

**MINUTES OF THE
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES**

**Seventy-sixth Session
May 16, 2011**

The Senate Committee on Health and Human Services was called to order by Chair Allison Copening at 3:33 p.m. on Monday, May 16, 2011, in Room 2149 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 Allison Copening, Chair
Senator Valerie Wiener, Vice Chair
Senator Sheila Leslie
Senator Ruben J. Kihuen
Senator Joseph (Joe) P. Hardy
Senator Ben Kieckhefer
Senator Greg Brower

GUEST LEGISLATORS PRESENT:

Assemblywoman Marilyn K. Kirkpatrick, Assembly District No. 1

STAFF MEMBERS PRESENT:

Marsheilah Lyons, Policy Analyst
Risa Lang, Counsel
Shauna Kirk, Committee Secretary

OTHERS PRESENT:

Marla McDade Williams, B.A., M.P.A., Deputy Administrator, Health Division,
Department of Health and Human Services
Barry Gold, Director, Government Relations, AARP Nevada

CHAIR OPENING:

We will open the meeting with Assembly Bill (A.B.) 534.

ASSEMBLY BILL 534: Increases penalties for operating certain group homes without a license. (BDR 40-671)

ASSEMBLYWOMAN MARILYN K. KIRKPATRICK (Assembly District No. 1):

During this past interim, I chaired the Legislative Commission's committee to study group homes. This is one of several bills resulting from that study that have been presented this Session. It makes changes regarding unlicensed operations of residential facilities for group homes and homes for individual residential care. I have heard of 17 unlicensed group homes in the last year. This bill transfers the authority to impose civil penalties for operating an unlicensed facility from the Office of the Attorney General (AG) to the Health Division (HD), Department of Health and Human Services. The bill also increases the civil penalties for operating an unlicensed facility to \$10,000 for the first offense, \$25,000 for the second offense and \$50,000 for the third offense. Persons operating an unlicensed facility will have to wait to reopen for six months after the first offense, one year after the second offense and will no longer be allowed to operate a group home after the third offense. The most recent group home in my district was one with five children who were not getting their meals or medication. During the interim, the committee heard that more penalties need to be imposed. Some unlicensed operators will open a home and move it across neighborhoods, city and county boundaries. They often license one home and not the second home. Last Session, we found that many of the administrators running group homes did not live in the Country.

SENATOR KIECKHEFER:

Was there any discussion as to whether the people running group homes would have sufficient respect for the HD to pay them?

ASSEMBLYWOMAN KIRKPATRICK:

Yes. Many of the group-home operators already go through the HD to address concerns. There is a collection of other measures that tighten the definition. Local government is usually the first to respond to unlicensed group homes.

SENATOR KIECKHEFER:

Are most of the people in violation of licensing operating other group homes that are licensed?

Senate Committee on Health and Human Services
May 16, 2011
Page 3

ASSEMBLYWOMAN KIRKPATRICK:

There is a combination. Last Session, 600 operators of group homes operated over 2,000 homes.

SENATOR LESLIE:

Are the fines going to be a sufficient deterrent?

ASSEMBLYWOMAN KIRKPATRICK:

The goal is to deter people in the future from opening unlicensed group homes. In the meantime, we are spending funds trying to fix the problem. The Assembly may be sending over a letter of intent so we can use the funds to educate the unlicensed operators.

SENATOR LESLIE:

When Ms. McDade Williams testifies, she can talk about sections 2 and 3, and what her intent will be.

SENATOR WIENER:

How did you come up with the fines of \$25,000 and \$50,000?

ASSEMBLYWOMAN KIRKPATRICK:

We were not getting our funds back for the time spent on these group homes with the \$10,000 fine. I wanted to make sure people got the message. There have been people who have opened another home every week.

SENATOR WIENER:

Are they noticed of the subsequent fines?

ASSEMBLYWOMAN KIRKPATRICK:

Yes.

MARLA MCDADE WILLIAMS, B.A., M.P.A. (Deputy Administrator, Health Division, Department of Health and Human Services):

These violations are processed through the court system. We do all of the groundwork, and the courts take it from there. The courts have not imposed up to the \$10,000 minimum. We will continue to do the work and move them through our administrative-procedure process in which they would pay administrative penalties if they have violated the provisions of the statute. If they do not pay the administrative penalties, it is our obligation to turn it over to

the Office of the State Controller for collection. When we collect our administrative penalties, they go into our sanction fund. It is a nonexecutive-budget account, Budget Account 3217. Our Executive Budget Account is 3216. We do not use funds in our nonexecutive-budget account for operating expenses. If we were collecting funds and were able to use them for operating expenses, we would no longer use our established staff to do all of this work. We would have funds we could draw on to hire temporary staff to help with our workload at any given time.

SENATOR LESLIE:

Do you know why people continue to do this? Is it to make money?

MS. MCDADE WILLIAMS:

I do not know. Our repeat violators are usually flaunting the law. We have one who continues to come back. She is not being held accountable. Some are in it to make money. When they find out it costs money, they change their operations.

SENATOR LESLIE:

What would you do with someone who had good intentions and just did not know what was necessary to do? Would you educate that person or would you impose a \$10,000 fine?

MS. MCDADE WILLIAMS:

The HD would tell them they need a license to do what they are doing. They will have an opportunity to submit their application. As long as they do that, they would not be prosecuted. These operators are usually given a year to submit an application. If they submit an application within a year, they will not be fined or prosecuted.

BARRY GOLD (Director, Government Relations, AARP Nevada):

I have written testimony I will read ([Exhibit C](#)).

SENATOR WIENER MOVED TO DO PASS A.B. 534.

SENATOR KIHUEN SECONDED THE MOTION.

Senate Committee on Health and Human Services
May 16, 2011
Page 5

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

* * * * *

CHAIR COPENING:

With no other business to come before the Senate Committee on Health and
Human Services, the meeting is adjourned at 3:55 p.m.

RESPECTFULLY SUBMITTED:

Shauna Kirk,
Committee Secretary

APPROVED BY:

Senator Allison Copening, Chair

DATE: _____

<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A	Agenda	Agenda
	B	Attendance Roster	Attendance Roster
A.B. 534	C	Barry Gold	Written Testimony