

**MINUTES OF THE  
SENATE COMMITTEE ON HUMAN RESOURCES AND EDUCATION**

**Seventy-fourth Session  
April 4, 2007**

The Senate Committee on Human Resources and Education was called to order by Chair Maurice E. Washington at 1:41 p.m. on Wednesday, April 4, 2007, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Maurice E. Washington, Chair  
Senator Barbara K. Cegavske, Vice Chair  
Senator Dennis Nolan  
Senator Joseph J. Heck  
Senator Valerie Wiener  
Senator Steven A. Horsford  
Senator Joyce Woodhouse

**GUEST LEGISLATORS PRESENT:**

Senator Bob Beers, Clark County Senatorial District No. 6  
Senator Dina Titus, Clark County Senatorial District No. 7  
Assemblywoman Valerie E. Weber, Assembly District No. 5

**STAFF MEMBERS PRESENT:**

Marsheilah D. Lyons, Committee Policy Analyst  
Joe McCoy, Committee Policy Analyst  
Sara Partida, Committee Counsel  
Patricia Vardakis, Committee Secretary

**OTHERS PRESENT:**

Julie Dufour, R.N., Pediatric Emergency Room, University Medical Center  
Sandra Stine, R.N., Pediatric Intensive Care Unit, University Medical Center  
Terri King

Senate Committee on Human Resources and Education  
April 4, 2007  
Page 2

Michael King

MiaJoy Wilson

Joe R. Bifano, Nevada State Fraternal Order of Police

Charles Duarte, Administrator, Division of Health Care Financing and Policy,  
Department of Health and Human Services

Michael Willden, Director, Department of Health and Human Services

Jack Kim, Nevada Association of Health Plans; Sierra Health Services,  
Incorporated

Marcia O'Malley, Director, Family Ties of Nevada

Van Mouradian, Chief Insurance Examiner, Division of Insurance, Department of  
Business and Industry

Cindy Pyzel, Chief Deputy Attorney General, Human Resources Division, Office  
of the Attorney General

Jon L. Sasser, Washoe Legal Services; Nevada Legal Services; Washoe County  
Senior Law Project

Garrett D. Gordon, First Health

Dan Musgrove, University Medical Center of Southern Nevada

Rory Reid, Chair, Board of Commissioners, Clark County

Robert Fowler

Liane Lee, City of Las Vegas

Lisa A. Foster, Saint Mary's Regional Medical Center

Joseph A. Turco, American Civil Liberties Union of Nevada

Janine Hansen, Nevada Eagle Forum

Mary Liveratti, Deputy Director, Department of Health and Human Services

Carole Rosenfeld

Carol Sala, Administrator, Aging Services Division, Department of Health and  
Human Services

Lisa Jones, Bureau of Licensure and Certification, Health Division, Department  
of Health and Human Services

Patricia Axelrod

Sabrina Raetz, Deputy Attorney General, Office of the Attorney General

Renny Ashleman, Nevada Health Care Association

Mathew Sharp, Nevada Trial Lawyers Association

CHAIR WASHINGTON:

We will open the hearing on Senate Bill (S.B.) 533.

**SENATE BILL 533**: Makes various changes relating to county hospitals.  
(BDR 40-1388)

This bill was born out of necessity. As we looked at the ongoing needs of our health care delivery system within the State, the University Medical Center (UMC) is a vital part of that system. It provides care to the indigent and its success or failure is incumbent upon us to make certain that it is going to be vital in the community that it serves. There are some issues that have come to light. There is the \$60 million indebtedness that was paid by the county commissioners out of the Division of State Parks funds. There were some contractual agreements with the Service Employees International Union that need to be researched and another issue is the liability that may be imposed upon the State if the UMC should fail. That liability is presently at the county level. The county commission is a subdivision of the State and if the county cannot pay its indebtedness then the State would be liable for the indebtedness. Ultimately, the funds would be paid out of the General Fund which is taxpayers' dollars. We would be less than prudent if we did not look into this serious problem.

We looked at Renown Health and we looked at the current statutes that afforded the opportunity for a public hospital to convert itself to a not-for-profit hospital. Taking under consideration the transformation Washoe Medical Center went through to become Renown Regional Medical Center Health, we decided there may be a mechanism to speed the process. The county commission would like to resolve this issue themselves, but we need to ensure that the liability is addressed and the State is in a position to handle this issue appropriately. This is not an attempt by the State to overtake the UMC. It is an attempt for us as Legislators to gather the information, be prudent with our decisions and make wise policy decisions in regards to the health delivery system.

We wanted to put leadership in place that was going to assist and help the UMC to meet its obligations. We set up a "blue ribbon commission" that would select a nominating committee who would set criteria in place for the members who would serve on the board. When the board was selected, we asked them to draft a request for proposal to contract with a management organization that would manage and operate the hospital. There is a request in the bill for an audit to be done by the Legislative Counsel Bureau (LCB) to determine the indebtedness of the vendors and look at the contractual agreements that are nonproprietary as well as looking into other contractual agreements that are outstanding.

Senate Bill 533 gives a period of five years to put a management firm in place, provide for the audit and for a consultant to look over existing contracts and agreements. After the year 2012, the board and county commission can decide to convert to a nonprofit hospital or lease to a nonprofit organization to run, operate and manage the hospital.

The intent of this legislation is to ensure that our health care delivery system stays intact, the needs of the indigent are addressed, that the UMC is successful and survives and the liability does not fall to the State who will pass it on to the taxpayers.

MARSHEILAH D. LYONS (Principal Research Analyst):

I will read an overview of S.B. 533 ([Exhibit C](#)) which has been given to the Committee.

JULIE DUFOUR, R.N. (Pediatric Emergency Room, University Medical Center):

I am opposed to S.B. 533. The UMC is a vital community asset that southern Nevadans count on every day and has served the community for 75 years. The hospital operates Nevada's only level-one trauma center, Nevada's only burn care facility and the only human immunodeficiency virus (HIV) inpatient unit. It serves as a primary clinical campus for the University of Nevada School of Medicine. Its primary- and quick-care networks provide primary and urgent care across the county for more than 300,000 patients each year. The UMC serves as a safety-net hospital treating the vast majority of uninsured. It has provided \$280 million in charity care in the last 5 years.

The UMC is located in downtown Las Vegas where the population is growing. Its competitors have expanded. Expansion and competitiveness would improve the UMC's image, capture more paying patients and provide an additional resource needed to curb or eliminate county subsidies.

Before St. Rose Dominican Hospital built its second facility in 1999, it lost \$10.2 million. In 2005, they brought in \$16.2 million. The UMC can compete with the other hospitals if work is done on expansion.

SANDRA STINE, R.N. (Pediatric Intensive Care Unit, University Medical Center):

The UMC has a valuable role in the community that is threatened by its poor payer mix. The UMC cares for 44 percent of all Clark County's Medicaid patients and 48 percent of self-pay patients, while it serves less than

11 percent of the community's better-paying Medicare and commercial patients. For some perspective, the UMC controls only 16 percent of the beds in southern Nevada. Medicaid and other governmental programs, not Medicare, and self-pay patients, known for the lowest reimbursement rates, make up 67.4 percent of all UMC patients. By comparison, these programs make up 13.4 percent of other Clark County hospitals' payer mix. By comparison, Renown Health Systems', UMC's nonprofit equivalent of northern Nevada, payer mix consists of only 21.9 percent of Medicaid, other government and self-pay patients.

Solutions such as changing the UMC from a public hospital to a not-for-profit hospital are not going to change this. Converting the UMC to a not-for-profit hospital would only limit health care access for our community growing uninsured population. The UMC's consultants suggested converting UMC to a not-for-profit hospital including providing services to uninsured at certain levels. The number of uninsured people in our community continues to grow. The uninsured rate grew 31 percent from 2000 to 2006. It is expected to grow another 24 percent in the next 15 years. Capping services at current levels will only force our indigent population to seek treatment elsewhere or forgo treatment until it becomes a more costly and dangerous situation. On behalf of our uninsured patients, self-paying patients and nurses, it is important that this Committee opposes S.B. 533.

CHAIR WASHINGTON:

We will open the hearing on S.B. 59.

**SENATE BILL 59**: Makes various changes relating to the State Plan for Medicaid. (BDR 38-766)

SENATOR JOSEPH J. HECK (Clark County Senatorial District No. 5):

I will be referring to a mock-up of S.B. 59 ([Exhibit D](#)). Senate Bill 59 takes advantage of two provisions contained within the federal Deficit Reduction Act of 2005. While these two provisions are not interrelated in the Act, I will attempt to connect them in this bill.

The first provision in sections 2 and 3, of [Exhibit D](#), is the adoption of the federal Family Opportunity Act of 2004. This important piece of federal legislation expands Medicaid coverage to the family with a disabled child who has income up to 300 percent of the federal poverty level. For the year 2007, it

would be \$61,950 for a family of 4. It does this through a buy-in program. Nevada already has coverage for children for up to 200 percent of the federal poverty level through standard Medicaid and Nevada Check-Up. This narrow expansion provides coverage to the State's most critical patients who find themselves without insurance coverage. Their needs are so great that they may have reached their lifetime benefit cap. This program requires the family to enroll in a group health plan if one is available and provides for the payment of a premium into the Medicaid program for coverage.

The Legislative Committee on Health Care as well as the Senate Committee on Human Resources and Education have heard testimony on the numbers of uninsured in Nevada and have wrestled with identifying the demographics of that population and developing targeted programs to offer assistance. This legislation is in response to that task and provides much needed relief to a small targeted portion of the uninsured and underinsured population. When a hard-working family with insurance coverage faces the difficult times associated with caring for a medically fragile child, the last thing they think about is when their insurance will run out.

When this family seeks assistance from the State, it is unimaginable that they are told their options are to divorce so they can qualify for the existing programs; move to a state with a medically needy program or declare bankruptcy.

The second provision deals with the enactment of the State False Claims Act and Medicaid third-party liability. This is addressed in sections 4 to 9 of the mock-up bill. A September 2006 Government Accountability Office (GAO) report found that an average 13 percent of respondents who reported having Medicaid coverage for the entire year also reported having private health coverage sometime during that same year. Nevada faces two problems ensuring that Medicaid is the payer of last resort and verifying Medicaid beneficiaries' private health insurance coverage and collecting payments from third parties where claims were paid before identifying that other coverage was available.

Provisions in the Disability Rights Advocates (DRA) require states to have laws in effect that could help address these problems. These include expanding the entities that are considered third parties for the purposes of third-party liability. This requires states to have laws that require certain specified entities, as a condition of doing business in the state, to provide coverage data and to accept

the state's right of recovery for services. In addition they are required to respond to inquiries regarding a claim for payment submitted within three years after the date of service.

Sections 4 and 5 of the proposed bill, [Exhibit D](#), directs the Department of Health and Human Services (DHHS) to establish a program to verify the primary insurance carrier and requires an insurer to provide the information needed to assess third-party liability.

Section 6, [Exhibit D](#), provides that the cost savings of this program be used to fund the Family Opportunity Act.

The proposed sections 7 and 8 update State laws to meet certain requirements under section 6031B of the Deficit Reduction Act and which will enable the State to be eligible for financial incentives from the federal government.

Section 9 directs the Office of the Attorney General to verify the primary insurance coverage of every Medicaid and Children's Health Insurance Program claim filed for the period of six years prior to July 1, 2007, and notify the insurer of the responsibility to pay on the claim. This is where the federal incentive comes in because it allows the State to keep an additional 10 percent of the total recovery prior to returning the Federal Match Participation. Money recovered under this program, minus expenses, is to be used for funding the Family Opportunity Act.

Nevada's data revealed that an estimated 12 percent of Medicaid beneficiaries have private health coverage which could equate to almost \$142 million in claims belonging to other payers. The ultimate goal would be to entirely eliminate anyone paying claims that belong to someone else. Senate Bill 59 does not entirely solve the problem but it does take positive steps toward that goal. It is time Nevada taxpayers recoup this money and put it to a better use. That is what S.B. 59 will do.

There is a technical amendment to the mock-up of S.B. 59, [Exhibit D](#). The proposed amendment will delete the provisions on page 2, lines 16 through 18. When I first asked to draft the bill, I tried to include a provision that would allow coverage up to 400 percent of the federal poverty level which would be at 100-percent State pay. The fiscal note was "sticker shock." The fiscal note is

still large but the savings from the third-party liability in DRA provisions will help.

CHAIR WASHINGTON:

Are we going to use 300 percent of the federal poverty level?

SENATOR HECK:

Yes.

CHAIR WASHINGTON:

Is this based on the numbers that Mr. Duarte is going to provide us for reclaim?

SENATOR HECK:

The fiscal note is only calculated to 300 percent of the federal poverty level.

CHAIR WASHINGTON:

How much money is anticipated to be recouped?

SENATOR HECK:

The amount of the cost savings is a convoluted process. The estimates based on the GAO report and the 12 percent of Nevada beneficiaries would be approximately \$142 million of cost recovery.

CHAIR WASHINGTON:

Has the Division of Welfare and Supportive Services determined how many disabled children would qualify for this program?

SENATOR HECK:

They have an estimate based on the typical caseload growth and the definitions in the federal law and what is used for other programs. They believe the impact to the General Fund for fiscal years 2008 to 2009 would be \$2.6 million, but in the next biennium it would be approximately \$25 million. There are 8,481 potentially eligible children.

CHAIR WASHINGTON:

Will there be any other requirements as to eligibility?



SENATOR HECK:

The other requirements are the individual needs to enroll in a group health plan if it is available as long as the employer covers 50 percent of the cost of the employer's sponsored group health plan.

TERRI KING:

I will read my written testimony ([Exhibit E](#)) concerning S.B. 59 which concerns our son, Michael and my personal experience concerning this situation.

MICHAEL KING:

I will read my written testimony ([Exhibit F](#)) and relate our experiences with this problem.

MIAJOY WILSON:

My daughter has a heart defect and has DiGeorge syndrome. Last year, she had 2 major surgeries and has been hospitalized 14 times. Her first heart surgery capped out our insurance. It is worrisome to try to find a way to pay the medical bills and care for our child. There is no place to turn for help. If we lived in California, there would be help. The benefits office of my husband's employer is working very hard to help "Lilly, the million dollar baby." The rising cost of health care ensures children like mine will meet their caps over and over again. As a parent of a medically fragile child, we want what is best for her, but we are at the mercy of big business. The Family Opportunity Act gives families relief that their child will have insurance. I am in support of S.B. 59.

CHARLES DUARTE (Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services):

The services we offer through the DHHS often do not meet the needs of people who need help but do not qualify for other programs. We do have programs for medically fragile children, but not all parents are able to take advantage of those benefits. We support the overall intent of expanding health coverage for Nevada including implementation of the Family Opportunity Act.

The proposed amendment is intended to provide the funding vehicle for S.B. 59. I will give the Committee a copy of my written testimony for S.B. 59 ([Exhibit G](#)). We are very concerned about the proposed funding mechanism.

Currently, we have 21.9 percent of the Medicaid population with third-party coverage identified in our program. While exceeding the GAO limits, the GAO

did not actually estimate the \$124 million in savings. We exceed the stated amount of third-party coverage in our program by twice what the GAO reported. We are concerned about the funding mechanism provided in the bill.

Our primary concern is that the bill establishes a new entitlement, an expansion of an entitlement program, with an untested "soft-money" source. The intent of the proposal to use savings is good, but much of those savings are in the way of what we call "cost avoidance." Up front, we avoid much of the cost by identifying a third-party payer in our system. We always pay last which is a federal law. By identifying a third party, other payers pay first. That does not bring cash to our program; the cash that would be needed to pay for benefits for claims for medically fragile children.

The bill proposes a system of real-time coordination of benefits (COB); where a provider, before submitting a claim to us, would be required to submit the claim to a system that would electronically determine, by trying to connect with 4,000 to 5,000 insurers in the nation, whether the individual the claim is based on has health insurance. Such a system has not been implemented on a nationwide basis at this time. The system creates a cost-avoidance situation and does not bring real dollars to the State to pay claims.

There is opportunity to go back and collect some "real cash" for prior coverage and claims. As of January 2007, we have collected approximately \$1.8 million. This is due to aggressive identification of third-party coverage. There is 21.9 percent of our population who have identified health insurance.

Even the centers for Medicare and Medicaid services have said these real-time coordination of benefits systems may not be allowable in health plans across the nation that are not required to respond in a real time. If the health plan is not required to respond in real time but the provider has to hold their claim until they identify the third-part coverage, this delays their payment. We have concerns about whether certain aspects of the proposed amendment, [Exhibit D](#), would be allowed in sections 3, 4, 5 and 9. We will provide our concerns in writing to the Committee. The fiscal note that we provided does not include the cost of implementing the amendment portion of [S.B. 59](#).

SENATOR CEGAVSKE:

The King family testified that they were told numerous things to do to get around issues. Was this information given by employees from the Division of Health Care Financing and Policy?

MR. DUARTE:

I am not aware of this. We have programs available to parents who have children who are what we define at an "institutional level of care." Many of these are medically fragile children. Despite the parents' income, we treat them as a family of one which is called the Katy Beckett program. If the parents have health insurance, they pay primary. The rest of the benefits are covered by Medicaid.

SENATOR CEGAVSKE:

I want to make sure that state employees are not suggesting such alternatives to these parents.

MR. DUARTE:

I agree.

SENATOR HECK:

We would fund S.B. 59 up front and have a reversion if there were recoveries. Is the State portion of the budget approximately half of the \$51 million?

MR. DUARTE:

Yes.

SENATOR HECK:

Is the federal share included in the \$51 million?

SENATOR WASHINGTON

Yes. Mr. Duarte, did you state your reclaim is approximately \$1.8 million?

MR. DUARTE:

In terms of cash recovered, it is approximately \$1.8 million but it is increasing. We cost avoid about \$35 million a year. Those are claims we do not pay; therefore, it is not cash.

CHAIR WASHINGTON:

Would the COB system you mentioned give you the ability to recoup cash?

MR. DUARTE:

No. It cost avoids claims. If there was third-party liability that is identified where we have paid claims in the past. We have the ability to go back and collect those claims from the third party which results in some cash. The majority is cost avoidance. The coordination of benefits system has not been successfully implemented and has been challenged in some Medicaid programs.

JOE R. BIFANO (Nevada State Fraternal Order of Police):

I support S.B. 59. Does an employer need to pay 50 percent into this plan?

SENATOR HECK:

If the individual has a group health plan available, they would need to enroll in that group health plan if at least 50 percent of the premium is paid by the employer. That is the requirement for the Family Opportunity Act.

MR. BIFANO:

The Fraternal Order of Police are standing by and supporting the King family and any resident of Nevada. We need to work together to bring some good to the children of Nevada.

MICHAEL WILLDEN (Director, Department of Health and Human Services):

I have met with the King family and Senator Heck to fashion a way to expand medical coverage. I find the suggestions made to the King family deplorable. Our State does not have many options for medical coverage through our programs. We looked into many options for the King family. We will continue to look for ways to help, and I will follow up if anyone on our staff made those comments.

SENATOR HECK:

I will meet with Mr. Duarte to resolve some of the issues concerning this bill.

CHAIR WASHINGTON:

I believe S.B. 59 has merit, but we are trying to meet as many needs as possible. I would not like to think that citizens such as the King family who exhausted their insurance entitlement and are finding themselves financially in dire straits were not entitled to certain programs.

MR. DUARTE:

There are programs such as Medicare and Social Security which are entitlements. There are entitlement programs. They constitute over 50 percent of health care coverage.

MR. WILLDEN:

We use the term "entitlement" which means anyone who is eligible cannot be turned away; versus waiver programs which can be capped.

MR. DUARTE:

The Family Opportunity Act is an optional program that we cannot close the door on caseload. It cannot be capped.

JACK KIM (Nevada Association of Health Plans):

We were not apposed to the original version of S.B. 59, but the amendment raises a number of concerns. We have not had time to review the amended version. Some of the penalties listed in the bill cause concern. If an insurer did not comply with a request for data within 24 hours after 1 time, there is a \$1,000 fine and after 2 times the Commissioner of Insurance would suspend our certificate of authority. At that point, all our members would be uninsured. I have concerns about what the provider would need to do to respond to these requests. We have the largest member group in the State. I will notify the other member health plans and get their response.

MARCIA O'MALLEY (Director, Family Ties of Nevada):

I will read my written testimony ([Exhibit H](#)) explaining why S.B. 59 is important to families with children who are medically fragile. I have included with my testimony, [Exhibit H](#), other data for the Committee's information.

VAN MOURADIAN (Chief Insurance Examiner, Division of Insurance, Department of Business and Industry):

We do not oppose S.B. 59, but we do have concerns with the amendment. In section 5 of the bill, the commissioner has a number of ways to address deficient carriers, by revoking an insurer's certificate of authority or license; the other members will be uninsured.

CINDY PYZEL (Chief Deputy Attorney General, Human Resources Division, Office of the Attorney General):

Our office is concerned with proposed section 9 of S.B. 59, [Exhibit D](#), which requires the Office of the Attorney General (OAG) to review six prior years of Medicaid claims history and take action to reconcile and collect those amounts. The OAG is supportive of efforts to recover Medicaid funds. The primary mission of the OAG is to provide legal services to the Executive Branch of State government. This bill would require us to review approximately 55 million claims for that six-year period and over \$5 billion worth of claims. Our office is not staffed to provide those auditing services to determine whether Medicaid recipients have third-party liability coverage. The State Medicaid agency hires a third-party vendor which performs that function. I have 1.5 employees that further assist with the subrogation function and do Medicaid estate-recovery liens. The duties are outside the realm of what we would do. In its current configuration, it would require a fiscal note requiring many deputy attorney generals, with specific training and expertise to do the audit function or bring a provider in under contract. We are not qualified to do this type of auditing.

JON L. SASSER (Washoe Legal Services; Nevada Legal Services; Washoe County Senior Law Project):

We are in support of the policy behind S.B. 59 and urge you to pass the bill. For the record, I have compassion for the King family. I do not want their testimony to leave the impression that people who are immigrants have a better deal under our system.

CHAIR WASHINGTON:

There are times when we not only need to make policy but need to make appropriation of the budget.

GARRETT D. GORDON (First Health):

We have not had the opportunity to review the proposed amendments submitted by Senator Heck to determine whether they have an adverse effect on our contract with the State.

CHAIR WASHINGTON:

We will close the hearing on S.B. 59 and reopen the hearing on S.B. 533.

**SENATE BILL 533**: Makes various changes relating to county hospitals.  
(BDR 40-1388

DAN MUSGROVE (University Medical Center of Southern Nevada):

We are aware that the Committee's interest is in supporting public health and the University Medical Center in Clark County. We may disagree with S.B. 533 being the vehicle to achieve this purpose.

RORY REID (Chair, Board of Commissioners, Clark County):

The UMC is an asset to our community. It provides services that no other institution in southern Nevada provides to people who cannot get them anywhere else. The UMC has the number-one trauma center, burn-care center in the State and it is the only public hospital in southern Nevada. The UMC is staffed with competent nurses and doctors and provides quality care to people in the community.

The commissioners take their responsibility to govern and manage this hospital very seriously. The *Nevada Revised Statute* 428.010 mandates what we are to do. We do not shy away from those responsibilities. The recent problems at UMC are not unique to public hospitals. The county commission discovered those problems. We had public hearings concerning those problems. Our meetings are televised, and we have been discussing the problems openly.

In the past few months, we have made significant progress. The management team has been replaced. The operations have been stabilized. We have paved the way for other changes that will be necessary to ensure that the quality of care at UMC is not diminished in any way.

At a hearing yesterday, we discussed the UMC and other public hospitals. We have hired a consultant who has compared UMC to public and nonprofit hospitals throughout the country. We are comparing and contrasting what they do to develop a plan for UMC. There is a public hearing next week to discuss what needs to be done to improve the operation at UMC. We are going to consider all options that are available to us. There is also a public outreach program in place.

I am not in support of S.B. 533. The bill lacks accountability to county taxpayers and to elected representatives on a matter that affects community health. The bill requires a 35-member blue-ribbon panel be appointed to select a 9-member nominating committee to select an 11-member hospital board. None of the people that I mentioned will be elected. None of them will be directly accountable to the people. The bill creates additional bureaucracy and does not

provide for accountability. The blue-ribbon panel will be studying governance of the public hospital which is exactly the process that we are currently undertaking. Whatever they find, it is my understanding that a private management company be selected to operate the hospital. This will only ensure that the decisions that are made at UMC are subject to less scrutiny and will be further from the people and their representatives. This could lead to additional costs and allows the management company to hire, purchase medical supplies and equipment and to make decisions without being subject to the competitive bidding process. There will not be as much transparency and ultimately, costs will increase.

The cost to hire the management company could be from \$5 million to \$10 million a year. I believe that money should be used to treat patients not create levels of bureaucracy that are further from the people. While we are willing to consider the governing structure and potential changes to how the hospital is operated, we do not feel S.B. 533 will further the interest of the public, and it is premature to take this action prior to the completion of the process that is already begun.

SENATOR HECK:

I am a part-time emergency-room physician at the UMC. I do not work for the hospital or the county; I work for a contract physician group that staffs the emergency department. The current difficulty the UMC faces should in no way be reflected upon the quality of care given by the providers and employees who work at that facility. It is unfortunate that mismanagement occurred and has cast a doubt over the care that is provided as apposed to the good work that is done at the UMC. I was encouraged by the consultant's report that laid out different options about how to make the UMC more self sufficient. My concern is that this rests with the county commission, while charged with the oversight of the UMC may not be in the best position to make an unprejudiced and informed decision based on weighing all the various options.

It is my recommendation that a panel of local experts made up of the health care community be involved with looking into those recommendations. I would recommend their recommendations should be binding. I do not believe this is something the county commission should make a decision on and have any credibility.



MR. REID:

It is important to understand that we have been through this before. In 2003, we told the community what the problems were and reached out to them. A task force was established whose members had divergent views. The task force made recommendations to the county commission and many of the recommendations were put into effect. The operations at the UMC improved significantly. Today, we are going through a similar process. We are dealing with various options in a public way. We will make changes at the hospital, the financial situation will improve and the quality of health care will continue to be top rate.

CHAIR WASHINGTON:

The actions that have been taken in response to the public concerns may be admirable but there is an ongoing concern of liability. As representatives, we would be remiss if we did not consider all the factors and hold the "Commission's feet to the fire" to make sure the UMC is going to be successful. The goal is to make the UMC vital.

MR. REID:

I appreciate your concern. We need to continue this dialog to find ways to ensure the quality of care continues at the UMC.

CHAIR WASHINGTON:

It is not the accountability. It is the leadership and the expertise that needs to be implemented at the UMC to ensure this problem does not happen again.

MR. REID:

If you would have had this 11-member panel supervising the operations at the hospital, it would not have addressed what happened last year at the UMC. There was a management team in place that was misleading those individuals that had ultimate responsibility with respect to the hospital, and they would have misled that 11-member panel as well. Changing the governance structure is the way to deal with the problem. We are considering different governance structures. To remove elected officials from the front line of responsibility with respect to a public hospital would be a mistake.

SENATOR HORSFORD:

The UMC is a public hospital and has been subsidized by the taxpayers for some time. There have been subsidies of \$20 million or \$30 million a year for several

years. Could the actual numbers of the annual operating subsidy be provided to the Committee? Is there an opportunity for the State to support the county in studying the various financing and governance structures for public hospital in other places?

MR. REID:

When you think of public hospitals you need to think of a business that is required to provide services to people that have no obligation to pay. Our consultants contrasted the UMC to other public hospitals in the country. In southern Nevada, there is a great rate of growth and fewer subsidies provided than they could find elsewhere in the country. By nature a public hospital has trouble. It does not mean there are things that cannot be done to improve the governance structure and the operations of UMC. We welcome your participation in the process. Mr. Musgrove can provide to the Committee the report from the consultants. It details the comparison of UMC to other public hospitals and answers all of Senator Horsford's questions. We are not objecting to the conclusion the committee has reached by proposing the structure in S.B. 533.

CHAIR WASHINGTON:

I would ask you to keep us informed of concrete directions that the UMC will be undertaking and what role you see the State playing?

MR. REID:

I will keep the Committee informed.

SENATOR NOLAN:

I would suggest you not only have people from the medical community but persons with financial, accounting expertise, insurance or actuarial background to help on the advisory committee. The problems you have experienced were not of a medical nature. Have you considered including an accounting component into the hospital's structure that reports directly to the county commission?

MR. REID:

We have changed the management team. In the past, we have had separate financial functions, but that has been changed. Now, the finance department reports directly to the chief financial officer. We have made structural changes to prevent a reoccurrence of the problem.

MR. MUSGROVE:

Senate Bill 533 does mimic what the county commission is doing. I will provide the reports to the Committee. While \$60 million seems a large amount of money, but compared to other similar cities of the same population and market size, it is not. It is not necessarily a loss because we are doing what our mission requires which is being the public hospital for southern Nevada that takes people who have no other place for medical care. If S.B. 533 went into effect, it would be a long process before any positive action could take place and something is presently being done.

CHAIR WASHINGTON:

We want the State to be in a position to respond if necessary. We will close the hearing on S.B. 533 and open the hearing S.B. 355.

**SENATE BILL 355**: Creates an Office of Faith-Based and Community Initiatives.  
(BDR 38-1314)

This bill is being brought forward as a response from two faith-based symposiums sponsored by U.S. Senator Harry Reid. There is a letter from U.S. Senator Harry Reid in support of the establishment of this office ([Exhibit I](#)). This was based on the input from faith leaders across the State who convened to discuss this important component of our community. During the convening of the local, state and national faith and community leaders, it was proposed that a bill be submitted to create the Office of Faith-Based and Community Initiatives. There are 30 other states with such an office or who have designated a state liaison to work with the White House on faith-based initiatives created by President Bush. Many faith-based organizations provide food, shelter, training and other needed services to children, seniors and needy adults and they do so in a manner that is cost-effective and provides the care that is necessary. The government cannot and should not provide all of the necessary services that are needed in our society. With the limited government resources at the local, state and federal level, it is imperative that we establish more public and private partnerships.

Senate Bill 355 seeks to benefit to both the faith- and community-based organizations as well the general public in Nevada. The Office of Faith-Based and Community Initiatives would be established within the Department of Health and Human Services. Sections 1 through 6 of S.B. 355 list the duties the Office.

While faith-based organizations are eligible to apply for and receive public grants, they are not allowed to use those funds to proselytize to those served. Those organizations that have received funds also receive training in the role of the office which would be to support these organizations in ensuring that the services they provide are effective.

There is a companion bill in the Assembly. Through the establishment of this office, we will be able to address important issues for our State. I have provided for the Committee's information a draft of the Community Advancement Plan that was discussed by U.S. Senator Harry Reid ([Exhibit J](#)). The report contains a list of priorities brought forth from the organizations that attended.

SENATOR DINA TITUS (Clark County Senatorial District No. 7):

As we wrestle with increasing needs and diminishing resources, we should do everything we can to take advantage of those who offer us a helping hand. Government cannot do everything so we need to look for assistance from other groups in the community who have the willingness, expertise and resources to get things done.

This concept is not new. Government, faith-based and community organizations have a long history of cooperation and some faith-based organization such as Catholic Charities, Lutheran Social Services and United Jewish Communities rely extensively on government funding to deliver services.

There are a number of states that have created offices in some fashion of faith-based and community initiatives to help identify and apply for federal grants. There is a variety of states that have taken different approaches. Some states have taken this action through legislation; some have done it through an Executive Order which is susceptible to political whim.

In 2003, \$117 billion federal aid was given in grants to faith-based organizations. Nevada needs to be a bigger part of that mix. Our organizations need to get a share of those federal dollars. I urge your support of S.B. 355.

ROBERT FOWLER:

I am a local pastor in Las Vegas. Senate Bill 355 is an important bill for our State. Our State social agencies are saturated with the needs of our communities. Churches have long been in the process of assisting the social agencies with some of the communities' needs. Churches are in a unique

position to be able to assist the needs of the community because they are part of the community. They see firsthand what the needs are in the community. Additional funding will assist us in our current services and enable us to do more. This office will allow the smaller churches to do the things the larger churches are doing. Other states have apprised themselves of this funding, and we in Nevada should do the same.

As more residents continue to move into our community, the needs will increase. This office would allow us the opportunity to secure more federal funding to meet these increasing needs. I urge you to pass S.B. 355.

SENATOR WIENER:

What amount of federal funds are we currently using and how much could we anticipate in the future?

SENATOR HORSFORD:

It was a very small amount and was not earmarked for any one faith-based organization. The reason is because we have not had a focused effort like the Office of Faith-Based and Initiative Community. I will get that information for the Committee.

SENATOR WIENER:

In the symposium, was there any estimated dollar figure projected?

SENATOR HORSFORD:

The amount allocated by President Bush for the office in part was existing funds for the 11 agencies. It was to streamline the process. Since that time there have been some grants for \$500,000 or less. The grants are competitive. There was no specific number identified by U.S. Senator Reid. He said to let the faith-based communities arrive at a plan and identify the costs. He would then bring the proposals forward.

SENATOR NOLAN:

The fiscal note is \$362,000. Are there federal grants available specifically to fund these positions?

SENATOR HORSFORD:

Yes. Once the office is created and the positions are designated there are federal resources, but the structure must be in place first.

Senate Committee on Human Resources and Education  
April 4, 2007  
Page 22

SENATOR NOLAN:

The amount was over a two-year period.

CHAIR WASHINGTON:

I am not clear on the language on page 6, lines 1 through 17 of S.B. 355.

SENATOR HORSFORD:

The individuals who would serve would be giving of their time. If we could not provide the per diem reimbursement, then I would be open to its deletion.

CHAIR WASHINGTON:

Some of the faith-based organizations in northern Nevada have been excluded. The advisory committee should be comprehensive statewide and include some of the smaller faith-based organizations.

SENATOR TITUS:

I agree. Small congregations or organizations that do not have a grant writer on staff or know where to go would benefit from the Office. The board would ensure that the outreach is diverse and broad.

CHAIR WASHINGTON:

What are the similarities or differences in the Assembly Bill?

ASSEMBLYWOMAN VALERIE E. WEBER (Assembly District No. 5):

I am here to support S.B. 355. My bill is Assembly Bill (A.B.) 408.

**ASSEMBLY BILL 408**: Establishes Office of Faith-Based and Community Initiatives (BDR 18-1012)

The similar parts of both bills, S.B. 355 and A.B. 408 are: sections 2, 6, 10, 16 and 19. The advisory committee in section 19 and the reporting mechanism are different. Senator Horsford and I spoke about this. We discussed working together to make this concept work.

ASSEMBLYWOMAN WEBER:

When the White House did its presentation in June there were over 200 participants from Nevada that went to the faith-based conference. There is a need and expressed interest to participate in this program. Building capacity in the State is not only going to be the job of government, every one contributes.

I visualize a model with the citizen in the center and there are government, nonprofits and the faith community, all serving the citizens together. We need that successful network. It offers us a new way of looking at social service delivery.

LIANE LEE (City of Las Vegas):

The City of Las Vegas wishes to voice its support for S.B. 355.

LISA A. FOSTER (Saint Mary's Regional Medical Center):

I am speaking in favor of S.B. 355. The Saint Mary's Regional Medical Center provides discounted and free health care; dental sealants and wellness programs in our clinics around the community. We would appreciate the ability to coordinate and educate the community about these services with this office. Larger organizations do not need the other types of services this would provide. Catholic Healthcare West which we are a part of would like to be part of the advisory committee.

JOSEPH A. TURCO (American Civil Liberties Union of Nevada):

The *Nevada Constitution* explicitly prohibits the financing of sectarian education. It has been extended into other areas. There will be uncomfortable situations when faith-based organizations and government do a joint venture. There will be jobs created by this bill. Faith-based organizations are exempted from the employment discrimination laws. Government may not discriminate in employment. The employment situation could be problematic. The American Civil Liberties Union is neutral on S.B. 355.

JANINE HANSEN (Nevada Eagle Forum):

In The *Nevada Constitution* the ordinance says, "Perfect toleration of religious sentiment shall be secured and no inhabitant of this State shall be molested in person, property or on account of his religious worship." It is important that we maintain that perfect toleration. We need to be careful that this does not compromise the mission and success of faith-based organizations. One reason they are successful is because they do not have bureaucracy of the government. On page 2, lines 15 through 19, it states the programs would need to be separate from the practice of their religion. That is a technicality because the only reason they are doing the programs is because of their religion.

Another concern is the diversity of the advisory committee. There will be competition in the philosophical approaches to the same problem. We want the

taxpayer protected. The organizations that are receiving tax money would need to comply with an audit to assure the funds are being properly applied.

CHAIR WASHINGTON:

The bill does not mandate that all faith-based organizations must participate.

MS. HANSEN:

If the organizations accept the money, they must adhere to the regulations.

MARY LIVERATTI (Deputy Director, Department of Health and Human Services):

The DHHS takes a neutral position on S.B. 355. We do have partnerships with the faith-based community. Government cannot do this alone. We rely on those partnerships and they work well. We do have federal, State and private money going to faith-based organizations.

CHAIR WASHINGTON:

We will open the hearing on S.B. 314.

**SENATE BILL 314**: Requires the provision of information concerning services that are provided at certain residential facilities for older persons. (BDR 40-1169)

SENATOR JOYCE WOODHOUSE (Clark County Senatorial District No. 5):

I will read my prepared written testimony regarding S.B. 314 ([Exhibit K](#)).

CAROLE ROSENFELD:

I am testifying in support of S.B. 314. My mother did not pass away in the facility as stated by Senator Woodhouse. The details are in my original correspondence to Senator Woodhouse ([Exhibit L](#)) along with my written testimony.

On January 2, 2006, my mother was staggering and bumping into walls after displaying symptoms for a week. She was unable to find her apartment for the first time in three years. An aide accompanied her to her room. She was left in her room in the midst of a major stroke. She eventually fell on the bathroom floor and sustained major head trauma, concussion, internal bleeding in the brain and laid unconscious for approximately five hours. The head trauma was a contributing factor to her death.



My concern is with the classification of independent residence in assisted-living (AL) communities where some beds are licensed and some are not. The entry requirement for these facilities is different than for other full-service senior communities that also do not have licensed beds. My mother had to adhere to all the State's admission and retention guidelines unlike other full-service senior communities that do not have AL residents. She was required to have an annual physical, tuberculosis test and lock her pills in the bathroom cabinet. This is not like other independent residents in independent facilities that do not have AL. The Bureau of Licensure and Certification (BLC) has no jurisdiction to impose punitive sanctions upon facilities that have residents with an independent classification.

I filed a complaint with the BLC. They learned my mother was disoriented the week prior to the incident, and the employees did not have any obligation to report anything because she was independent. In the midst of a major episode, she was held accountable to make major decisions concerning her life. She needed medical intervention. I believe this classification is dangerous because the facility that accommodates is both blameless and excused from even the most common sense and humane of actions. In an emergency, it does not make sense that they would rely on this classification for a person who is 88 years of age.

One of the stipulations is that their nurse will continually assess independent residents. My mother could dress herself, bathe and walk which are all the qualifications to be classified as an "independent." If they had notified me that in an emergency they would do nothing, I would never have placed my mother in that facility. It was implied that my mother would be cared for during an emergency. The bill needs to address this fact in this type of a facility.

CAROL SALA (Administrator, Aging Services Division, Department of Health and Human Services):

We are in support of S.B. 314 with the proposed amendments. It is critical that seniors know what they are purchasing in assisted- or independent-living facilities. Based on the proposed amendment, we will be revising our fiscal note as it would decrease with the changes proposed by Senator Woodhouse.

LISA JONES (Bureau of Licensure and Certification, Health Division Department of Health and Human Services):

Our agency supports S.B. 314 with the proposed amendments.

Senate Committee on Human Resources and Education  
April 4, 2007  
Page 26

SENATOR CEGAVSKE:

I need clarification. Is the new bill the amendment?

SENATOR WOODHOUSE:

The Committee has the language of the original bill and the proposed deletions ([Exhibit M](#)).

SENATOR CEGAVSKE:

Ms. Rosenfeld states on page 1 in her letter, [Exhibit L](#), her mother refused the ambulance and wanted to go to bed.

My mother is in a facility in Minnesota and is an Alzheimer's patient. Even though it is not healthy for her if she requests certain food they must comply. Is this the same policy in Nevada?

Ms. SALA:

What you are referring to is the right to self-determination. This is where a person has the mental capacity to make their own choice. In your mother's case, she does not have the decision-making power. What this bill will do is notify the consumer what they are purchasing. We want to have the "buyer be aware," if you are purchasing "independent," then you cannot assume you will be provided with medical needs.

SENATOR CEGAVSKE:

If this legislation is enacted, would it have prevented what happened to Mrs. Rosenfeld's mother?

Ms. SALA:

Senate Bill 314 would require a facility to post what they do and do not provide for independent living.

SENATOR CEGAVSKE:

Is that information is discussed before a contract is signed?

Ms. SALA:

The bill would require that information to be a part of the contract.

SENATOR CEGAVSKE:

Everything was clearly defined as to every level of care in my mother's facilities.

Ms. SALA:

It is my understanding that Mrs. Rosenfeld's mother was not notified as to what care they would or would not provide. The bill would also require the DHHS to help draft some of the language plus list that information in a brochure and on a Website. This would be for consumer education informing them of the levels of care.

SENATOR NOLAN:

The levels of staff training would more adequately describe what an individual could expect. Apparently, the staff in this case did not recognize the person was having a cerebral event. They could have called an ambulance despite her verbal objection because she was having a medical emergency. What should be included in the levels of care is language depicting levels of staff training. This will enable people to know what the staff of the facility is capable of knowing and what care they are able to provide.

Ms. SALA:

If it is not an assisted-living bed or if it is an independent apartment, the Bureau of Licensure and Certification has no jurisdiction because it does not license independent apartments. We struggle with the problem because we would need to license every apartment where someone who is 55 years or more is living. The lack of training is an issue and will become greater as the workforce shortage increases.

SENATOR NOLAN:

We can require those types of facilities to identify their staff's training in statute, and then people would know the level of training that is available.

SENATOR CEGAVSKE:

There is the Governor's Office for Consumer Health Assistance and they have a Website in place. When people start this process they sign agreements and are given the services that are provided and the costs. I am concerned about having the postings. There needs to be more than having the information posted.

SENATOR WOODHOUSE:

We are trying to provide the first small step. Individuals who are signing these contracts are fully aware of the services they will receive. We have discovered this is not the case. We are trying to find ways to educate those individuals who are entering these facilities.

Ms. JONES:

This will help create a better clarification for the facility to work with families and emphasizing that a family member has reached a point where they are not meeting the definition of independent living and they need additional assistance.

SENATOR CEGAVSKE:

Is this not presently being done?

Ms. JONES:

Questions come to our agency in terms of facilities whose residents need more assistance, but they are having difficulty convincing the family.

SENATOR CEGAVSKE:

I am unclear as to how this would help. When individuals sign a contract or agreement, you know what services you are getting and their cost. Every time the care is changed there is a new agreement to sign.

SENATOR HORSFORD:

I support the bill. Some individuals may be more informed than others. The other issue is the anxiety that family members experience when they are making a decision to place someone in one of these facilities. Through a personal experience, I know that each time there is a change it is very confusing. Any additional effort we can make to inform the individuals that are making those decisions is important. Las Vegas has one of the most growing senior populations in the country. There are a higher percentage of people having to use this type of facility. This bill will move us another step in the direction of consumer protection and information.

PATRICIA AXELROD:

I am in support of S.B. 314. My sister placed our mother in a nursing home and then left the country. She was originally placed in the facility for assisted-living care because she had sustained a broken hip. She was transferred into the nursing home. Fortunately, the state where my mother resided had posted information how to protect the health and welfare of those persons living in such a facility. Because of this; I was able to get the help that was needed.

CHAIR WASHINGTON:

We will close the hearing on S.B. 314 and open the hearing on S.B. 529.

**SENATE BILL 529**: Revises certain provisions relating to Medicaid. (BDR 38-601)

MR. DUARTE:

I will read from my written testimony ([Exhibit N](#)) concerning our support of S.B. 529. Earlier today we had Tim Terry, Chief Deputy Attorney General, Medicaid Fraud Control Unit, Office of the Attorney General, who wanted me to state that he is in support of S.B. 529. The bill provides that we will be keeping 10 percent more of the recoveries as a result of their investigations and prosecutions consistent with the False Claims Act.

We do have a proposed amendment to S.B. 529 ([Exhibit O](#)).

SABRINA RAETZ (Deputy Attorney General, Office of the Attorney General):

In the original language, it stated there was a civil penalty for those persons who failed to comply with the proposed subrogation law which can be found in section 3, subsection 3 of S.B. 529. The original intent was to have those civil penalties apply to all aspects of the subrogation statute, specifically sections 2 through 9 of S.B. 529.

MR. DUARTE:

The second part of this proposed amendment, [Exhibit O](#), improves and corrects certain aspects of our nursing facility provider tax laws. The Deficit Reduction Act also lowers the amount of fees that we can impose on nursing facilities. This amendment will decrease the fee to the federal allowable level. The revision is on page 2 of [Exhibit O](#). The other part of this amendment is to further strengthen our ability to collect these fees from nursing facilities. We have had experiences with a number of facilities that have not paid their fees; therefore they were subjecting other health care providers to lower reimbursements. The changes we are proposing give us the ability to aggressively go after those fees and sanction any facility that may not remit the fees in a timely manner.

RENNY ASHLEMAN (Nevada Health Care Association):

This is our amendment. We do support this measure. When facilities do not pay their fees the State does not lose money, we do. This will allow a better way of collecting those fees.

MATHEW SHARP (Nevada Trial Lawyers Association):

We have concerns regarding the precise language of the subrogation provisions. I have spoken to Mr. Duarte and we can resolve those concerns. A subrogation right is: Nevada Medicaid is paying because someone committed a wrongful act which leads to the injury of my client. One of the difficult things a person faces is finding access to care and Nevada Medicaid allows a person to have access to care. The problem arises when the wrong doer causes serious or numerous injuries and my client will not get 100-percent recovery. We will work with Nevada Medicaid to resolve those questions so that S.B. 529 can be passed.

MR. SASSER:

I am representing the Washoe Senior Law Project this afternoon and we support the bill except for one line which we have discussed with Mr. Duarte. Our concern is on page 7, lines 19 through 21 of S.B. 529. The Washoe Senior Law Project works with people after their spouse dies in a nursing home and has left a large bill. The lien according to the law is placed on the deceased spouse's half of the property. This language proposes not to base the amount of the lien recovery at the time of death but at the time the property is sold, which could be years later. We would appreciate working with the parties concerned to resolve our concern

MR. DUARTE:

Our intent in section 10 of S.B. 529 was to codify what is current practice.

MS. RAETZ:

By the way the law has been interpreted, you must look at how we define "undivided estates." An undivided estate refers to the interest of the recipient at the time of death. Nevada Medicaid does currently establish the interests of the recipient at the time of their death. The value of the property is not determined at that time.

MR. SASSER:

This may be their current practice, but there have been times when it has been negotiated back to the time of death. The increase of value from the time of death may be because improvements have been made to the property, the mortgage has been paid or there is an increase in market value.

Senate Committee on Human Resources and Education  
April 4, 2007  
Page 31

CHAIR WASHINGTON:

We open the hearing on S.B. 536. This bill conforms to federal law so that Nevada can move to the future.

**SENATE BILL 536**: Makes various changes governing the privacy of certain health information. (BDR 40-305)

JACK KIM (Sierra Health Services, Incorporated):

When the medical privacy laws of this State were developed, no one ever heard of electronic medical records. This is the direction in which we are going. Currently, we have different silos of electronic medical records. The hospital, provider and the health plan may have some electronic medical records, but because of the privacy laws that are required it does not work in the electronic world. Our suggestion is to amend the statute to allow for the health plans and other covered entities such as: providers, hospitals and health plans that can use this information for a couple of purposes, which are treatment, payment and health care operations. This is not a broad privilege.

When the bill was drafted, we requested the LCB look at these issues and allow the health plans and other entities comply with the federal privacy laws. In discussions with the LCB at the time of drafting this measure, we gave them a list of statutes that would be affected. When they developed S.B. 536, they added statutes that should not be in the bill. Some relate to provider hearings. I will send you a list of statutes in this bill that are not relevant.

MR. DUARTE:

The sections are 18 and 19 of S.B. 536.

MR. KIM:

There are other provisions on child-custody hearings and other hearings that are not relevant to this type of discussion.

In the future what will occur is interoperability. If a patient is in the hospital, and the physician would like to look at his records he would need a written authorization. Our intent is to comply with the federal law which states if a physician needs this record for treatment, payment, other health care operations, appeals or grievances the covered entities can obtain that information without a prior authorization.

CHAIR WASHINGTON:

An electronic medical record streamlines and makes the process more efficient and reduces patient error.

MR. KIM:

It improves the quality of health care that is provided to our patients. With the electronic system if a physician orders a medication that is different or is in contradiction to the medication the patient is currently on it notices it. The medical industry is going in this direction.

SENATOR WIENER:

What information would still be protected?

MR. KIM:

All the information that is in the records has been entered by a physician or other health care entity. What information are you referring to?

SENATOR WIENER:

When these privacy regulations went into effect a person needed to arrive 45 minutes before their doctor's appointment to read through the privacy protections. There was some level of consumer assurance that would be protection of private information. I am curious as to the impact this will have on what is left of private information.

MR. KIM:

There has been a push by a number of people in Congress and other groups to develop what is called a "personal health record." This would be owned by the individual. It would still be the patient's choice to allow access to that record. This is as one of the necessary steps to address before we get to the point where we have interoperability and what was discussed during the interim.

CHAIR WASHINGTON:

We were trying to be careful. We wanted the bill to meet the federal requirements of the Health Insurance Portability and Accountability Act of 1997 (HIPAA). Our laws are more stringent than HIPAA is currently. Medical records would still be protected under the federal guidelines.

SENATOR WIENER:

What is in the State's law that makes it more stringent?



MR. KIM:

In the electronic health environment, you cannot do an electronic consent.

CHAIR WASHINGTON:

We will close the hearing on S.B. 536 and open the hearing on S.B. 327.

**SENATE BILL 327**: Requires the Director of the Department of Health and Human Services to publish on an Internet website certain information relating to health care. (BDR 38-1015)

SENATOR BOB BEERS (Clark County Senatorial District No. 6):

One of the problems our uninsured population faces is the fees of health providers. Their fees are so high they do not collect from the uninsured cash patients and they are negotiated downward by the institutional payers. This bill is an attempt to give uninsured consumers of medical services knowledge about a real-world price for a particular medical service. The thought was that the Medicaid pricing could be published. The federal government has decided to publish its Medicare pricing on the Internet. In that manner, an uninsured individual could find the price for a medical service and then negotiate with the provider. They would not be able to pay the same low rate as the largest buyer, but they would have a starting negotiation point. In discussions with Mr. Duarte, he showed me that these prices are already posted.

Senate Committee on Human Resources and Education  
April 4, 2007  
Page 34

CHAIR WASHINGTON:

We will close the hearing on S.B. 327. There being no further issues before us today, I will adjourn the meeting of the Senate Committee on Human Resources and Education at 5:20 p.m.

RESPECTFULLY SUBMITTED:

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Patricia Vardakis,  
Committee Secretary

APPROVED BY:

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Senator Maurice E. Washington, Chair

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