

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Seventy-Sixth Session  
February 16, 2011**

The Committee on Commerce and Labor was called to order by Chair Kelvin Atkinson at 1:36 p.m. on Wednesday, February 16, 2011, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, 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/76th2011/committees/](http://www.leg.state.nv.us/76th2011/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](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Kelvin Atkinson, Chair  
Assemblyman Marcus Conklin, Vice Chair  
Assemblywoman Irene Bustamante Adams  
Assemblywoman Maggie Carlton  
Assemblyman Richard (Skip) Daly  
Assemblyman John Ellison  
Assemblyman Ed A. Goedhart  
Assemblyman Crescent Hardy  
Assemblyman Pat Hickey  
Assemblyman William C. Horne  
Assemblywoman Marilyn K. Kirkpatrick  
Assemblyman Kelly Kite  
Assemblyman John Ocegüera  
Assemblyman James Ohrenschall  
Assemblyman Tick Segerblom

**COMMITTEE MEMBERS ABSENT:**

Assemblyman Tom Grady (excused)

**GUEST LEGISLATORS PRESENT:**

Assemblyman Lynn D. Stewart, Clark County Assembly District No. 22

**STAFF MEMBERS PRESENT:**

Marji Paslov Thomas, Committee Policy Analyst  
Brenda Erdoes, Committee Counsel  
Andrew Diss, Committee Manager  
Jordan Grow, Committee Secretary  
Sally Stoner, Committee Assistant

**OTHERS PRESENT:**

Caleb S. Cage, Executive Director, Office of Veterans' Services  
James R. Wells, Executive Officer, Public Employees' Benefits Program  
Robert Young, Chairman, Las Vegas Chapter, Asian Chamber of Commerce  
Jan Gilbert, Private Citizen, Washoe Valley, Nevada  
Mark Coleman, Deputy Director, Clark County Association of School Administrators and Professional-Technical Employees  
Fred Hillerby, representing Nevada Association of Health Plans  
Jack Kim, representing UnitedHealthcare Services, Inc. and Nevada Association of Health Plans  
Constance J. Brooks, Senior Management Analyst, Office of County Manager, Clark County  
Larry Hurst, representing Anthem Blue Cross and Blue Shield  
Erin McMullen, representing Las Vegas Chamber of Commerce  
Liz MacMenamin, representing Retail Association of Nevada  
Erin Russell, representing Aflac  
Randi Thompson, State Director, National Federation of Independent Business  
Walter Bruce Robb, Legal Counsel, State Board of Professional Engineers and Land Surveyors  
Michael J. McFarlane, Vice President for Academic Affairs, Great Basin College  
Shawn Paterson, Private Citizen, Dayton, Nevada  
Bruce Arkell, representing Nevada Association of Land Surveyors  
Joe Pursel, Private Citizen, Reno, Nevada  
Thomas H. Gallagher, Chairman and Chief Executive Officer, Summit Engineering Corporation

**Chair Atkinson:**

[Roll was called, and a quorum was present.] We have three bills this afternoon. We are going to take the bills out of order. We will open the hearing on Assembly Bill 124.

**Assembly Bill 124:** Requires a funeral director to report the names of certain deceased persons to the Office of Veterans' Services. (BDR 54-162)

**Assemblyman Lynn D. Stewart, Clark County Assembly District No. 22:**

I am here on behalf of the interim Legislative Committee on Senior Citizens, Veterans, and Adults with Special Needs. We are here to present A.B. 124 on behalf of the Chairwoman, Kathy McClain. This bill concerns veterans. If a funeral director has the remains of an individual whom he suspects may be a veteran, he has the responsibility to notify the Office of Veterans' Services. The Office of Veterans' Services will then determine if the person is a veteran and, if so, will make sure the deceased veteran receives the proper burial to which he or she is entitled.

**Caleb S. Cage, Executive Director, Office of Veterans' Services:**

I would like to give some background and statements of support for this bill. Currently in Nevada, the cremated remains of veterans sometimes slip through the gaps. This happens most often when there is no family or no eligible family to receive these remains, and they are often left in storage facilities.

When the Superintendent of the Northern Nevada Veterans Memorial Cemetery started ten years ago, he realized this was a potential problem. So he began reaching out to funeral homes in Reno and Sparks, and within a day or two he was able to recover 36 sets of remains of veterans just in the Reno-Sparks area. Since then he has created an informal relationship with these funeral directors. When a veteran is cremated and stored there, they let him know in order to give them a proper burial at the Northern Nevada Veterans Memorial Cemetery in Fernley or the Southern Nevada Veterans Memorial Cemetery in Boulder City. Organizations like the Missing in America Project (MIAP) have recognized this is necessary and have started efforts around the nation to make people aware of this problem.

We have veterans who do not have family, or whose family cannot be located, who remain on shelves. In December of last year we were able to inter nine of those veterans in a single ceremony. Some remains came from as far away as Elko. There is federal action on this issue, but it seems to be in committee in the U.S. House of Representatives. Several states—Illinois, Missouri, and Colorado—have passed similar legislation in reference to this topic. These states recognize the need to give the veterans of their states a proper burial at

either state or federal veteran cemeteries. Given that Nevada has two state cemeteries and the Nevada Office of Veterans' Services currently has volunteers working regularly with the MIAP, this bill would be well received within the state. We realize this could be perceived as an undue additional burden on funeral directors who are already serving families during a very stressful time. I would however like to point out that the proposed language requires them to report only if they have a reason to know, or are reasonably sure, that they possess the remains of a veteran. In fact this relationship is the kind that currently exists, and we hope this bill will formalize it.

**Chair Atkinson:**

Are there any questions from the Committee?

**Assemblyman Ellison:**

I have watched the MIAP take these remains to Fernley. It is amazing to show the respect to veterans. I will do anything I can to help make this bill a reality.

**Assemblywoman Kirkpatrick:**

I am curious. I had a constituent who was a veteran and lived with a friend. They had the DD Form 214, which described his military service, and all the necessary paperwork. However, they could not arrange the proper burial for him through the Office of Veterans' Services, despite the fact they had the paperwork showing the family of the deceased were also deceased. In that situation does that person end up having to sit for one year until we can make that determination? It seems that we would want to expedite the process.

**Caleb Cage:**

Without knowing the details of that particular case I can only say we operate state cemeteries on behalf of the federal government, and we have to follow federal guidelines. We have had people who are eligible, but it is beyond the one-year period where they can still receive the internment benefit from the federal government, so we are unable to take them. If they fall outside the guidelines in certain various aspects, we are unable to take them. We can take eligible veterans and their spouses. Our superintendents in Fernley and Boulder City do make this a priority every day to make sure that our eligible veterans can be buried and interred at both of these locations.

**Chair Atkinson:**

Are there any other questions from the Committee? [There was no response.] Is there anyone wishing to testify either in favor, opposition, or with a neutral stance? [There was no response.] We will close the hearing on A.B. 124. We will entertain a motion.

ASSEMBLYMAN CONKLIN MOVED TO DO PASS  
ASSEMBLY BILL 124.

ASSEMBLYMAN OHRENSCHALL SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN GRADY WAS ABSENT  
FOR THE VOTE.)

**Chair Atkinson:**

We will now open the hearing on Assembly Bill 89.

**Assembly Bill 89:** Requires certain policies of health insurance and health care plans to provide coverage for acupuncture treatments in certain circumstances. (BDR 57-278)

**Assemblyman Tick Segerblom, Clark County Assembly District No. 9:**

There is a PowerPoint that goes along with my presentation today ([Exhibit C](#)). I sponsored this bill two years ago, and I am here to try again. I am asking that we mandate insurance plans in Nevada to provide for acupuncture coverage. It does not mean they have to provide unlimited coverage. Under this bill the insurance company can limit coverage to one treatment a year. The bill simply mandates coverage of some sort.

Acupuncture is from Asia. This type of treatment is becoming more prevalent in Nevada. In 1973 Nevada became the first state to regulate acupuncture. We have many acupuncturists around the state. Evidence is growing that this is an effective form of treatment. According to the newest census numbers, Asians make up roughly 10 percent of Nevada's population. With respect to the cost, we do not have a lot of figures, but the State of Nevada does offer coverage through its health insurance. The Public Employees' Benefits Program has done a study we have attached ([Exhibit D](#)). In looking at their numbers, under their coverage it costs about \$5 per year per member of the group. This breakdown does not take into account savings incurred by people choosing acupuncture as an alternative to another form of treatment. The great thing about acupuncture is that it is a noninvasive treatment. If a person can cure his pain through acupuncture rather than having an operation, that saves us a tremendous amount of money. All in all it is a fantastic remedy, and we think this bill is worth supporting.

Under Assembly Concurrent Resolution 1, Rule 18, we are required to indicate financial impact to a health insurance policy, and that is included in the PowerPoint ([Exhibit C](#)).

Last session the Legislature required insurance to provide coverage for autism. This is different in the sense that autism is an actual disease where you are mandating new coverage. This bill simply says insurance companies should cover new kinds of treatments for existing illnesses. This would be a much smaller impact. There would be virtually no impact within the health insurance system, in my opinion.

**Chair Atkinson:**

Was there a suggestion as to how many visits would be offered to someone per year?

**Assemblyman Segerblom:**

There is no requirement in the law as to how many treatments must be covered per year. Most plans cover up to 20 treatments per year with a copay, but this bill does not mandate any specific amount. The bill says it has to be covered; that means insurance could cover to as little as \$10 towards one treatment each year.

**Chair Atkinson:**

So you are not concerned with how many; you just want to ensure coverage?

**Assemblyman Segerblom:**

Once the national health insurance plan goes into effect and it starts to get a hold of the whole system, there is a concern that things which are left out at that time may never get in. This does not require that a certain amount of treatment is provided; it just says that acupuncture is one of the recognized medical treatments in Nevada. We believe that once it is in the system, when the new federal regulations come into place, it will always be protected.

**Chair Atkinson:**

So if I were to receive acupuncture, it would be like any other doctor's visit? If I normally have a copay, that would apply to this treatment as well?

**Assemblyman Segerblom:**

Yes, that is correct. They have a preferred provider organization (PPO), so there are certain doctors you may be able to go to without paying a deductible; they have agreed to charge \$20 to the company for a visit, and then if you go outside your plan, there would be a different payment system. It is like any other treatment. Acupuncture usually requires multiple treatments for certain ailments, so most insurances cap the number of visits they cover per year.

**Chair Atkinson:**

You said a moment ago that you were concerned that if this is not covered by 2014, it may never be covered.

**Assemblyman Segerblom:**

Yes. In 2014 it will be much more difficult to get it covered.

**Assemblyman Hickey:**

The insurance industry is probably going to suggest that people can add coverage through a rider. Unless you are going to address that later, I wonder what your response to that is.

**Assemblyman Segerblom:**

I have not heard anything about riders. I have heard only from Aflac which has proposed an amendment excluding it from this mandate. I have no problem with the amendment because that company really deals with a different type of coverage. Most of the insurance companies have said that even though they cover acupuncture, they do not want to be mandated provide it, because mandates are expensive, et cetera.

**Assemblyman Conklin:**

If I am not mistaken, this goes through *Nevada Revised Statutes* (NRS) Chapters such as 695B and 695C. So it is reaching out to all the different types of plans: group health care plans, state mandated plans, health maintenance organizations (HMOs), and individual private coverages. Is that correct?

**Assemblyman Segerblom:**

That is correct. As you know, this does not cover the Employment Retirement Income Security Act (ERISA) plans, which are the primary types of plans related to private industry.

**Assemblyman Conklin:**

In your PowerPoint ([Exhibit C](#)) it says the cost would be roughly \$5 per person. Certainly not everyone will use acupuncture, but based on the experience it would be \$5 per person, and I am assuming that is exclusively using the number from the Public Employees' Benefits Program?

**Assemblyman Segerblom:**

Yes, that is the only data we have.

**Assemblyman Conklin:**

This is always a concern for me when we look at figures like this, because the Public Employees' Benefits Program is a large system. It has a lot of people.

From a statistical point of view it is easy to say the insurance can provide this at a relatively low cost. However, there are some other plans, particularly those that are being amended, where the numbers of people are not that large. There are small employer groups, and also the individual policy plans, and when you amortize this for an individual policy plan, it is no longer \$5 per person. It becomes the actual cost of treatment, because insurance companies do not know how frequently the service will be utilized. Have you talked with the industry about that, specifically, or about addressing it in a different way for the smaller plans?

**Assemblyman Segerblom:**

This does not mandate a particular number of treatments or what insurance companies have to pay per treatment. If a plan had 100 people and said we cannot afford this, the plan could cover one treatment per person up to \$5.

**Assemblyman Conklin:**

So it only mandates that you have to allow that treatment? [Assemblyman Segerblom agreed.] And you do not care how much of the service they cover? [Assemblyman Segerblom concurred.]

**Assemblyman Ohrenschall:**

A small percentage of the general population uses acupuncture even though it has many benefits. Do you think there would be a small percentage of covered members on the different plans who would use this coverage? So, we probably would not see a large financial impact. What type of financial impact do you foresee?

**Assemblyman Segerblom:**

I think there would be a very small financial impact. I have with me James R. Wells, the Executive Officer of the Public Employees' Benefits Program (PEBP), and he has run the numbers. His figures do not take into account what is being saved by people receiving acupuncture rather than the traditional and more expensive treatment of an orthopedic surgeon, for example.

**Assemblyman Kite:**

I have used an acupuncturist before and found it very helpful, but I am concerned this bill will deter insurance companies from operating in Nevada in the future. We are continuously mandating coverage with the belief it costs only \$5 or some other amount. These figures are speculation. My medical insurance through Hometown Health is probably three times what it is on the outside market, so that \$5 just went to \$15. We are pricing people out of the medical insurance market as it is. If we add another mandate with no guidelines, I cannot see any insurance company taking the gamble that it will

only be \$5. It bothers me that you have no other fiscal impacts on local governments and what it is going to cost them for their coverage for their employees. I am unclear if this is \$5 per week, per month, or per year.

**Assemblyman Segerblom:**

Mr. Wells will talk more about the financial impact.

**Assemblyman Daly:**

My insurance plan currently covers acupuncture. My wife is a medical claims examiner and she works for Hometown Health; she told me that most of the plans she administers cover acupuncture. I do not know that this is going to affect a great number of insurance plans. I am saying it is widely out there already. I do not think it is an expense that is going to hurt people.

**James R. Wells, Executive Officer, Public Employees' Benefits Program:**

Section 11 of A.B. 89 would impact PEBP by amending NRS 287.04335 to include acupuncture under our program. While the Board of the Public Employees' Benefit Program has not taken a formal position on this bill, the self-funded plan already covers acupuncture and acupressure if it is performed by a licensed M.D., D.O., an acupuncturist as defined in our plan, or an Oriental medicine doctor. It is covered at 80 percent in network after applying your deductible and at 50 percent if you go outside our network. Maintenance benefits are not covered. A maintenance benefit is defined as one that is supporting a level of physical care rather than increasing or improving that function.

For the 2008 calendar year, 602 out of our 32,000 participants took advantage of the plan's acupuncture services. There were 3,775 individual claims for those 602 participants. The total cost to the plan was about \$172,000, or about \$5 per member per month. The average participant cost was about \$287 per year. That is the cost in our coverage for acupuncture. At this particular junction there is no intent for us to remove this section from our coverage.

**Assemblywoman Carlton:**

Attributing \$5 to each member is not a real number to me. We need to talk about cost of care and the actual impact to that particular patient. If you spread something out really thin across a large group, it is going to look a lot different than for a single person. Can you break it down a little better?

**James Wells:**

It is about \$5 per member per month for our expenditures to cover acupuncture for all of our participants, based on usage. The average person costs about

\$287 per year. So of the 602 participants who used it, we spent as a plan about \$287 for each of those 602 participants.

**Assemblywoman Carlton:**

How many people are in your pool?

**James Wells:**

There are between 32,000 and 33,000 people.

**Assemblyman Conklin:**

Can you estimate what the potential savings would be if a person chooses acupuncture as an alternative to some other treatment? There is most likely some other cost that is not being incurred because they are choosing this treatment over another. Do you have any data on that?

**James Wells:**

That would be very difficult for us to project. You are correct that in many instances this is a different form of treatment. People are seeking relief at an acupuncturist rather than go to a regular M.D. I do not have any data as to how much is being avoided in those medical doctor areas by using acupuncture.

**Assemblyman Conklin:**

Do you have some data on the typical ailments that people use acupuncture for? The PowerPoint ([Exhibit C](#)) mentions back pain. I would assume that is fairly common, but are there others?

**James Wells:**

I am not aware what exactly the conditions are. We have about four procedural codes that are used, and they would probably cover different conditions, but I do not have those four codes with me. I can get those to you.

**Assemblyman Ellison:**

In rural Nevada there are not any places that provide acupuncture treatments. Would the insurance companies have to pay to transport a person to another city where they can receive treatment?

**James Wells:**

We do not pay for transportation on our plan. If you are outside a 50-mile radius, you can see an out-of-network person, and they will be considered in network.

**Assemblyman Kite:**

I am still struggling with the lack of information on the cost. I am concerned about the average person who is buying individual insurance or a small group much smaller than the PEBPs groups. Even with your figure at \$5 per month per person, a family of four would pay approximately \$240 extra per year for this insurance. The options are currently there to add a rider to your insurance, or elect not to and save yourself a couple hundred dollars a year on your health insurance. The mandatory part of it really still sticks with me. I do not think I can support it.

**Chair Atkinson:**

Are there any questions from the Committee? I see none. Is there anyone else who wishes to testify in favor?

**Robert Young, Chairman, Las Vegas Chapter, Asian Chamber of Commerce:**

I am here to support this bill on behalf of the members and directors of the Asian Chamber of Commerce, the Asian community, and others. I am Chinese myself. This is a traditional Chinese medicine and it works very well, especially for pain relief.

**Jan Gilbert, Private Citizen, Washoe Valley, Nevada:**

I have been going to an acupuncturist for four years. I use it as my primary medical care. I am saving my insurance company a lot of money, because it will not cover acupuncture. I urge you to support this bill. Acupuncture is very interesting because it does relieve pain, allergies, and congestion. For someone who is sick it is a wonderful treatment. Acupuncture is a very effective, and cost-effective, treatment. It really saves insurance companies money because instead of going to a doctor who would charge \$100 or \$150 or more for a visit, I go to an acupuncturist who charges much less.

**Mark Coleman, Deputy Director, Clark County Association of School Administrators and Professional-Technical Employees:**

We support A.B. 89 with the understanding that there would be utilization caps and appropriate licensure. It is our understanding that it would allow the insurance companies to negotiate with each of the groups they represent on an individual basis to determine costs and utilization caps. Then they would be able to determine the total costs for the insurance company and what the companies they represent are willing to pay. So there does seem to be some cost-effectiveness in the process.

**Chair Atkinson:**

Are there any questions from the Committee? I see none. Is there anyone else to testify in favor? [There was no response.] Is there anyone wishing to testify in opposition to this bill?

**Fred Hillerby, representing Nevada Association of Health Plans:**

I have compared my testimony with Mr. Kim and it is very similar, so I would like to turn it over to Mr. Kim.

**Jack Kim, representing UnitedHealthcare Services, Inc. and Nevada Association of Health Plans:**

Assembly Bill 89 applies a mandate on insurance companies regulated by the state. It also requires public entities, which are local governments, to cover this mandate. However, it does not cover the self-insured companies, who are typically your larger companies, unions, and trusts that are governed by federal laws. On an insurance basis it covers only about 25 percent of the population. This mandate is different from many of the mandates we have opposed in the past because many of the members of our association offer plans which cover acupuncture. Some plans cover this as a part of their core benefits, and many plans offer this as a rider. If an employer or individual wants this benefit, he can ask for it. It then is priced appropriately and included in his benefits. These options are already out there. Many people already have the choice to obtain this benefit. The question is, what is the problem we are trying to solve? It is already out there, there are plans that cover it.

The year 2011 is going to be very challenging for everyone in the insurance industry but also for anyone in the health care industry. I think what we are seeing now is because of the federal health care reform bill. Beginning in January of this year we are going to see our rate increases related to the federal health care reform bill. We are going to see the impact of autism coverage, which was passed in the last session. We are also going to see the additional cost increases related to a number of the federal health care reform provisions, and we do not know exactly what those rules are yet because they have not been developed. As those rules are developed, they will get billed into the premiums this year and next year. Consumers will be seeing increases in premiums because of all the changes. That does not relate to this mandate.

Mr. Segerblom mentioned that health insurance will change in 2014. The year 2014 is very important for a variety of reasons. One of the most important reasons is that everyone is required to have insurance, but also, something called a health insurance exchange is supposed to go live in 2014. Under the health insurance exchange, an individual can go to that exchange and get health care. He can determine which plan he wants. He can also potentially receive a

subsidy of some type. That is important because if this benefit is not considered an essential benefit, and we do not know what those benefits are going to be, then the state is responsible for the cost of those benefits. So there will be a fiscal impact on the state because of those benefits. If it is not considered an essential benefit, it will be paid for by the state for anyone who receives a subsidy. Those are all things to consider. When we come up here and oppose these bills, it is not because any treatment, this mandate or others, are bad treatments. It is simply because we are trying to watch the premium increases that we have to charge the employers who purchase insurance. Ultimately all these requirements get passed on to the employer or individual who purchases insurance. We are trying to maintain the premium level for our members.

**Assemblywoman Carlton:**

I have sat through many of these mandates discussions. We have heard the same discussions for mandates for colonoscopies and mammograms. It is up to us to decide what care we believe our constituents should have. We should look at what mandates do. Mandates give people coverage for the reasons why they are ill. I am not necessarily convinced a mandate costs us money in the long run. I think the issue we have glossed over a bit is that, although it is hard to get good numbers on future events, as far as colonoscopies and mammograms go, we know that by having those mandates we have saved people's lives. We also have hopefully saved a lot of money by diagnosing their illnesses early and not having to treat them when they are at the end stages of their diseases. As far as your assertion that this will cover only 25 percent of the insured people of Nevada, I have noticed that when the state has mandates, as with the autism bill last session, others tend to follow. Nevada currently has 52 mandates, and almost 75 percent of those are covered by other insurance companies. So we do set the stage, and we pull them along.

UnitedHealthcare does business in a number of other states. If you would look at the mandates in those states and compare them with Nevada, and let us know if there are cost savings when acupuncture is covered, it would be helpful. You can get that information because you have the data to back it up. If that is possible, I know I would appreciate it.

**Jack Kim:**

I agree with a lot of your comments. When you talk about preventative diseases and testing, colonoscopies and mammograms, typically we oppose those not because we do not already cover them. We have covered them beforehand. We understand those types of testing are important. Those types of testing save money. Those types of testing are things we should do, and they are appropriate. That is what medicine is about; insurance companies need

to make sure they are covering the things that are needed. Have there been rate increases because of those? We probably do not track that because we already included that in our core benefits. Those are things we would cover with or without a mandate.

I can look at data from other states and see what I can get you. Sometimes that type of data is hard to get because you are comparing apples to oranges. Laws in some states may require it when others do not. Some employers may want it and others do not. I will see what I can get you.

**Assemblyman Hardy:**

I am a business owner, and we have a human resources person who runs our insurance program. Every year our company provides a certain amount of money to each employee for health insurance. We found just the opposite, regarding mandates. The employees get to choose their package. As packages are developed, and competing insurance companies are trying to get our business, we have found we can develop a better package over time through the competitive market than through a mandate. I think the competitive marketplace works far better than a mandate.

**Assemblyman Goedhart:**

Where are we ranked nationally with the number of mandates as opposed to other states? Do you have any specific knowledge as to where Nevada ranks in the number of mandated insurance coverages?

**Jack Kim:**

From my understanding, Nevada probably ranks on the high side. Let me qualify that, because different states define different things as different mandates. Some mandates are considered more administrative. Some mandates, like this one, we would consider benefit mandates. When you take everything into consideration, it appears we are more on the high side. I do not know the specific number.

**Chair Atkinson:**

Are you concerned with premium and deductibles as it relates to this? Have you seen a rise in premium and deductibles as we have added other mandates?

**Jack Kim:**

We have. It really depends on the mandate, and some of it we do not know until utilization restrictions come out and contracting is done. Besides paying for a claim, you have additional administrative expenses. You have to develop a network if you do not already have one. As Mr. Ellison said, it is also difficult

for people in the rurals because there are not providers out there. Looking at mandates in general, when you add one on top of another, they do have an impact on premiums.

**Chair Atkinson:**

I understand that. I am not sure how many people would take advantage of this acupuncture option, but I am trying to get a handle on the fact that even though I am not interested, other people are, so my premium may go up as well because we have added this mandate to the system. I am trying to get a feel for how significant you think that would be, because we are not talking about a spa treatment; we are talking about acupuncture, which most people probably would not do anyway. I am wondering what your thoughts are.

**Jack Kim:**

I think that is going to be hard to determine at this point. You are right; we do not know how many people are going to use this mandate. We do know there is a cost impact, as Mr. Wells indicated; it is \$5 per person per month in his plan. Mr. Conklin had referenced the impact on small groups and individuals, so all individual policies will include this as a mandate. So whether you use it or not, you would have to pay for it because you have it available. The larger the group, the less it would be per person; that is just how insurance works. With some of the plans we have here it may not have any impact because it is either already offered as part of the core benefits or offered as a rider. I know some plans in the company I represent have it and a lot of them do not. It is really up to the employer to talk to us about it.

**Chair Atkinson:**

Did you talk with the sponsor of this bill beforehand and try to work out your differences?

**Jack Kim:**

I let Assemblyman Segerblom know we had issues with this bill and we would be opposing it.

**Assemblyman Ellison:**

Has there ever been a study on the effectiveness of acupuncture? To me this should be a voluntary thing. I do not think anyone should be forced into putting it in their insurance policy.

**Jack Kim:**

I am not aware of any study.

**Fred Hillerby:**

We are not here to discuss the efficacy of acupuncture. The matter that really concerns me here is that, as a country and as a policy of this state, we like freedom of choice. You ought to be able to choose and have as much freedom of choice as possible. My point is, the more mandates that are put on an insurance policy, the less choice you have. You either buy the policy with all the mandates, or you do not get coverage. I think Assemblyman Hardy made the point that his employees were involved in making the choices about the parts of their benefit package and the costs associated with those choices. All the mandates put on a traditional health insurance policy leave only two choices: take it or leave it. I do not think that is a very good choice to offer people.

**Chair Atkinson:**

I think you are helping to make Assemblyman Segerblom's point, regarding the freedom of choices, because this would give people choices.

**Constance J. Brooks, Senior Management Analyst, Office of County Manager,  
Clark County:**

With the bill as written, we have three areas of concern. First, the bill does not speak to the level of coverage. One of our insurance plans, the self-funded plan under which 3,895 employees are covered, allows a maximum of 20 acupuncture treatments per calendar year. The bill as written does not specify the maximum number of treatments, and the possibility of extending current limitations to more than 20 treatments would be costly. We are appreciative of Assemblyman Segerblom providing clarification relative to the allowable number of treatments a participant can have throughout the year. As a point of reference, in 2009 we had 2,174 acupuncture claims that were processed, and in 2010 there were about 1,668 claims.

Our second issue with the bill is in reference to NRS 634A.020, which may require the expansion of coverage to include herbal medicine, which is currently not a self-funded covered expense and would increase self-funded costs and claim costs. Currently, the Executive Board of the self-funded plan has avoided extending additional benefits due to the current economic constraints.

Our last issue with this bill relates to our other health insurance plan, through the Health Plan of Nevada (HPN), under which we currently have 2,298 employees covered. The HPN specifically excludes the coverage of acupuncture. This bill, as written, has the potential to mandate coverage under our HPN plan. If this is the case, it could increase premium rates charged to Clark County. While we understand the benefits of acupuncture, this bill has

the potential to increase costs incurred not only by Clark County but by its employees as well. So, with that, we are opposed.

**Chair Atkinson:**

The self-funded plan that Clark County offers currently covers 20 acupuncture treatments per year? [Ms. Brooks indicated yes.] Do you have any data on how many people are taking advantage of that and are reaching the utilization caps?

**Constance Brooks:**

The data I have right now really pertains to the number of participants of these claims throughout a calendar year. As far as how often those participants took advantage, I do not have that in front of me, but I can provide it for you at a later date.

**Chair Atkinson:**

Yes, I think that would be helpful. You said 1,668 acupuncture claims were filed in 2010. How many people are covered in your self-funded plan?

**Constance Brooks:**

Our self-funded plan currently covers 3,895 employees.

**Chair Atkinson:**

So a little under half, and then HPN is the only other type of coverage Clark County offers?

**Constance Brooks:**

Yes. The self-funded plan and HPN are the only two health insurance plans that we provide.

**Chair Atkinson:**

If employees find they really want acupuncture coverage, can they move from HPN to the self-funded plan?

**Constance Brooks:**

Yes, that is correct. There is an open enrollment period where employees can opt to switch plans and pick one that better suits their needs.

**Larry Hurst, representing Anthem Blue Cross and Blue Shield:**

I briefly spoke with Assemblyman Segerblom to tell him we were in opposition to this bill. We offer 12 visits a year for our members, but we feel mandating this coverage would increase our members' costs. Our members are coming to us asking for affordability. The way we can do that is by giving really good

benefits and keeping the costs down. As a health care policy professor at University of Nevada, Las Vegas, I have looked at Nevada's mandates. Assemblywoman Carlton is correct that Nevada has 52 mandates and ranks ninth in the nation. We also dissect the medical economics, and when you mandate something, the cost does go up. For those reasons we are opposed to A.B. 89.

**Assemblywoman Carlton:**

Let us get back to the ultimate discussion about how much money does this save in the long run. If someone receives acupuncture instead of treatment from an orthopedic surgeon, how much is saved? Have you done that? Is there any way to get those figures? We know anecdotally that the costs of the two therapies are going to be distinctly different. Until we start talking about the long-term money saved, and the health of the patient, we have not put all the bits of the puzzle together. Those are the numbers that I really want to see. How much money do we save on that tennis elbow rather than having the surgery?

**Chair Atkinson:**

I am of that same belief, that the longer we let things go on, they cost more later.

**Assemblyman Ohrenschall:**

Earlier it was mentioned, if people wanted to, they could add acupuncture on as a rider. Would that make sense for the participant? How much extra would it cost to add as opposed to paying for it out-of-pocket?

**Larry Hurst:**

I can get the costs for you at a later time.

**Assemblyman Ohrenschall:**

In general, though, do you think it would make sense for a participant? One of the opposition's main points is that, instead of mandating coverage, people should add this as a rider. It has been my experience that sometimes when you add something like that, it can be more expensive than paying for it out-of-pocket.

**Larry Hurst:**

The fact of the matter is that we can cover anything. However, we are going to have to price it, contract, credential, and make sure there is licensure in place. Quite a few things are riders. It is coming down to cost now; that is the teetering-point for businesses. They are wondering if they can afford benefits for employees or not. We are tending to see groups letting coverage go.

Also, we are seeing some of our groups remain intact but shrink. They are not asking for acupuncture or things like that; they just want basic coverage for their employees.

**Chair Atkinson:**

Mr. Hurst, please provide those numbers to the rest of the Committee as well. [Mr. Hurst nodded.] Are there any other questions from the Committee? [There were none.]

**Erin McMullen, representing Las Vegas Chamber of Commerce:**

We oppose this bill. We believe it is one additional mandate that creates an additional cost for employers and businesses. Given the current economic conditions facing employers and their businesses today, this is an additional burden they cannot afford. It will only make it harder for them to continue to offer health coverage for their employees.

**Liz MacMenamin, representing Retail Association of Nevada:**

I am also speaking on behalf of Tray Abney, who represents the Reno Sparks Chamber of Commerce. The Retail Association of Nevada represents over 1,500 small members. The 25 percent of the population who would be mandated would be these small members, who are already feeling a crunch at this time. So we would ask this Committee to think about that and see if this is warranted.

Speaking personally, I have had acupuncture treatments. My health insurance does cover it, but I have never utilized it through the health insurance program. I think it is great. There are not a lot of scientific studies on what its impact is. Just because I believe in it does not mean everyone else will. I think, again, we are talking about a mandate on small businesses, and we need to be careful because they are struggling as it is out there.

**Erin Russell, representing Aflac:**

Aflac sells individual renewable health insurance policies, which are designed and sold to provide supplemental benefits in the event of serious illness or hospitalization. These policies tend to deal with cancer, short-term disability, and supplementing hospitalization and are designed to fill a niche that is not commonly covered by normal health and accident insurance. Unlike comprehensive major medical coverage, which is designed to reimburse the doctors and hospitals, Aflac supplemental policies are sold to complement major medical coverage. For these reasons we have proposed an amendment ([Exhibit E](#)). In sections 1 and 3, instead of saying, "policy of health insurance," we would like to change it to "health benefit plan," as defined in NRS 689A.540 and 689B.410.

**Chair Atkinson:**

Are there any questions from the Committee?

**Assemblyman Ellison:**

Do you know what the financial impact would be for a large company like Aflac?

**Erin Russell:**

I do not have that information in front of me today, but I can surely provide it to you at a later date.

**Randi Thompson, State Director, National Federation of Independent Business:**

I represent over 2,000 small business owners. When Mr. Kim spoke of the 25 percent of the health plans that would be mandated, those are my members. I believe this should be an option as a rider, but not mandatory coverage. We have to consider what is happening at the federal level. I am a user of acupuncture for both allergies and headaches, but from a small business point of view we cannot handle any more mandates.

**Chair Atkinson:**

Are there any questions from the Committee? I see none. Is there anyone else in opposition wishing to testify? [There was no response.] Is there anyone neutral wishing to testify? [There was no response.] I think there are some issues to be worked out with this bill. We will now close the hearing on A.B. 89. We will open the hearing for Assembly Bill 102.

**Assembly Bill 102:** Revises provisions governing the requirements for licensure as a professional engineer or professional land surveyor. (BDR 54-767)

**Walter Bruce Robb, Legal Counsel, State Board of Professional Engineers and Land Surveyors:**

Previously, Nevada allowed professional engineers and land surveyors to obtain licensure through experience only, without an education requirement. That was amended in 1999 to require that by July 1, 2010, applicants have a four-year degree. When that happened, we had about 54 individuals who were caught in a trap where they had not been able to complete either their education or their experience. We requested this bill to allow those 54 people to achieve licensure by first being approved by the Board to take the exam prior to July 1, 2010, and in the case of engineers, complete the experience requirement by August 1, 2014, and then they must pass the exam. The land surveyors were not allowed to take the test until they had ten years experience, so we are asking they be allowed to have four additional years, until August 1, 2014,

within which to pass the exam. We are trying to allow people who were in the pipeline to have the opportunity to obtain licensure.

**Assemblywoman Carlton:**

I worked on the bill in 1999 that Mr. Robb is referring to; these people are working very hard towards becoming licensed, and I want to support them in doing so, which is why I sponsored this bill.

**Chair Atkinson:**

I have a question on subsection 2(b): "Has a record of 10 years or more of active experience in engineering." I am trying to figure out what that pertains to. Is it in addition to passing the exam? Or is the experience in lieu of passing the exam? I want to clarify that you have to have both.

**Walter Bruce Robb:**

That would be in addition to. You must have the experience and pass the exam. We allowed people to take the exam when they had at least six years of experience. So we got into the position where some people had passed the exam, but with the poor economy in the past couple years, they could not get a job and therefore could not complete the years of experience they needed to reach the ten-year mark. That is why we came to Assemblywoman Carlton with this bill. We want to get the people who are qualified applicants and in the pipeline the chance to obtain licensure.

We have met with representatives of the Nevada Association of Land Surveyors and Great Basin College, with the hope of presenting a unified proposal to the Committee today. The Nevada Association of Land Surveyors has proposed an amendment that is acceptable to the Board.

**Michael J. McFarlane, Vice President for Academic Affairs, Great Basin College:**

I am here to support this bill as amended. Great Basin College worked with the professional land surveyors of Nevada in 2006 to develop a four-year land surveying program to fulfill the requirements of the statutes. That program is in place and rolling. It was predicated on the July 1, 2010, date for the requirement of a four-year program. We have spent a considerable amount of time, money, and effort to make this program available for anyone in the state through a combination of local classes at the colleges and universities and online instruction. There is not an impediment to receiving educational components. The amendment clarifies that the educational requirement will not be waived entirely, but only for those people who were caught in the transition.

**Assemblywoman Bustamante Adams:**

Is there a program in southern Nevada?

**Michael McFarlane:**

The University of Nevada, Reno and the University of Nevada, Las Vegas were approached by the professional land surveyors groups to initiate a program, and both declined. After that, Great Basin College began creating this program. It was created with the idea that it would be available to the entire state. It was developed as a collaborative statewide program.

**Shawn Paterson, Private Citizen, Dayton, Nevada:**

I am one of these people who have been caught in the gray area of this transition. I acquired my two-year degree from Western Nevada Community College and proceeded to go to work for the Nevada Department of Transportation. I have worked my way up there and am currently a roadway designer for the Department of Transportation. I have applied and been accepted to sit for the test and continue to accrue my ten years of experience. I am here in support of this bill.

**Chair Atkinson:**

Do you agree with the bill as amended?

**Shawn Paterson:**

I do. I believe I am one of those people caught in the transition. I believe I can take and pass the exam before August 1, 2014.

**Bruce Arkell, representing Nevada Association of Land Surveyors:**

I drafted the amendment ([Exhibit F](#)) because the original language was essentially eliminating the educational requirement; at least that is how it appeared. We wanted to limit the scope of this to those who were caught in the transition. It is important to note that there are several surrounding states that have four-year programs, so some of the people have taken those courses and completed them. The surveyors are fully in support of the educational requirement.

**Chair Atkinson:**

Are there any questions from the Committee? I see none. Is there anyone else to testify in favor?

**Joe Pursel, Private Citizen, Reno, Nevada:**

I also fall into this gray area. I was allowed to take the fundamentals of engineering test and the principles of engineering test, both of which I passed. However, I did not have the necessary experience before July 1, 2010, in order

to get my license. This bill would allow me to get the years of experience I need so I can obtain licensure. I am in full support of the bill as amended.

**Chair Atkinson:**

Is there anyone neutral wishing to testify? [There was no response.] Is there anyone in opposition wishing to testify?

**Thomas H. Gallagher, Chairman and Chief Executive Officer, Summit Engineering Corporation:**

I am opposed to the bill as written. I am a professional engineer and land surveyor. Over my 30 years of experience I have employed over 1,000 engineers, land surveyors, and technicians. I have employees, both engineers and land surveyors, who are trapped in this legislation. I have been following this issue since 1999.

I am not against higher education. Currently I employ two engineers, one of whom just spoke, and six survey candidates, all of whom are impacted by this legislation. Every one of these people has passed the fundamentals of engineering test, and all have qualifying experience varying from 5 to 20 years. The legislation requires an engineering degree; it used to be an engineering or an associated degree of some kind. One of the people who just spoke has a degree in biology. Biology is a major part of engineering, especially sanitary engineering. Another gentleman has a degree in environmental sciences and a master's degree in hydrology. There is still a question as to whether he meets the educational requirements. They have also accomplished the experience required. We have found over the years that a lot of people come into engineering and land surveying through a process of discovering what it is they want to do. A lot of them do not have the resources to go into the university system but, rather, they have to go to work. I have employed many people like that.

I have a land surveyor who went to work for me right out of high school in 2002. He came from a poor family in Cold Springs, but has worked his way up at my company. At the "drop dead" date of July 1, 2010, he had only eight and a half years of experience. To tell him that he has to go back and get a four-year degree in surveying does not seem feasible. He cannot take four years off work to go to college. If this bill did not have the date of July 1, 2010, in it, I would not have any problem with this bill. I have told the people at Great Basin College that I have no problem sponsoring these people to attend that college if they can use their experience as a prorated portion of a college degree. Only two years of the curriculum deals with land surveying; the rest covers general requirements like English and lower-level math courses. The program at Great Basin College was not up and running until August of 2006.

It is very difficult to cram a four-year degree between August 2006 and July 2010, especially if you have to work for a living.

I think it is very difficult to draw a line in the sand for those caught in transition. In my discussion with Great Basin College they said they have about 20 land surveying students, and they graduate 2 per year. I know more than two surveyors in northern Nevada who have died this year, so we are not keeping up. My other question is, how will this program at Great Basin College be affected by the budget cuts? What do we do if this program gets cut? Will these people have to wait until the next legislative session to have their concerns addressed? I think that, and the fact that I believe the engineering or equivalent degree should still be acceptable, are my only concerns.

**Chair Atkinson:**

Are there any questions from the Committee?

**Assemblyman Ellison:**

Mr. Gallagher, are you saying if someone has nine years' experience and two years of education, they should qualify as long as they pass the exam? Is that correct? You do not want any specific date set in the bill?

**Thomas H. Gallagher:**

These people have all passed the initial surveying exams, but they are unlike engineers who could take the exam the minute they pass the first exam. The surveyors were required to have ten years of experience prior to being able to take the exam, which is a completely different set of requirements, in my opinion.

**Assemblyman Ellison:**

I agree. I think working in the targeted field should count for something. Sometimes people learn more actually doing the work than in the classroom. I am hoping these two parties can resolve their issues with this bill. I think it can be resolved.

**Assemblywoman Carlton:**

I apologize to the Committee. I did not realize there were still issues that had not been settled. I thought we had all the wrinkles ironed out. I had not heard from Mr. Gallagher before today, so I did not realize there were still concerns. I know philosophically there has always been a concern with education versus experience. I think we can get this addressed and bring a bill back to the Committee that we can all agree to.

**Chair Atkinson:**

Are there any questions from the Committee? I see none. Is there anyone else to testify in opposition to this bill? [There was no response.] Is there any public comment?

**Walter Bruce Robb:**

Assemblywoman Carlton, we believed we had everything ironed out. I will speak with Mr. Gallagher and see if we can reach a resolution.

**Chair Atkinson:**

We will close the hearing on A.B. 102. The meeting is adjourned [3:22 p.m.].

RESPECTFULLY SUBMITTED:

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Jordan Grow  
Committee Secretary

APPROVED BY:

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Assemblyman Kelvin Atkinson, Chair

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

**EXHIBITS**

**Committee Name:** Committee on Commerce and Labor

**Date:** February 16, 2011

**Time of Meeting:** 1:36 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
A.B. 89	C	Assemblyman Segerblom	Supporting Document
A.B. 89	D	James Wells	Supporting Document
A.B. 89	E	Erin Russell	Proposed Amendment
A.B. 102	F	Bruce Arkell	Proposed Amendment