed, Dr. Brandenburg advised that a national average did not exist. He said, however, that the 20:1 caseload was calculated by using the difference between the intensive service coordinators caseload of 12:1 in Clark County and the overall 35:1 caseload for service coordinators in mental health courts.

Chairwoman Leslie asked agency representatives to review the ratios of FTE positions to clients with the Subcommittee's staff to ensure that the agency calculations were understood.

Chairwoman Leslie asked agency representatives to comment on the recommendations in Decision Unit M209, Psychiatric Observation Unit (POU), and how the increase in monthly admittance rates from 99 per month to 132 per month could be accommodated in a facility with a 10-bed capacity. Additionally, Chairwoman Leslie also asked agency representatives to explain the need for the 6.50 new positions requested in the budget.

Dr. Brandenburg explained that the average daily census for the POU was 6 for fiscal year 2006, while the average daily census for the Dini-Townsend Hospital was 25. He said that a review of fiscal year 2006 would reflect that the hospital at various periods had been at or near capacity, and Dr. Cook had been able to move staff from the in-patient unit to the POU. However, admittance for the POU was projected to increase putting the unit closer to the 10-bed capacity and making it difficult to move staff from the in-patient unit especially during the time period the POU was at or near capacity. Additionally, Dr. Brandenburg explained that full-funding was not initially provided for the POU after determining that it would take time to increase capacity.

In response to additional questions Chairwoman Leslie asked regarding the 6.5 new positions, Dr. Cook said the 6.5 new positions, which included 4 mental health technicians, 1 psychiatric nurse 3, and 1.5 support positions were all requested for the POU.

In response to questions Chairwoman Leslie asked regarding funding for the POU, Dr. Cook reiterated Dr. Brandenburg's comment that the POU had never been fully funded. Dr. Cook explained that the program was initially funded in 1999 at 50 percent of the needed staff. Additional staff had been hired over time, but Dr. Cook pointed out that admittance rates for the POU had increased and was frequently at capacity of 10 with perhaps 1 or 2 clients waiting for services. Dr. Cook said it had become increasingly difficult to move staff around the hospital to ensure adequate staffing was available in the POU.

Chairwoman Leslie noted that census reports reflected an average of only 6.4 clients during the current fiscal year.

Dr. Cook responded that the 6.4 client average could fluctuate from 4 to 10 on a daily basis for an average 24-hour stay before being discharged. Dr. Cook indicated that the POU had a rapidly fluctuating caseload and at capacity presented an acute and stressful workplace.

Chairwoman Leslie continued to question the need for the number of new positions requested since the average daily census had only increased from 5.8 beds to 6.4 beds.

Dr. Cook responded that in the last 6 months, the POU had been frequently filled to capacity with 10 clients, and he said the average daily census had most likely increased from 6.4 to 7.

Chairwoman Leslie indicated that the request for positions would require a closer review.

Senator Cegavske commented on the percentage format for performance indicators and said that a number format, rather than a percentage format would be helpful to members of the Subcommittee.

Chairwoman Leslie noted that a community outreach program the Reno Police Chief had been working on with MHDS representatives did not appear in The Executive Budget.

Dr. Brandenburg explained that the Police Chief wanted to develop a Mobile Outreach Program in partnership with NNAMHS staff. The Police Chief had requested 2 social workers who would work with officers on a

Crisis Intervention Team to locate mentally ill individuals in the community to be provided assistance through the triage center. Dr. Brandenburg said the request had been placed in a decision unit for items of special consideration.

Chairwoman Leslie indicated she would invite the Police Chief to address the members at a future hearing and asked that more detailed information on the Mobile Outreach Program request be provided to the Subcommittee.

Senator Cegavske recalled a similar conversation regarding outreach programs during the 2005 Legislative Session and asked whether Clark County had implemented or planned to implement such a program.

Dr. Brandenburg advised that Clark County had implemented a Mobile Crisis Team.

Senator Cegavske indicated it would be helpful for the Subcommittee to know whether Clark County's team was a good model on which to base the Washoe County program.

Chairwoman Leslie indicated that the Washoe County and Clark County programs could both be discussed at a future hearing, although the Mobile Outreach Program in Washoe County was more police-directed, while the Clark County Mobile Crisis Team was directed toward emergency rooms.

Chairwoman Leslie closed the hearing on Budget Account 3162.

HUMAN SERVICES-MENTAL HEALTH AND DEVELOPMENTAL SERVICES
FACILITY FOR THE MENTAL OFFENDER (101-3645) – BUDGET PAGE
MHDS-26

Chairwoman Leslie began the hearing on budget account 3645 with a discussion on major issues and asked the Division of Mental Health and Developmental (MHDS) representatives to comment on the request for additional staff to support a 28-bed expansion.

Carlos Brandenburg, Ph.D., Administrator, Division of Mental Health and Developmental Services, introduced Elizabeth Neighbors, Ph.D., Director, Lake's Crossing Center for the Mentally Disordered Offender, MHDS.

Dr. Brandenburg responded that the 28-bed expansion was in response to a lawsuit filed in federal court on behalf of individuals who were adjudicated incompetent to stand trial and whose rights were alleged to have been violated as a result of not being provided treatment in a timely manner.

Dr. Brandenburg said that, as a result of the lawsuit, the Interim Finance Committee (IFC) approved a MHDS request to add 8 additional beds at the Lake's Crossing Center increasing the number to 56 and 20 additional beds at the Dini-Townsend Hospital increasing the number of beds to 76.

Dr. Brandenburg explained that the 12 additional positions requested under Maintenance (M)600 were needed to help maintain the safety and security of the facility because 60 percent of the clients were admitted as result of violent crimes and 25 percent were admitted for first-degree murder. Additionally, Dr. Brandenburg said that the additional staff was needed to provide a level of assurance to the community because the Lake's Crossing Center lacked a secured perimeter.

In response to Chairwoman Leslie, who asked for comments regarding the number of monthly in-takes received at Lake's Crossing, Dr. Neighbors reported that commitment orders fluctuated between 10 and 18 per month.

In response to Chairwoman Leslie, who asked whether the wait-list and wait-times had decreased, Dr. Neighbors advised that only two individuals were now on the list and had been waiting less than a week. Dr. Neighbors indicated a goal had been established to maintain a 7-to-10-day only wait-list, taking into account that some clients had to be transported across great geographical distances.

In response to Chairwoman Leslie, who asked whether individuals were being flown to the Lake's Crossing Center from Las Vegas, Dr. Neighbors advised that a plane usually transported inmates to the Center twice a month, although the plane was available on a weekly basis.

In response to questions Chairwoman Leslie asked regarding the average daily census, Dr. Neighbors advised that although there was some fluctuation, the Center was currently operating at about 75 percent occupancy and providing treatment to clients in a timely manner. Dr. Neighbors advised, however, that in 2005 and 2006, prior to opening the annex, the Center was operating at or above 100 percent occupancy.

Chairwoman Leslie noted the request for nine additional forensic positions and asked for comments regarding the need for the positions if the Center was operating at less than 100 percent capacity.

Dr. Neighbors advised that the 9 positions were required to appropriately carry out the "specific identifying tasks" performed by Forensic Specialists. Additionally, Dr. Neighbors advised that the positions were needed to maintain full-staffing and security coverage as well as to address overtime issues when the facility was operating near capacity.

In response to questions Chairwoman Leslie asked relative to the type of state licensing and national accreditation being sought, Dr. Neighbors advised that an application was being submitted to the Bureau of Licensure and Certification (BLC) before moving on to the Joint Commission on Accreditation of Health Care Organizations (JCAHO).

In response to questions Chairwoman Leslie asked regarding the BLC inspection, Dr. Neighbors advised that the facility's kitchen had to be modified to meet Americans with Disabilities Act (ADA) standards, and census issues had to be resolved prior to moving forward with the BLC licensure and certification. Dr. Neighbors reported, however, that a meeting was scheduled on February 28, 2007, to review the completed kitchen modification and the resolution of the census issues.

In response to questions Chairwoman Leslie asked regarding JCAHO standards, Dr. Neighbors advised that JCAHO standards were observed as closely as possible and that fees for licensure had been requested in the budget.

Senator Cegavske questioned whether JCAHO accreditation provided federal funding benefits.

Dr. Brandenburg advised that inmates sent to the Lake's Crossing Center after being adjudicated incompetent to stand trial forfeited their federal benefits. Dr. Brandenburg discussed the importance of an outside entity recognizing that the established benchmarks had been met. Dr. Brandenburg expressed concern that the Lake's Crossing Center was currently the only in-patient facility that was not licensed by the Bureau of Licensure and Certification (BLC) or JCAHO and advised that the goal was to become licensed by the BLC followed by JCAHO accreditation.

Senator Cegavske expressed appreciation that the Lake's Crossing performance indicators were presented in numbers rather than percentages. Senator Cegavske, however, questioned the "Average Length of Stay" projections of 115 days for 2007, 122 days for 2008, and 115 days for 2009 compared to an actual count of 138 days in 2006.

Additionally, Senator Cegavske questioned the "Percent of Clients Judged Competent at Discharge" projected at 85 percent for 2006 compared with an actual 79 percent for 2006 and projections of 85 percent for 2007, 2008, and 2009. Senator Cegavske also questioned why there was no "Length of Time on the Waiting List" projected for 2007, but seven days was projected for 2008 and 2009.

Dr. Brandenburg advised that the seven days projected for "Length of Time on the Waiting List" was the Ninth District Circuit Court's standard to which the Lake's Crossing Center was being held accountable. Dr. Brandenburg said the seven days was applicable to fiscal years 2007, 2008, and 2009. Additionally, Dr. Brandenburg said he expected the population would continue to grow and projected that, at some point during the coming biennium, the Interim Finance Committee would be requested to review the possibility of converting additional Dini-Townsend Hospital beds to accommodate the increased population.

Chairwoman Leslie indicated the Ninth District Circuit Court's standard for seven days on the waiting list was another reason to open a facility in Las Vegas "sooner rather than later."

Chairwoman Leslie noted that although Decision Unit M600 included \$18,000 for additional medications, the agency intended to utilize an intramuscular medication identified as Risperdal Consta, which was specifically omitted in the Governor's recommended budget.

Jeff Mohlenkamp, Administrative Services Officer (ASO), MHDS, advised that the medication was removed from the Northern Nevada Adult Mental Health Services' and the Southern Nevada Adult Mental Health Services' budgets but was inadvertently retained in the Lake's Crossing' budget.

Chairwoman Leslie closed the hearing on Budget Account 3645, Facility for the Mental Offender.

HUMAN SERVICES-MENTAL HEALTH AND DEVELOPMENTAL SERVICES
RURAL CLINICS (101-3648) – BUDGET PAGE MHDS-32

Chairwoman Leslie opened the hearing on budget account 3648 and asked representatives of Rural Clinics to hold their comments regarding caseload changes until the arrival of Assemblyman John Carpenter and Senator Dean Rhoads. Chairwoman Leslie advised that Assemblyman Carpenter

and Senator Rhoads would address the Subcommittee relative to their concerns on projected caseload changes.

Senator Raggio advised, for the record, that he had received 16 letters regarding "deficiencies" in the Rural Clinics' budget. Specifically, he said letters were received from representatives of the city of Lovelock and Pershing County, representatives of the court and school systems, and probation officers from northeastern Nevada, who had expressed concern regarding a lack of funding in The Executive Budget to increase pay for psychiatrists and to recruit and retain clinicians in rural Nevada.

Carlos Brandenburg, Ph.D., Administrator, Division of Mental Health and Developmental Services, advised that all psychiatrists employed by Rural Clinics were hired on a contract basis. Dr. Brandenburg further advised that the Governor's recommended salary increase for psychiatrists, psychologists, social workers, and nurses was not applicable to contract psychiatrists.

In response to questions Senator Raggio asked regarding the ability to attract new psychiatrists upon the expiration of contracts, Dr. Brandenburg advised that one psychiatrist had been on contract since Rural Clinics' inception while others worked for shorter periods before deciding to go elsewhere. Dr. Brandenburg explained that psychiatrists were hired on a contract basis because of the agency's inability to recruit and retain psychiatrists to work in the rural areas on a permanent basis. Dr. Brandenburg advised that funding for a pay increase and to recruit and retain clinicians in rural Nevada were items that had been set aside for special consideration but "unfortunately" were not included in the budget.

In response to questions Senator Raggio asked regarding the number of contract psychiatrists employed by Rural Clinics to cover Nevada's 15 rural counties, Dr. Brandenburg advised there were 16 to 28 contract psychiatrists covering clinics in rural Nevada.

Dr. Brandenburg described the workforce issue, relative to the recruitment and retention of staff, as a major problem for Rural Clinics. Dr. Brandenburg provided the following statistics:

- At the start of 2006, 186 vacancies in Rural Clinics were filled.
- Average turnover rate was 46 percent.
- Clinical turnover rate for psychologists, social workers, and nurses was 58 percent.
- Turnover rate for clinic directors was 60 percent.
- A Rural Clinics employee stayed in their position an average 1.5 years.
- A Rural Clinics clinician stayed in their position an average of 1.7 years.
- An average of 8.8 months was needed to recruit a full-time clinical position for Rural Clinics.

Additionally, Dr. Brandenburg pointed out that, although the need continued to exist, caseload had to be adjusted to accommodate the difficulties encountered in the recruitment and retention of staff.

Chairwoman Leslie questioned the budget decision to reduce positions and suggested reviewing incentives that were needed to recruit and retain staff. Additionally, Chairwoman Leslie indicated a plan needed to be developed to meet rural mental health needs.

Dr. Brandenburg advised that under the leadership of Mike Willden, Director, Department of Health and Human Services (DHHS), several incentives had been developed to meet mental health needs in rural Nevada. Dr. Brandenburg advised, however, that the incentives, placed under items for special consideration, had not been included in the budget.

Dr. Brandenburg advised that the incentives included a pay differential as well as a sixth year toward retirement benefits for employees who worked five years in rural areas. Dr. Brandenburg pointed out, however, that Rural Clinics could not even retain employees for two years.

Dr. Brandenburg advised that the inability to retain professionals in rural areas was a national phenomenon with 90 percent of psychologists and over 95 percent of social workers employed in metropolitan areas. Dr. Brandenburg asked the members of the Subcommittee to be aware that not every clinician out of graduate school could work in rural frontier areas, and he indicated that the university curriculum for social workers, nurses, psychologists, and other clinicians was an area that needed to be further addressed. Dr. Brandenburg advised that the agency was working with the Nevada System of Higher Education (NSHE) to review the way students were being trained in Nevada and to place "some emphasis on an awareness of rural competency."

Chairwoman Leslie recognized Senator Dean Rhoads, who represented Elko, Eureka, Humboldt, Lander, Lincoln, Pershing and White Pine counties, and part of Nye County, and Assemblyman John Carpenter, who represented Elko County and parts of Humboldt County.

Senator Rhoads remarked that he and Assemblyman Carpenter had attended a dedication for a health facility in Elko in 2006 and had been alarmed to learn of the large percentage of vacancies in Rural Clinic facilities. Senator Rhoads indicated it was his understanding that incentives to recruit and retain clinicians were initially included in the budget for the 2007-09 biennium but were later removed.

Senator Rhoads advised that he had initiated a bill draft request (BDR 23-1308) that would provide a \$1,200 bonus for clinicians recruited to rural Nevada statewide, a one-year probationary completion bonus of \$1,200, a 10 percent differential to base salary, and one additional year of Public Employees Retirement System (PERS) credit for every five years of work not to exceed five additional years for 25 years of work. The estimated cost of the incentives for a three-year period was \$3.5 million. Senator Rhoads defined frontier rural Nevada to include all counties with the exception of Carson City, Lyon County, Storey County, Douglas County, Washoe County within 50 miles of Reno, and Clark County within 50 miles of Las Vegas.

In response to Assemblywoman Weber, who asked whether recruiting costs had been included in the bill draft request, Senator Rhoads indicated recruiting costs had not been included but could be discussed when the bill was introduced.

In response to Chairwoman Leslie, who questioned whether recruiting costs were included in the budget, Dr. Brandenburg clarified that recruiting costs were not included in the budget.

Assemblyman Carpenter expressed agreement with the incentives proposed in Senator Rhoads' bill draft request. Assemblyman Carpenter told the members

of the Subcommittee that rural mental health clients faced their own crisis when some clients had to wait 60 to 90 days before being provided services.

Assemblyman Carpenter discussed the "good" work being accomplished in the Eastern Regional Drug Court, encompassing Elko, White Pine, and Lincoln counties, through weekly court sessions, counseling, and random drug testing that kept mental health clients out of the prison system. Assemblyman Carpenter pointed out that mental health workers were an integral part of the drug court process and asked for the Subcommittee's assistance in returning the eliminated positions to the budget. Additionally, Assemblyman Carpenter discussed an incentive provided through the Great Basin College program that would assist students pursuing a degree in social work.

In closing, Assemblyman Carpenter asked for the Subcommittee's support to provide the necessary funding to recruit and retain mental health professionals in northeastern Nevada.

Chairwoman Leslie expressed her appreciation to Senator Rhoads and Assemblyman Carpenter for appearing before the Subcommittee and noted that the mental health court in Washoe County had accepted clients from Elko as a result of the lack of services in northeastern Nevada.

Assemblywoman Smith noted that the discussion relative to incentives was also applicable to the recruitment of teachers and cautioned that the retirement credit did not appear to be a large draw to young people entering the workforce. Assemblywoman Smith suggested, however, a retirement credit might work as one piece of a larger package of incentives.

Chairwoman Leslie provided her assurance that the Subcommittee would review the Rural Clinics' budget with an emphasis on incorporating incentives to recruit and retain professional staff. Chairwoman Leslie expressed an understanding of why the bill draft had been initiated but indicated that the Subcommittee would work with staff to review available options.

Dr. Brandenburg clarified that funding for a psychiatrist position had never been included in the budget for the 2007-09 biennium but agreed, however, to provide the members of the Subcommittee information on the items for special consideration that were not included in the budget request.

In response to Chairwoman Leslie's request for a recapitulation of the eliminated positions, Dr. Brandenburg advised that 28.5 positions were eliminated in Decision Unit Maintenance (M) 203 for all rural sites. Dr. Brandenburg further advised that he would provide the Subcommittee's staff with information showing which positions, at which sites, were targeted for elimination.

Senator Raggio pointed out that the elimination of the positions reduced the budget by approximately \$1.8 million in each year of the biennium. However, restoration of the positions would add approximately \$3.7 million for the biennium, and incentives would add another \$3.5 million. Senator Raggio expressed full support for Rural Clinics but noted that it appeared there were barriers to working in a rural environment despite the provision of incentives.

Dr. Brandenburg indicated that placing funds in the Rural Clinics' budget specifically dedicated to recruitment issues would be beneficial to the hiring process. Additionally, he advised that State Personnel was in the process of

developing a series of generalist positions that would allow Rural Clinics to hire staff who currently did not qualify for available positions for reasons, such as a lack of experience. Dr. Brandenburg advised that current specifications were so restrictive that if an applicant with the ability to provide services, for example, in Tuscarora, lacked the necessary experience, that person could not be hired.

Senator Raggio requested that Mr. Willden, Dr. Brandenburg, and State Personnel representatives attempt to develop an incentive program and plan that would enhance the Rural Clinic's recruiting capability.

Chairwoman Leslie suggested looking into a scholarship incentive with a requirement that the recipient remain in rural Nevada and work for Rural Clinics for a certain number of years. Chairwoman Leslie agreed that a plan should be developed for the Subcommittee's consideration with perhaps reinstating 10 of the 28.5 positions along with options for incentives.

Dr. Brandenburg agreed to work with Mr. Willden to continue developing the incentive plan.

Chairwoman Leslie returned to a discussion of major issues and addressed the recommendation in Decision Unit M206 for 6.53 new full-time equivalent positions (FTE) to support an additional 18 clients in Psychosocial Rehabilitation Services. Chairwoman Leslie asked agency staff to comment on the recommendation for new positions and clients given the decreases in other decision units.

Ray Kendall, L.C.S.W., Agency Director, Rural Clinics, advised that the increase in FTE positions and clients was reflected in the greater numbers of clients being referred to Psychosocial Rehabilitation Service centers. Mr. Kendall advised that clients in the Psychosocial Rehabilitation Service setting were closely monitored while being taught daily living and job skills.

Chairwoman Leslie noted that Medicaid revenues reflected only about 8 percent of what had been projected in fiscal year 2005-06 and asked agency representatives to explain whether they planned to request a supplemental appropriation.

Jeff Mohlenkamp, Administrative Services Officer (ASO), Division of Mental Health and Developmental Services (MHDS), advised that the revenue shortfall was associated with vacant clinical positions as well as two other factors. Mr. Mohlenkamp advised that MHDS was working with the Division of Health Care Financing and Policy (HCFAP) to process a backlog of unpaid claims. The MHDS Division also needed additional staff to enhance billable services. Mr. Mohlenkamp indicated a "turnaround" would be seen in the numbers once the backlog was corrected. Additionally, he said he doubted a supplemental would be required, but he would notify staff if that was the case.

In response to a request from Chairwoman Leslie to explain the recommendation for funding additional clinical materials in Decision Unit Enhancement (E)250, Dr. Brandenburg advised that the funding was recommended to provide psychological assessment software that could accurately diagnose and address treatment for individuals with serious mental illness. The software was currently being used in a pilot program that began in fiscal year 2005-06. If approved, the software would be provided to ten additional clinics enabling the limited staff of clinicians to more effectively use their time.

Chairwoman Leslie closed the hearing on the Rural Clinics budget.

HUMAN SERVICES-MENTAL HEALTH AND DEVELOPMENTAL SERVICES,
SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES (101-3161) –
BUDGET PAGE MHDS-43

Chairwoman Leslie began the hearing on the Southern Nevada Adult Mental Health Services (SNAMHS) budget by discussing caseload changes in the Decision Unit Maintenance (M)200 series. Chairwoman Leslie asked agency representatives to comment on the recommendation to decrease appropriations for the medication clinics.

Carlos Brandenburg, Ph.D., Administrator, Division of Mental Health and Developmental Services (MHDS) introduced Stuart Ghertner, Ph.D., Agency Director, SNAMHS, Outpatient Services, MHDS, and David Rosin, M.D., Statewide Medical Director, SNAMHS, MHDS.

Dr. Brandenburg reported that the recommendation to decrease appropriations for the medication clinics was based on a reduction in caseload that resulted from an inability to recruit and retain psychiatrists. Dr. Brandenburg advised that the medication clinics had a total 29.5 outpatient psychiatrist positions, 17.5 of which were vacant. Dr. Brandenburg credited Dr. Rosin with recruiting nine additional psychiatrists who would all be placed by July 2007, and references and background investigations were currently being conducted for an additional seven psychiatrists.

Dr. Brandenburg pointed out that caseloads would increase as psychiatrists were hired, which was a problem the agency's Budget Analyst had indicated could perhaps be addressed by a work program change, a Contingency Fund request, or a supplemental appropriation.

Chairwoman Leslie informed agency representatives that it would be best to "come forward" with a revised budget while the Legislature was in session rather than approaching the Interim Finance Committee, after the budget was closed, to request additional funding.

In response to Dr. Brandenburg, who indicated the agency had to follow budget instructions in developing the budget, Chairwoman Leslie quoted Assembly Committee on Ways and Means Chairman Morse Arberry Jr., who said, "It is our budget now."

In response to questions Chairwoman Leslie asked regarding the vacancies, Dr. Rosin advised that contracts for locum tenens psychiatrists had recently been renegotiated with two psychiatrists currently working in community clinics and nine additional psychiatrists who would be working by July 2007. Additionally, Dr. Rosin reported that as a result of the understaffing issue, the "walk-in emergency services clinic," in addition to conducting assessments, was also being used as a medication clinic. Dr. Rosin also discussed a proposed reorganization plan that would restructure the provision of services to serve clients in clinics closer to the location of their residences.

Dr. Ghertner reported that with over 2,000 people waiting for medication services, accessing SNAMHS outpatient medication clinics involved a wait of anywhere from 60 to 120 days, depending on the clinic. Dr. Ghertner advised that during the two months of his employment, he had focused on recruitment issues and the use of locum tenens psychiatrists. As a result, SNAMHS'

medication clinics were staffed with psychiatrists, including locum tenens psychiatrists, at close to 80 percent. Additionally, Dr. Ghertner pointed out that reduced waiting lists could conversely drive the medication budget.

Chairwoman Leslie concurred and indicated that a more realistic budget needed to be prepared for SNAMHS taking into account the recruitment effort.

Chairwoman Leslie noted that appropriations had been recommended for the 2007-09 biennium that would support an additional 85 individuals in residential placements, Decision Unit Maintenance (M)201.

Chairwoman Leslie asked agency representatives to comment on the recommendation for an appropriation to support 49 additional clients in the Program for Assertive Treatment (PACT), Decision Unit Maintenance (M)202, noting that caseload data showed a decline.

Dr. Brandenburg advised that caseload had declined as a result of vacant positions, but the positions had been filled, and caseload was expected to increase.

In response to Chairwoman Leslie, who asked agency representatives to comment on how the PACT affected clients, Dr. Brandenburg described the program as an intensive community-based service that used a staff to client ratio of 1:12. Dr. Brandenburg reported that the program reflected positive results for clients by keeping them in the community and out of the hospital.

In response to questions Senator Cegavske asked relative to vacant nursing positions, Dr. Rosin reported that three contracting agencies were being used to assist with the recruitment of nurses for the SNAMHS. Dr. Rosin advised that there were a total of 123 nursing positions and 98 vacancies in fiscal year 2006 compared to a current total of 105 positions and 67 vacancies.

In response to additional questions Senator Cegavske asked regarding vacant nursing positions, Dr. Rosin explained that some vacancies had been filled with about 29 contract nurses.

Chairwoman Leslie noted a significant decline in projected outpatient services and asked agency representatives to comment on the recommendation in Decision Unit M203 for the elimination of only one position. Additionally, the Chairwoman asked for information on the kind of services that could be provided with a client to social worker ratio of 130:1.

Dr. Ghertner advised that although new patients would initially require weekly treatment, not all 130 clients would need to be seen each week. Additionally, Dr. Ghertner indicated some clients were seen on a biweekly or monthly basis, and some were seen every 90 days to receive medication and to see a counselor.

In response to questions Chairwoman Leslie asked regarding the recommendation to reduce appropriations for outpatient counseling services, Dr. Brandenburg explained that appropriations were decreased based on a caseload reduction caused by 5 positions being vacant.

In response to additional questions Chairwoman Leslie asked relative to whether individuals were being placed on waiting lists, Dr. Ghertner indicated that currently there was really only one vacancy in terms of all outpatient clinic

counseling including psychologists, social workers, and mental health counselors.

Chairwoman Leslie expressed concern regarding what appeared to be another example of the SNAMHS' budget not reflecting reality and another area that required a revision.

Dr. Ghertner recalled that in September 2006 a projection of Caseload Evaluation Organization (CLEO) numbers and an active treatment requirement by the Centers for Medicare and Medicaid Services (CMS) prompted the Division to move a number of staff members from outpatient counseling services and Psychiatric Ambulatory Services (PAS). Dr. Ghertner described moving the staff as an effort to "rob Peter to pay Paul" and indicated that it occurred when the budget was being developed.

Chairwoman Leslie asked for some assurance that "Peter" would be repaid.

Jeff Mohlenkamp, Administrative Services Officer (ASO), MHDS, provided some additional background information and advised that an actual June 2006 caseload of 889 rather than the projected caseload of 1,298 was used in developing the budget in September 2006. Mr. Mohlenkamp indicated that the actual caseload being under the budgeted caseload would, at that point, have driven a reduction of about three to four staffing positions. Working in conjunction with the Budget Division analysts, Mr. Mohlenkamp said it was determined that it was not realistic to reduce the staff by three or four positions, but it was fair to eliminate one position based on actual caseload numbers. Additionally, Mr. Mohlenkamp pointed out that while the caseload numbers rebounded as of December 2006 to a little over 1,000, the numbers were still under budget capacity.

Chairwoman Leslie noted that in past years, CLEO numbers were projected in order to adjust caseloads and indicated the Subcommittee wanted to ensure that the SNAMHS would not be shortchanged.

Senator Titus compared the SNAMHS' caseload projections and reduction of positions to a "shell game" and asked agency representatives to comment on what appeared to be a reduction in the need for mental health services in southern Nevada.

Dr. Ghertner said that the rapid population growth in metropolitan Las Vegas dictated an increasing need for social services over the next biennium.

Dr. Brandenburg reiterated that SNAMHS' representatives followed instructions on the budget development and agreed with Chairwoman Leslie's observation that historically CLEO numbers were projected when an adjustment had to be made to the caseload.

Senator Titus pointed out that the Subcommittee had addressed the increasing need for mental health services during the last several sessions, and after gaining some ground, did not want to see services reduced.

Assemblywoman Buckley requested a new caseload projection that would provide the information needed for a possible revision to the budget. Additionally, Assemblywoman Buckley commented on situations in which violent offenders charged with murder but adjudicated not guilty by reason of insanity were freed. Assemblywoman Buckley discussed several bills that

recommended a "step-down" program to ensure that such offenders were released to a house-arrest program with continued monitoring. Assemblywoman Buckley asked agency representatives whether the budget included funding to address such a public safety crisis.

Dr. Brandenburg advised that although funding was not included in the budget, the MHDS, in conjunction with the Department of Health and Human Services, had sponsored a bill draft request for a conditional-release program. The program required intense supervision and continued monitoring of individuals released into the community after being adjudicated incompetent to stand trial with no substantial probability of attaining competency.

In response to questions Assemblywoman Buckley asked relative to the estimated fiscal note attached to a conditional release program, Dr. Brandenburg recalled that the program would require a full-time equivalent staff member in the southern and northern areas of the State for \$143,056 in 2008 and \$186,897 in 2009.

Chairwoman Leslie reiterated her earlier request that information be provided to the Subcommittee members on the items for special consideration that were not included in the budget and also requested information on the bill draft request for a conditional-release program.

Senator Cegavske expressed concern that a reduction of mental health services would create another hospital emergency room crisis.

Dr. Ghertner responded that hospital emergency room overcrowding in Clark County was an issue that Dr. Brandenburg, Dr. Rosin, and he focused on every day. Dr. Ghertner advised that the new clinic that would be opened in the downtown Las Vegas area in the next 60 to 90 days would help relieve the emergency room overcrowding issue.

Dr. Ghertner further advised that the new clinic would be located near the courthouse, and it was believed that intake decentralization, increasing the scope of the mobile crisis team, and the addition of a fifth clinic would reduce the current emergency room problem.

Senator Cegavske requested that additional detail be provided to the members of the Subcommittee on how the emergency room problem would be affected by decentralization and the addition of an additional clinic.

In response to Chairwoman Leslie, who asked for information regarding the number of clients currently in the emergency rooms, Dr. Brandenburg advised that there were 65 individuals in southern Nevada hospital emergency rooms as of February 14, 2007.

Chairwoman Leslie stated again the need to project CLEO numbers for SNAMHS and advised agency representatives that the Subcommittee was in agreement that the provision of mental health services needed to be enhanced, not reduced.

Assemblywoman Buckley requested data on the patients in emergency rooms solely as a result of mental health issues. Assemblywoman Buckley asked that the data include whether the lack of residential housing and supportive services was related to the current problems.

Dr. Ghertner advised that data applicable to the last six months was available and reflected that approximately 30 percent of patients screened in the emergency rooms for mental illness were classified as homeless.

Assemblywoman Buckley asked whether the budget contained a funding request for the provision of supportive housing for homeless, mentally ill patients. Assemblywoman Buckley suggested that more cost-effective measures could be implemented by the provision of residential placements.

Dr. Ghertner advised that the budget contained an increase of 85 residential beds that would provide emergency room clients, who had nowhere to live, residential crisis beds, where they could begin to receive mental health services that would prevent them from being recycled through hospital emergency rooms.

Chairwoman Leslie expressed concern regarding the transition of patients to residential beds relative to an earlier discussion that some thought was being given to delaying the hiring of additional psychiatrists until October 2007.

Dr. Brandenburg confirmed that agency staff would work the Subcommittee's staff on options to solve the hiring problem.

Chairwoman Leslie announced that the budget hearing for the Bureau of Alcohol & Drug Abuse, Budget Account 3170 would be rescheduled.

Chairwoman Leslie continued the discussion under major issues for the SNAMHS' budget, Decision Unit Enhancement (E)432, and asked agency representatives to explain the need for two technology positions, considering the two positions approved by the 2005 Legislature and the new position recommended in E328.

Mr. Mohlenkamp indicated that a study was conducted that identified a need for six additional support positions including two technology positions. Mr. Mohlenkamp said that the two new positions would, in effect, only minimally meet the agency's information technology needs and the support of 800 staff members. Additionally, Mr. Mohlenkamp mentioned that one new technology position was recommended in Decision Unit E328 to support the 22 beds recommended for building 3 on the SNAMHS campus.

Chairwoman Leslie asked agency representatives to comment on the budget recommendation for an additional half-time personnel analyst in the MHDS Administration account recalling that four personnel positions were approved by the 2005 Legislature.

Taking into account the difficulties encountered in filling positions, Mr. Mohlenkamp said that a half-time personnel analyst would provide the additional help needed for the recruitment of staff as vacancies arose.

Chairwoman Leslie noted that SNAMHS currently had a total of 85.95 full-time equivalent (FTE) administrative assistant positions and asked the agency representatives to explain the budget recommendation for three additional positions.

Mr. Mohlenkamp explained that the three additional administrative assistant positions were critical to the decentralization plan discussed earlier in the hearing. Mr. Mohlenkamp also advised that administrative support for the

clinics being moved into the community would enable clinicians to better provide mental health services to clients.

In response to Chairwoman Leslie, who asked about the possibility of reassigning current staff, Mr. Mohlenkamp reiterated that the positions were critical to the decentralization plan and indicated he would provide information from the study to the Subcommittee's staff.

Chairwoman Leslie expressed support for the recommendation to increase security services on the SNAMHS campus.

In response to questions Chairwoman Leslie asked regarding the medical directors for the SNAMHS and the NNAMHS, Dr. Brandenburg advised that NNAMHS and SNAMHS each had a medical director, and Dr. Rosin served as the full-time, statewide medical director. Dr. Brandenburg identified K.C.R. Nair, M.D., as the full-time Medical Director at SNAMHS, and although the medical director position for NNAMHS was currently vacant, a recruitment to fill the positions was being conducted.

In summary, Dr. Brandenburg said that the most critical issue faced by the MHDS was related to recruitment and retention of the workforce, most acutely in the rural areas. Dr. Brandenburg expressed the need for flexibility in addressing the problem.

Chairwoman Leslie told the agency representatives that the Subcommittee wanted to provide the assistance needed to ensure that the budgets were adequately funded to meet the needs of the people throughout the State.

Chairwoman Leslie closed the hearing on the southern Nevada Adult Mental Health Services, Budget Account 3161, and opened the meeting to public comment.

Judge Kathy A. Hardcastle, Chief District Judge, Eighth Judicial District Court, appeared before the Subcommittee on behalf of Judge Jackie Glass, who presided over the Eighth Judicial District Mental Health Court in Las Vegas and was unable to attend the hearing.

Judge Hardcastle spoke in support of the mental health court program and expressed concern that funding for the mental health court did not appear in The Executive Budget.

Judge Hardcastle provided the following mental health court statistics from a one-page document entitled, *Clark County Mental Health Court Cumulative through 6/30/06* ([Exhibit C](#)):

- Total number of participants at the end of 2004 totaled 33.
- Total number of participants on June 30, 2006, totaled 105.
- Total number of felony participants on June 30, 2006, totaled 65.

Judge Hardcastle pointed out that the 65 felony participants would be under the jurisdiction of the Department of Corrections and unable to complete the terms of their probation were it not for the support and services provided to them through the mental health court. Judge Hardcastle then continued with the statistics:

- The number of life-time arrests by the 105 participants through June 30, 2006, totaled 3,125.
- The number of arrests in the previous 24 months for felony and gross misdemeanor participants totaled 570.
- The number of arrests for those participating in the mental health court was 82.
- The number of days in jail due to new arrests totaled 1,112 days.
- The number of days in jail in the 24 months prior to participation in the mental health court totaled 14,690 days.
- The percentage reduction in community-wide days in jail totaled 83 percent on June 30, 2006.
- The percentage of consumers who committed new arrests while in mental health court totaled 45 percent at the end of 2004.
- The percentage of consumers who committed new arrests while in mental health court totaled 42 percent as of June 30, 2006.
- The percentage of consumers who committed new arrests while in mental health court totaled 29 percent as of June 30, 2006.

Judge Hardcastle also expressed concerns regarding the lawsuit filed in federal court on behalf of individuals who were adjudicated incompetent to stand trial and the lack of a funding in the budget to construct a forensic facility in Las Vegas. Judge Hardcastle noted that funding was included in the budget to design the forensic facility. Judge Hardcastle indicated a preference to have the Legislature determine when and how the facility should be constructed rather than a federal mandate to do so.

Chairman Leslie indicated she shared Judge Hardcastle's concern relative to the Lake's Crossing facility proposed to be constructed in Las Vegas, which she said would be addressed during the hearings on the Capital Improvement Program projects. Additionally, Chairwoman Leslie indicated additional information relative to funding for the mental health courts had been requested.

Dr. Robert Andrew, a Board Certified Psychiatrist, spoke in support of increasing the salary for contract psychiatrists working for Rural Clinics ([Exhibit D](#)).

Dr. Andrew testified that he had been employed on a contract basis in various capacities for Rural Clinics for 32 years and was currently employed in the Douglas County Rural Clinics' office typically seeing an average of 240 patients over a period of 9 days.

Dr. Andrew spoke on behalf of the 15 contract psychiatrists working in the 17 rural mental health clinics who had not received a pay increase since 2002. Dr. Andrew pointed out that the many significant changes that had taken place since the rate was established in 2002 prompted the request for a pay increase originally proposed by the MHDS administrators for fiscal years 2008 and 2009. Dr. Andrew provided that rates established in 2002 were \$135 per clinic hour and \$60 per travel hour, and the proposed increase for 2008 was \$180 per clinical hour and \$75 per travel hour, and for fiscal year 2009 was \$200 per clinical hour and \$90 per travel hour.

Dr. Andrew pointed out that, as previously discussed, difficulties had been encountered in efforts to recruit and retain experienced competent psychiatrists, and the psychiatrists, living in Nevada, who took time from their private practice to provide part-time community service for Rural Clinics were losing money. Dr. Andrew explained that hourly fees for private practice ranged anywhere from \$300 to \$350 an hour, and even after deducting overhead, the net rate for private practice fees was about \$200 an hour. Additionally, Dr. Andrew pointed out that travel, for example, from Reno to Elko was a six-hour drive each way, and while psychiatrists had been willing to make that drive in the past, they were currently unwilling to commit to that much time without a travel-time rate increase.

Dr. Andrew indicated he believed that a 10 percent increase was recommended in The Executive Budget for psychiatrists hired by the State, and psychiatrists at the University of Nevada Medical school outpatient clinic charged \$272 per clinical hour and \$182 for a follow-up clinical hour. As previously discussed in the Southern Nevada Adult Mental Health Services' budget, Rural Clinics hired five locum tenens doctors in 2006 to temporarily fill vacant psychiatrists positions, and their companies charged Rural Clinics between \$188 and \$225 per clinical hour for services.

Chairwoman Leslie advised Dr. Andrew that his prepared remarks ([Exhibit D](#)) would be made a part of the record and that additional information had been requested on funding a salary increase for contract psychiatrists. Chairwoman Leslie assured Dr. Andrew his concerns had been noted and would be addressed.

Joe Tyler, President, National Alliance on Mental Illness (NAMI), Nevada Chapter, appeared before the Subcommittee to speak in support of residential housing for mentally ill clients. Mr. Tyler indicated that calls received on the NAMI hotline from family members across the country expressed concern that their loved ones, who were released from the hospital, had no where to go.

Additionally, as a consumer, Mr. Tyler expressed his gratitude for the funding that provided "the latest state of the art medications" for mentally ill clients.

Chairwoman Leslie extended her appreciation to Mr. Tyler for his appearance and indicated his remarks ([Exhibit E](#)) would be entered into the record.

Mark Burchell, Vice President, National Alliance on Mental Illness (NAMI), Nevada Chapter, appeared before the Subcommittee to speak in support of the mental health court program. Mr. Burchell told of his experiences prior to graduating from the mental health court in 2005 explaining that he had been in and out of jail, and with no treatment wandered the streets, and fell asleep at the bus depot and in people's cars before being taken back to jail. He told of

being incarcerated on three separate occasions in one month and having no idea of reality until he was placed in mental health court, which, he said, stopped the revolving door and completely changed his life.

Mr. Burchell, who currently worked as a service coordinator in the Washoe County mental health court and served as a mentor to clients, expressed his gratitude for the legislatively approved funding provided in support of the mental health court program.

Chairwoman Leslie extended her appreciation to Mr. Burchell for his appearance before the Subcommittee and indicated that she was proud of the progress he had made through the mental health court program.

Richard Siegel, President, American Civil Liberties Union, Nevada, appeared before the Subcommittee to speak in support of the mental health court program. Mr. Siegel commended the Subcommittee's statewide perspective relative to mental health services' needs and identification of the gaps in rural services.

Mr. Siegel indicated that "incredible testimony" had been delivered throughout the hearing relative to the ability of mental health courts and the Program for Assertive Treatment (PACT) to divert individuals from jails and prisons. Mr. Siegel expressed concern, however, regarding the funding recommendation for the mental health court budgets in Clark County indicating a possible gap of \$2.7 million.

Mr. Siegel asked the members of the Subcommittee, as members of larger legislative committees, to look at the success of the mental health court program and to keep in mind that the Department of Corrections' budget could be reduced by 10 to 20 percent in the next five years with the implementation of five or six other diversionary programs that he indicated would be addressed in future hearings.

Chairwoman Leslie extended her appreciation to Mr. Siegel for his appearance and for the important points he made to the Subcommittee.

Chairwoman Leslie acknowledged the presence of Donna Shibovich and indicated that her prepared remarks, ([Exhibit F](#)) would be entered into the record.

Chairwoman Leslie adjourned the hearing at 10:56 a.m.

RESPECTFULLY SUBMITTED:

Connie Davis
Committee Secretary

APPROVED BY:



Assemblywoman Sheila Leslie, Chair

DATE: _____

Senator Barbara Cegavske, Chair

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on K-12/Human Services</u>			
Date: <u>February 15, 2007</u>		Time of Meeting: <u>8:00 a.m.</u>	
Bill	Exhibit	Witness / Agency	
	A	Agenda	
	B	Sign-In Sheet	
	C	Clark County Mental Health Court Cumulative through 6/30/06	Judge Kathy A. Hardcastle, Chief District Judge
	D	Psychiatric Legislative Presentation	Dr. Robert Andrew
	E	Prepared Remarks	Mr. Joe Tyler
	F	Prepared Remarks	Ms. Donna Shibovich