

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON HEALTH AND HUMAN SERVICES**

**Seventy-Seventh Session
April 10, 2013**

The Committee on Health and Human Services was called to order by Chair Marilyn Dondero Loop at 1:43 p.m. on Wednesday, April 10, 2013, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 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 nelis.leg.state.nv.us/77th2013. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Marilyn Dondero Loop, Chair
Assemblywoman Ellen B. Spiegel, Vice Chair
Assemblywoman Teresa Benitez-Thompson
Assemblyman Wesley Duncan
Assemblyman Andy Eisen
Assemblywoman Michele Fiore
Assemblyman John Hambrick
Assemblyman Pat Hickey
Assemblyman Joseph M. Hogan
Assemblyman Andrew Martin
Assemblyman James Oscarson
Assemblywoman Peggy Pierce
Assemblyman Michael Sprinkle

COMMITTEE MEMBERS ABSENT:

None



GUEST LEGISLATORS PRESENT:

Assemblyman James Ohrenschall, Clark County Assembly District No. 12
Assemblywoman Lucy Flores, Clark County Assembly District No. 28

STAFF MEMBERS PRESENT:

Kirsten Bugenig, Committee Policy Analyst
Risa Lang, Committee Counsel
Janel Davis, Committee Secretary
Macy Young, Committee Assistant

OTHERS PRESENT:

Brian G. Brannman, Chief Executive Officer, University Medical Center of Southern Nevada
Brian McAnallen, representing Las Vegas Metro Chamber of Commerce
Harry Hagerty, Private Citizen, Las Vegas, Nevada
Virginia Valentine, representing Nevada Resort Association
Norine Clark, Private Citizen, Las Vegas, Nevada
Danny Thompson, representing Nevada State AFL-CIO
Dana K. Bilyeu, Executive Officer, Nevada Public Employees' Retirement System
Amber Lopez Lasater, Chief of Staff, Service Employees International Union, Local 1107
Michael Collins, Private Citizen, Las Vegas, Nevada
Laura Martin, representing Progressive Leadership Alliance of Nevada
Tom Collins, Member, Board of Commissioners, Clark County
Deborah Love, Private Citizen, Las Vegas, Nevada
Gwen Stevens, Private Citizen, Las Vegas, Nevada
Patricia Greaux, Private Citizen, Las Vegas, Nevada
John P. Gutierrez Sr., Private Citizen, Las Vegas, Nevada
Lawrence Weekly, Member, Board of Commissioners, Clark County;
Chair, Board of Trustees, University Medical Center of Southern Nevada
Chris Giunchigliani, Member, Board of Commissioners, Clark County;
Member, Board of Trustees, University Medical Center of Southern Nevada
Diane London, Private Citizen, Las Vegas, Nevada
Marla McDade Williams, Deputy Administrator, Health Division,
Department of Health and Human Services
Janette Dean, Intern to Assemblyman Ohrenschall
Lynn Hettrick, Executive Director, Nevada State Dairy Commission

Chair Dondero Loop:

[Roll was called. Rules and protocol were explained.] I will open the hearing on Assembly Bill 484. We welcome Brian Brannman from the University Medical Center of Southern Nevada.

Assembly Bill 484: Authorizes the creation of a county subsidiary corporation in certain counties to provide public health care services. (BDR 40-990)

Brian G. Brannman, Chief Executive Officer, University Medical Center of Southern Nevada:

I am speaking in favor of the amended Assembly Bill 484. We provided an amendment and are in support of the bill as it is amended ([Exhibit C](#)). This bill is enabling legislation that discusses providing opportunities and alternatives for governance of University Medical Center of Southern Nevada (UMC). University Medical Center of Southern Nevada has over 4,000 health care professionals who operate a 540-bed medical center and 10 associated clinics. We are the states only Level I trauma center, burn center, pediatric center, and transplant center. We provide a critical safety net role for the medically underserved in our community. The purpose is to try and ensure that we can continue to perform the great care in our community that we have over the last 80 years.

The health care climate has gotten extremely complicated in the last few years. In reality, for UMC, it has become a tough environment. Our financial situation went from being an essentially slightly profitable enterprise that served the community as its first hospital through the period up to 2000. In 2000, we began to feel the impact of the huge growth that occurred in the Las Vegas Valley. We are no longer the only hospital; we soon became 1 out of 13 hospitals.

The population we served changed drastically. The payer mix evolved from a profitable payer mix to being an increasing payer mix of Medicaid beneficiaries, self-pay patients, and people who are underinsured. The result is that today we see about \$250 million a year worth of uncompensated care. Financially, there is a staircase function going into the red and accumulating in a total deficit situation or operating loss of about \$70 million per year. In the last couple of years, we were working very hard to implement a disproportionate share of funding. We have upper payment limit (UPL) funding through Medicaid which is injected as a bolus of cash. If you look at our financials, in the most recent fiscal year, we show that we are in the black with a \$30 million subsidy from the county with the addition of some prior year or current year UPL funds. In the next couple of years going forward, it will still look as though we are in the black on our financial statements. But with accountable care, the disproportionate share program phases out, and our patients who have been

seen by Clark County social services, which is a good reimbursement source, convert to Medicaid. Nevada having the poorest Medicaid reimbursement rates in the country, the loss of disproportionate share and the transfer of these folks from Clark County social services to Medicaid will cause us to lose an additional \$50 million between 2014 to 2020. There will be a lot of challenges.

Over time, public hospitals like UMC have evolved away from the type of government structure that UMC currently has, where county commissioners or city supervisors served as the governing board of the hospital. Hospitals are extremely complex. Peter Drucker once said that academic health centers are the most complex and difficult to manage enterprises that human beings have devised. That has been reflected in the fact that Boston Medical Center, Jackson Memorial Hospital in Miami, and New York City Health and Hospitals Corporation have gone to alternate governance structures that allow the creation of dedicated governing boards of folks who only have to focus on the operation of the hospital as their first priority. They do not have the challenge of also trying to manage an airport authority, worry about an overpass construction project, or worry about the water authority or police issues. Because of the time involved in becoming educated about the issues of the hospital, the time involved in planning for the strategy to face the challenges that we are looking at in the future, basically, as equipped as county management folks are to do their jobs, it is an overwhelming burden to put on them.

We have had a number of consultants over the last ten years who have looked at operations of UMC. One of the major conclusions out of each of those studies, whether it was Deloitte or FTI Consulting, is that we needed to change our governance. A number of plans were evaluated. We created a Hospital Advisory Board to assist in trying out some alternate methods of governance. The advisory board, in and of itself, did not really solve the problem, in that it just created a different layer, but it did not relieve the commissioners of a substantial burden. One of the tasks they took on was to look at governance alternatives. The model they came up with that most closely approximates what they believe would work at UMC was based on what occurred at Hennepin County Medical Center in Minneapolis. It involved the creation of an entity, a subsidiary under the county. It did not divest the county of the hospital, did not provide to sell it, and did not discharge the employees or hire them back under new pension plans. It basically created an entity under the county ultimately accountable to the county commissioners that would have its own independent board that could substantially be delegated the responsibility for oversight of the hospital and would be responsible for supervising the Chief Executive Officer (CEO) of the hospital and serving as his advisor and partner as you see in the majority of public hospitals in the country.

For a city of our size, we are a bit of an anomaly. Los Angeles County is still operating their hospital system directly. Las Vegas and most other municipalities and metropolitan areas have gone to a different governance model. That is what this enabling legislation is intended to do here. It creates opportunities within *Nevada Revised Statutes* (NRS) for the subsidiary to be created with the expectation that this different model will help ensure the stability of UMC and help us to make sure that we can continue to do our vital safety net mission and provide the cornerstone role in the Las Vegas health care system that we have today, and help us to be agile and nimble in responding to myriad changes that are coming down the pike.

There has been some conversation about whether or not we can achieve what we are doing or what our goal is under the existing provisions of NRS Chapter 450. The advice that I had received from the District Attorney was, in fact, that the level of delegation of authority that needed to take place for this new governing board was not permissible under the current structure. We needed to open up some other avenues. That is where the language is headed. It is our intent that the employees would essentially keep all of the rights, benefits, and eligibility for Public Employees Retirement System (PERS)—all those things they enjoy today as UMC employees. The intent was to have the ability to discuss, down the road, if there were changes that made sense for the employees. My feeling is that is essential because, if you are going to change anything related to the employees, they are the cornerstone of this organization. You cannot provide good health care without a great staff who is engaged in buying into the program. The amendments ([Exhibit C](#)) that you see were intended to put back the language that we included so that there was an opportunity to look at other alternative structures, but the intent was to move forward with things as they are. For example, move forward with collective bargaining agreements, PERS eligibility, et cetera.

In summary, I think the issue is about how we put UMC on a footing in a very complex and competitive environment going forward to ensure its financial stability and to give us the flexibility to adapt to a changing marketplace. Hospitals, as we know them, are probably going to be changing dramatically. The way we deliver health care is hopefully going to be more about wellness and is going to be prevention-based. We may need to partner with other entities in the community with respect to our health care delivery role and our role as a teaching hospital. The intent is to put together the best organization structure we can to achieve that.

Chair Dondero Loop:

Thank you. Are there any questions from the Committee?

Assemblyman Eisen:

Mr. Brannman, you and I have talked about this previously, and I really appreciate this effort to move toward a more dedicated board to govern the activities at UMC. One of the concerns I have about this bill has to do with the employees and the contracts under which they currently work and how that might or might not be affected by the change. Can you tell me what the plan is?

Brian Brannman:

The plan is—and we tried to codify that in the language as best we could—to ensure that the contracts the employees are currently employed under remain in effect. Certainly, when those contracts expire as it occurs today, there would be a renegotiation with the bargaining unit. The intent is to not make dramatic changes with the employees. If changes were envisioned in the future, that would clearly have to be done in collaboration and negotiation with the employees in the bargaining unit.

Assemblyman Sprinkle:

If the employees become employees of the nonprofit, and they have their current contracts in place, once those contracts expire, who will they then be negotiating with?

Brian Brannman:

The contract is negotiated with the CEO and staff of the hospital. Ultimately, it would be envisioned that the governing board that was appointed by the county commissioners would be the authority to approve or ratify that agreement as is currently done by the county commissioners. This is not a not-for-profit corporation. It is not a 501(c)(3), but has characteristics of it. The intent was to design a provision within the law that allowed us to create a county subsidiary corporation, and still be a governmental entity. Approval to delegate those things today as the county commissioners now have to do on a day-to-day basis, would be delegated to this board that would be accountable to the commissioners.

Assemblyman Sprinkle:

I do believe I read this in the bill, but to clarify, because the employees are still working for a governmental agency, that is how they are able to maintain the benefits they are able to negotiate, including the retirement benefits, correct?

Brian Brannman:

We tried to work closely with the attorneys who drafted this to structure it in a way that they would be able to be a government entity and retain eligibility for

PERS membership. If that has to be further tweaked, it will be my intent to do so.

Assemblyman Sprinkle:

My biggest concern would be to make sure these employees maintain what they are entitled to in the future.

Brian Brannman:

I have gone on record with my staff that this is not an opportunity to do a bait-and-switch, which happens sometimes in these acquisitions. We have to be a team; it has to be a collaborative organization, and so, we will work with them through those changes. If this has to be amended to ensure PERS eligibility, we will do so because it is an important part of this bill.

Assemblyman Oscarson:

I echo the concerns of my colleagues. It is important that the employees continue to be protected in the process. If I read this bill correctly, it seems as though you are going to essentially have a board of trustees, or something to that effect. You do not have that now and you do not have an advisory group. This bill would defer to that if I am not mistaken. How many beds do you currently have?

Brian Brannman:

We currently have 540 beds.

Assemblyman Oscarson:

So, most large facilities such as UMC have a board of trustees or an operating group, and you are without that as of now, correct?

Brian Brannman:

I have a board of trustees. The County Commission reconfigures itself to wear a number of different hats. One of the hats they wear is as the Board of Trustees of UMC. We have quarterly meetings. This is in addition to all the other duties they have and issues they deal with. That is why creating a separate board to take care of the nuts and bolts of the oversight is what is intended here.

Assemblyman Oscarson:

Right. So it is not to circumvent anything. It is to create a layer to be able to assist you in the operation of the hospital, correct?

Brian Brannman:

That is correct.

Assemblyman Oscarson:

This hopefully will be comprised of people who have business experience that would be able to assist you in those endeavors, correct?

Brian Brannman:

Absolutely.

Assemblywoman Benitez-Thompson:

In sections 9 and 18, there is language referring to bonding and the capacity for bonding. If there is any bonding done, it will be through the county commissioners, correct?

Brian Brannman:

That was the intent because the facility still remains a brick-and-mortar county facility, and, if we were going to add additional wings or modify it, we would take advantage of that bonding authority.

Assemblywoman Benitez-Thompson:

The process to get this established starts with section 19, so there has to be at least one public hearing on the matter that the county commissioners have, right? Moreover, there would have to be a resolution, and after that resolution, the commissioners would appoint a nominating committee to flesh out everything else? Am I reading that correctly?

Brian Brannman:

There would be a nominating committee to create the board, then there would be multiple steps. You would have to have bylaws that would need to be approved by the county commission and multiple steps to make sure that before you actually stepped into this new environment, we had created an entity that will do all of the things we want it to do and not have any unintended consequences.

Assemblywoman Benitez-Thompson:

So that nominating committee will flesh out those bylaws and all those other types of things? Does it then come back to the county?

Brian Brannman:

Yes.

Chair Dondero Loop:

Thank you. Are there any other questions? [There were none.] We will now go to those in support of A.B. 484.

Brian McAnallen, representing Las Vegas Metro Chamber of Commerce:

We are here today in support of A.B. 484. We testified on this issue at the Clark County Commission meetings and several of their public hearings and during their public comment period in support of this bill. We think that this would empower UMC to have a board of directors that would give them the operational aspects that they need. We appreciate the leadership that we have at the county commission, but we know and understand that they wear multiple hats in sharing multiple committees, whether it is the Las Vegas Valley District or involvement in the Federal Aviation Administration, or the Board of Trustees for UMC. We think that a hospital of the size and magnitude of UMC deserves its own board of directors who will apply the time, dedication, and commitment necessary to help lead that organization.

I shared with the county commission that I had some personal experience in this issue, as I came from Arizona where Maricopa Health Plan changed the operational model for its county hospital and created a board of directors separate from the county board of supervisors, which is equivalent to their county commission. It has certainly helped improve the financial outcome of that system which was in more of a deficit situation and faced more fiscal challenges than UMC. We see this as a means to an end to provide the future stability and administration necessary for UMC.

Harry Hagerty, Private Citizen, Las Vegas, Nevada:

I am in support of the bill as amended. I have been a chief financial officer for two public companies in Las Vegas. I think, partly because of that experience, I was also the head of the finance committee for the Hospital Advisory Board. We spent a great deal of time going through the numbers at UMC. We reached a conclusion: while there is always an opportunity to do better on expenses, the management of UMC has reasonable, well-contained expenses there. The problem with UMC and its losses is a revenue problem. As Brian Brannman mentioned earlier, there is \$250 million of uncompensated care. About 55 percent of the business that is done at UMC goes uncompensated. The next highest hospital in that category is about 25 percent. What we really need to do at UMC is convert more of the patients to paying patients to address the fiscal losses. So, how do you do that? Other than people who come unwillingly to the emergency department or accidentally, I should say, patients who get to UMC come through doctor referrals. We have to first reach out to doctors and make UMC an attractive place for them to bring their paying patients. The affiliation with the University of Nevada School of Medicine is a good start on how to do that. There are plans to increase that cooperation because it will be a prestigious place to practice for physicians and an academic medical center.

The second thing is the facilities. The University Medical Center of Southern Nevada competes against 12 other hospitals that have the benefit of either regional or national parents. Many of those facilities were constructed more recently than UMC. From a bricks-and-mortar standpoint, UMC is not as attractive of a place to bring patients as the other hospitals are. The question is, what does that have to do with governance? The first observation I would make is that hospitals are an extremely complex operation to manage. When you are one public entity competing against 23 privately funded entities, it is even more complicated than that. The commissioners have a number of responsibilities. They can give good attention to UMC, but it requires full-time focus with people who have some expertise in the area.

The last reason I am in support of the bill has to do with philanthropy. As President of the UMC Foundation, our mission is to raise money to assist UMC. The challenge we have right now is that small givers believe they support UMC through their taxes, and large givers will not support UMC in the current governance structure. I know this because I have visited with many of them in town. Those are the reasons that I am in support of a change of governance. The bill in front of you does not change governance; all it does is give the county commissioners tools to do so if they so choose.

Chair Dondero Loop:

Are there any questions from the Committee?

Assemblywoman Pierce:

I have never been on a board of trustees, but my impression is that it is generally not a full-time job. This idea that somehow there is going to be a board of directors, and they are going to work full time on this when the county commissioners seem to have so little time, confuses me.

Harry Hagerty:

It is not just the amount of time, it is the backgrounds that the trustees would bring to it. They will have specific backgrounds in medicine, medical management, business finance, et cetera. Secondly, it would be up to that board to structure the number of times it would meet. As an example, the UMC Hospital Advisory Board met monthly with several committee assignments during the course of the month. As Brian Brannman said earlier, the Board of Trustees of UMC meets quarterly.

Assemblywoman Benitez-Thompson:

I am reading section 21 of the bill about the criteria for the board of directors, and it looks as though they are looking for a board that has a high degree of experience and knowledge in relevant fields. Being from northern Nevada and

not overly familiar with the structure that is currently in place, is the board that currently exists a foundation board? You have stated that the purpose is primarily fundraising. Is that correct?

Harry Hagerty:

The foundation is separate and apart from UMC and its governance. It is a separate 501(c)(3) corporation whose mission is to do charitable works on behalf of UMC. That would have nothing to do with the changing governance that would still have a philanthropic component to it, hopefully significantly augmented by the change of governance.

Assemblywoman Benitez-Thompson:

Is there any type of board structure in place right now where there is the level of expertise that we talk about in section 21 that does any kind of oversight? Maybe this is a better question for the bill sponsor.

Brian Brannman:

Our current board of trustees is the county commission. It is the qualifications that they have that the voters chose based on their election. What tends to happen in the boards of trustees is they establish position descriptions, and you have certain groups of folks who are desirable to have. People with financial backgrounds at major level financial management as a chief financial officer, folks with legal backgrounds, people with a wide range of representations in the community, as well as folks who represent the beneficiary population, the patient population, or the staff all bring their experience to bear. You want to have a broad mix and establish that going in and try to fill those categories.

Assemblywoman Benitez-Thompson:

For my clarification, it is the board of trustees, which is the county commission, and then just the hospital, correct? There is nothing in between?

Brian Brannman:

No. There is the county manager.

Assemblyman Eisen:

Mr. Brannman, I wanted to follow up on the comment you just made and how that ties into the question I asked earlier. Could you tell me what your feelings are in terms of having representation from the staff of the hospital on that governing board itself?

Brian Brannman:

I think there needs to be a lot of thought given to exactly the composition of the board. I would not personally have objections to someone from the staff. Frequently, they have representatives of the medical staff who are on the board, either officially, or ex officio. It needs to be a broad group of folks so that you get a variety of opinions when governing a facility.

Chair Dondero Loop:

Is there anyone else in support?

Virginia Valentine, representing Nevada Resort Association:

I am here to speak in favor of A.B. 484. I will simply state that we are for this bill as one of the state's largest employers. University Medical Center of Southern Nevada is a health care provider to many of those employees who are concerned about the quality and cost of health care and feel like this bill, through all of the challenges UMC has faced over the last decade, would be another tool for them. It is enabling legislation. I think UMC is a fine institution with so many fine employees. They provide such fine care that I think they should be given every opportunity to succeed. I think this bill may very well be an opportunity for them to try some new things.

Chair Dondero Loop:

Are there any questions? [There were none.] We will now hear testimony in opposition to A.B. 484.

Norine Clark, Private Citizen, Las Vegas, Nevada:

I am a registered nurse, and I am here on behalf of some of the employees at UMC. I do not work at UMC, but I work at the Southern Nevada Health District. I have been to several meetings with the county commissioners as well as with the Service Employees International Union (SEIU) and have voiced my opinion. University Medical Center of Southern Nevada is the safety net for all of those individuals who do not have insurance and are indigent who go to UMC to receive some sort of health care. When they do not go to UMC, they come to the Health District looking for assistance. If you privatize, or assign a board to run UMC, my questions are, "Where is the money going to come from?" "Who is going to pay these people with expertise in running an organization?" "Will it be the CEOs or the legal people?" Right now, the county commissioners are doing a heck of a job. I know that they are concerned about money; however, SEIU had assisted UMC in obtaining some money through a grant. There are a lot of federal grants out there. There is a lot of money to be had, but nobody seems to take advantage of these opportunities.

I wish that you would reconsider this bill. It gives me a red flag every time the Chamber of Commerce, or other organizations that are antilabor, are supporting a bill like this. Please take into consideration that this is going to affect a lot of poor people. It is nice that you want to make UMC a wonderful place to come and get care; it already is. I understand that a lot of high-paying patients or attracting different clientele would be beneficial, but somebody has to take care of the poor.

Assemblyman Hickey:

You mentioned on one hand, that you think county commissioners are currently doing a good job, but then you followed it by saying that someone there is not really doing a great job at getting grants and other things that might support the operations. Could it be that that might be a big task for county commissioners? I am not from Las Vegas, but you have an awfully big county, and I assume they have an awful lot of duties. It seems like there are two different things you are saying.

Norine Clark:

I believe the county commissioners sit on the board, but I would think that people in administration at the hospital, such as the CEO, can access grants and federal money. It does not have to be the commissioners. That is what I do not understand. The county commissioners are very in tune to what the community and the employees need, but I think administration has fallen behind on some of the things they could do.

Danny Thompson, representing Nevada State AFL-CIO:

I am a native of southern Nevada. The UMC has always been the safety net for the poor. One of the issues I see here is that the county's problem has not been a governance problem; the problem has always been a revenue problem, and it is because it is the place of last resort for poor people. If the proponents of this bill think that is going to change somehow, by having a different governance system, they are wrong. Historically, it has always been about money and taking good care of people who cannot take care of themselves. There are some things about UMC that we could lose that concern me.

I served on the trauma task force at UMC, and it is the only Category I trauma center in the state of Nevada. If you are shot or stabbed or in a horrific car accident, you should pray that you go to UMC because they have every doctor on staff there. They have an intensive care unit (ICU) in the trauma center; they take you in a room and you are immediately in an operating room. When I was on the trauma task force, I understood that police officers knew that if they got shot, they needed to go to UMC because it is where you have a higher chance of survival. There are too many unanswered questions. I think the previous

person asked the question: "What is this going to cost, and who is going to pay for it?" You are not going to get these experts for free. If you go into an area where owing money is the problem, where are you going to get the money to make this flesh out? I think that UMC has done a great job over the years, and I know, in the past, it has been given a bad reputation because people say it is the county hospital. Well, it is the county hospital, and they take care of poor people there, but it is a good hospital, and I would like to see it stay that way.

Chair Dondero Loop:

Are there any questions?

Assemblywoman Pierce:

I would like to say that I feel strongly about poor people getting care. I would also like to say that I have been a patient at UMC out of choice. I have very good insurance. I was in the emergency room in January of this year. I have had surgeries there, and I have always gotten really good care, and they were very nice to me. I appreciate the work they do. My personal experience is that it is a very good hospital.

Assemblyman Hickey:

Mr. Thompson, a previous question was asked of Mr. Brannman, the bill sponsor, about employee contracts and how they would be handled. Representing who you do, is this potential transfer a concern for you?

Danny Thompson:

That is one of the concerns; it would be a secondary concern. The reality is, if you are from southern Nevada, you understand that people who do not have anywhere to go end up at UMC. The employees under the system understand that they are locked in to it now. That could affect them as well.

For me, I think it goes back to the question I just asked—"Who is going to pay for this and where are we going to get the money?"—given the fact that the problem at the hospital has not been the governance of the hospital, it has been the revenue side of the equation. All of these things we are talking about are going to need to be paid for by somebody. If you do not have the money now to pay for the operation of a hospital, where is it going to come from, and how? I do not think those questions have been answered.

Chair Dondero Loop:

Is there any additional opposition?

Dana K. Bilyeu, Executive Officer, Nevada Public Employees' Retirement System:

We are recommending opposition to the Nevada Public Employees' Retirement System (PERS) Board at this time due to some of the rather vague language that is currently contained in the bill. The PERS is a statewide consolidated pension plan for all public employers in the state. There are 188 participating employers and 100,000 active members of the system. University Medical Center is our sixth-largest employer in the system. We have concerns from the perspective of the ability to make changes that create a more private-sector type of organization of the future. I know this is just enabling legislation at this time. We have talked to Clark County, and we are happy to work with them on some amending language to satisfy our concerns. It is a technical issue as far as this Committee would be concerned, but we are a tax-qualified defined benefit pension plan and tax qualification carries with it certain requirements. One of those is that we cannot have any participating employers who are nongovernmental in origin. We actually sent the bill to our tax counsel in Washington, D.C., to have them take a look at it. There is enough concern with some of the information in the bill that they would want us to seek a private letter ruling with respect to whether or not UMC would remain a governmental employer. As such, they could participate in the system in this new potential venue. I know that is the intent of the sponsor, and we want to work with them to be able to ensure that, but it exposes the system to some concerns with respect to tax qualification. If the opposite is true in that the intent is for the employees to be removed, that also poses some questions for the system. Again, we are happy to work with Clark County and the bill sponsor to work through those questions. At the present time, given the current language, we are requesting the PERS Board oppose the bill. I should say specifically, we oppose section 36 of the bill.

Assemblyman Sprinkle:

I appreciate those comments and your willingness to work with the sponsor of the bill. I say this because those were the same concerns that I had in my previous questions. It does raise concern for me that might not be the case for these employees. Their retirement eligibility is extremely important to me. The potential with this bill now or the potential in the future that that might change certainly raises concerns. I would appreciate it, if you guys do get together, if I could be notified as to what kinds of agreements were made.

Amber Lopez Lasater, Chief of Staff, Service Employees International Union Local 1107:

We represent over 18,000 workers statewide, including workers at UMC Hospital. I was appointed and served on the UMC Hospital Advisory Board. I also served as the chairwoman of the governance committee. Upon being

tasked with that specific portion, I developed and implemented a very structured timeline to review and discuss the core governance issues for consideration. We went into depth around the Open Meeting Law, enumerated powers, the employees and sovereignty and unity. I brought in experts to discuss what considerations need to be taken when looking at the federal funding in terms of disproportionate share hospital (DSH), upper payment limit (UPL), and intergovernmental transfer (IGT) funds. I also brought in an expert because of the importance of having both operations and governance working in tandem to improve the bottom line and the sustainability. We also heard from the CEO who served at the helm at Hennepin County Medical Center who went through a governance change in Minnesota.

It was clear coming out of our discussions that some of the nonnegotiable items were the safety net mission of UMC, the federal funding, the county funding, and the employees. I believe this committee met for well over a year. The outstanding piece that we did not reach a resolution on was what the specific and explicit options were when it came to the entity component. At that point in time, we knew there was a range from keeping things exactly as is all the way to privatization. We had a joint meeting with both the UMC Hospital Advisory Board members and Clark County Commissioners in July of last year where we made a recommendation to secure FTI Consulting to give us a deliverable and have everyone be clear on what those options are, and to continue moving the discussion forward.

There was an issue when it came to the legislative deadlines and, as we drew closer and closer to those deadlines, what ended up resulting is that we did not get any deliverables of substance from FTI Consulting. Lionel Sawyer & Collins have also been secured to put together this legislation. As I am sure you are well aware, there was a lot of discussion in the public meetings with county commissioners where we went on record in opposition to this legislation.

The meat and bones comes down to the creation of the subsidiary corporation and the board of directors. We keep coming back to the fact that current NRS already provides for the creation of a board. I would encourage you all to read NRS 450.175. It is what was utilized to put together the most recent Hospital Advisory Board. In terms of what Mr. Brannman referenced, I would pose the question: If there is not enough there in terms of what the commissioners would like to do, then why are we not looking at making amendments to that specific statute, as opposed to looking at this other subsidiary cooperation portion?

The other portion is oversight. I have a copy of the resolution that established the previous Hospital Advisory Board, and there are a range of different

oversight capacities. From what I understand, it is up to the county commissioners at what level they have comfort in assigning those duties.

In terms of the philanthropic argument, that is something that we looked into in detail at the other public hospitals across the country. In a lot of respects, I feel that it is not the strongest argument, given that we have seen contributions in the millions. There was one public hospital in Atlanta, Grady Memorial Hospital, which received philanthropic contributions. Again, it comes back to the point that has been made, that this potentially enabling legislation and change does not equal a change to the financial situation. We need to be looking at a dedicated revenue stream. There was never a cost that was rolled out when it comes to what this change would potentially be. In terms of the employees, as Assemblyman Sprinkle mentioned, just seeing Ms. Bilyeu there, is enough to cause considerable heartburn. In closing, we strongly encourage you to not support this legislation.

Michael Collins, Private Citizen, Las Vegas, Nevada:

I am a registered nurse and a long-term employee at UMC. I am here today to state my opposition to A.B. 484. I am concerned about the vague language in sections 34 through 38 and the potentially devastating effect it could have on employees. University Medical Center of Southern Nevada exists by virtue of NRS. It is mandated that the hospital exist and be run by the county. I have been associated with UMC for the last 23 years. During that time, there have been a lot of changes with regard to our circumstances and our ability to provide care within the community. Currently, the argument is that the payer mix has changed. It does not matter if the payer mix has changed or not, UMC is mandated to provide care to the indigent population. Over the last year, they have provided over \$500 million worth of care to a community as a whole, and \$250 million of that was uncompensated care. That is a result primarily because of the mission of UMC.

There was a reference made earlier to grant monies and whether or not the Board of County Commissioners could do the research for that. I do not think it is the responsibility of the county commissioners as a board to directly do that, but within the hospital, I believe the CEO should be given the authority to manage and hire the individuals that would be responsible for researching grants and bringing monies to UMC. I am also a member of SEIU. I am aware that several years ago, SEIU, in working with the State Health Division, did the research and was able to bring money to UMC and bring funding to the upper payment limits for Medicaid. There are many opportunities to bring more money into UMC, but I think UMC will always function at a deficit because of its mission. It does not matter who the governing body is; this is just a fact of its existence.

Finally, I am concerned about the devastating potential effect on the benefit structure for the long-term employees at UMC. Even though I have been associated with the hospital for all these years, and in spite of all the bad press that UMC has received, UMC is the jewel of hospital care in the state of Nevada. I want you to consider this and not allow this bill to advance, but allow the current structure to function more fully.

Laura Martin, representing Progressive Leadership Alliance of Nevada:

I am the Communications Director for the Progressive Leadership Alliance of Nevada (PLAN). We are a statewide, multi-issue organization consisting of more than 30 member organizations that represent labor, environmentalists, health care providers, immigrant advocacy organizations, and many more. We are also in opposition to this bill. We cosign to what many people have said before us. I would like to add that this bill would allow transfer of control from an elected county commission to a body of unelected individuals that could take the hospital's business behind closed doors in a privatization that would harm the communities' right to know what is happening at the only public hospital we have in this state. I echo what other people have said, and I urge you to vote against A.B. 484.

Tom Collins, Member, Board of County Commissioners, Clark County:

I would like to start off by making sure that you are aware that it was a 3:4 vote by the Board of County Commissioners in Clark County to pursue this type of legislation. I would also like to note that the Chairman of UMC on the Board of County Commissioners, the Vice Chairman of UMC, and myself were the three votes opposing this legislation at our meeting a few months ago.

I am also a member of the debt management committee in Clark County. The financial experts in southern Nevada have told me that after North Las Vegas, the Clark County School District is in the worst financial shape of any entity in Clark County. The reason I bring this to your attention is because two of the four votes in favor of this legislation were former school board members who supported that governance policy that is being proposed here.

Chair Dondero Loop:

Mr. Collins, with all due respect, let us make sure that we stick to the bill and that we are not talking about people's past.

Tom Collins:

I am talking about governance policy. Assemblyman Oscarson mentioned a question about the administration. We have nine administrators who have the ability to manage and operate the hospital. You have had several people testify about this being a financial or revenue issue; it is not a governance issue. You

had representative Mr. McAnallen from the Chamber of Commerce testify to represent the business community. The fact is that if more folks had insurance, there would be less of a problem at UMC. If we can address making sure that more citizens in Clark County have insurance, then that would be okay.

On a personal note, I was at UMC in 1968 on a job injury. I was there in 1992. The Level I heart trauma unit saved my life. I was unconscious for a few days, and I was there for a total of one week. We service people in our trauma unit from regional areas like Arizona, Utah, and California, as well as Nevada. The governance is just trying to pass the buck, in my opinion, from the responsibilities of the Clark County Board of County Commissioners and the administration that we have hired to the entire community as a responsibility of maintaining a hospital for those folks who do not have insurance. The effort should be aimed at finding more ways to get insured people to attend their hospital on a revenue basis rather than trying to go find some kind of a program being proposed in this legislation that is unproven.

Deborah Love, Private Citizen, Las Vegas, Nevada:

I am an employee at UMC. I oppose this bill to come through. To a few comments made earlier, Mr. Hagerty said that UMC did not have any beauty or any attractiveness about it to make someone want to come in, but the beauty of UMC is that it is the number one trauma center, the number one cardiovascular center, and the number one cancer center. If that is not beauty, I do not know what is.

I have been at UMC almost ten years, and I have never heard of Harry Hagerty, the president of a charitable foundation for UMC. If there is a charitable foundation or something to help UMC, why, as UMC employees, did we not know that it existed? We would have done some sort of fundraiser as a whole to help UMC employees and constituents. You have a board of trustees and Clark County Commissioners have done everything in their power to make sure that UMC has been running properly. They have done a great job. To Virginia Valentine, she was our county manager at UMC and she is for this bill, UMC is not a sinking ship. All it needs is a little patching up and stability. We do not have to keep running from one advisory board to another. Could you please let the county commissioners continue to do the job as they have been doing a fine job thus far.

Gwen Stevens, Private Citizen, Las Vegas, Nevada:

I have been working at UMC for over 20 years. I am opposed to A.B. 484. I do not think it is in the best interest of UMC, which has been in existence for over 80 years. It has never had any money. I was born at UMC and ever since I was a little girl, it has always been a poor hospital, but a good hospital. I walk

through the hallways at UMC, and I hear the employees, even some of the patients, and they are nervous not knowing what is going to happen because they do not have money for their prescriptions or whatever test they have to take. They ask us, "Is this hospital still going to exist?" Of course, we smile and say, "Yes," but we really do not know.

We are asking you to really think about one of the best hospitals in the country as far as I am concerned, and the employees and everybody else who go above and beyond what they should do. The county commissioners have been excellent to us, the employees, and caring about everybody at UMC. Please keep UMC a community hospital because the people in Nevada deserve that.

Patricia Greaux, Private Citizen, Las Vegas, Nevada:

I am a 27-year employee of UMC. I am also opposed to A.B. 484. I feel that if our PERS or retirement was more protected, it would be a lot better. We have a community board and the county commissioners. If it is in law now for them to provide another board, then let them do so. That is what they are elected to do. Let them do their job. I feel that I was given the opportunity to work at a lovely hospital and I am proud of UMC.

John P. Gutierrez Sr., Private Citizen, Las Vegas, Nevada:

I have been working for UMC for a little over 14 years. I am opposed to A.B. 484. I have been to plenty of county commission meetings, and I think they are doing a pretty good job. I think the CEO needs to be able to run the hospital more efficiently by giving him more backing and letting him run the place the way it should be, as opposed to finding other people to run this place. We deal with a lot at work, having to give back money and give up benefits. That is fine. We will go ahead and do that, but for the same reason everyone is here speaking today, we need to keep this place public for all people who need to be seen whether they have insurance or not; they all need to be seen and treated equally. That is what we do. We sit here and we speak all the time in order to keep this place open and to keep this place so that it can thrive with other hospitals.

I understand that there are a lot of private hospitals out there that have the money, and that is good; however, we still need a public place for the public to be seen. You cannot just turn them away. And those hospitals that turn those folks away, they are brought back to UMC because there is nowhere else to take them. It is a Level I trauma center. I have been seen there throughout my life. I am glad for UMC to be there whether I was employed there or not. We all talk about different situations such as employees concerned with PERS and not being able to keep their benefits even though we have been there a certain amount of time accruing them. What are we going to do? Go back into social

security and pay for that? There are a lot of different situations. We deal with listening to the city talk about how they need money for Metro or parks.

University Medical Center of Southern Nevada needs money as well. Not everybody needs to go to jail, but we all need to have medical services brought to us and brought to the rest of the community. When I am sick, I do not go to the park; I go to the hospital, and usually, it is UMC. I rarely go anywhere else unless I need to see a specialist. I am opposed to this and, frankly, it is a slap in the face to see that we have UMC employees who are going to speak in favor of this bill. I really hope you do not pass this bill.

**Lawrence Weekly, Member, Board of County Commissioners, Clark County;
Chair, Board of Trustees, University Medical Center of Southern Nevada:**

I am here today in opposition to A.B. 484 for a number of reasons. I have heard it said that this is not about money. This is about money on every angle, and it always has been about money. We have heard about \$250 million in uncompensated care. We understand that. We have also heard about us competing with 12 other beautiful hospitals in southern Nevada. We get it. With no disrespect to you and your beliefs, I am here to tell you that the Bible says, "The poor will always be amongst us." We have not only a moral, but a fiduciary responsibility to care for those who cannot care for themselves.

One lady mentioned earlier that she was born at UMC. I was also born at UMC, formerly known as Southern Nevada Memorial Hospital, 49 years ago. I was born to an indigent lady who was homeless and, because she could not care for me, she left me there. I became a ward of the state of Nevada for about 11 months before my parents came along and adopted me. My life has come full circle. Who would have ever thought that being indigent, born in this facility, that I would serve as the Chairman of the Board of this facility?

When I came to Clark County in March of 2007, I was appointed by then-Governor Jim Gibbons. On my second day at Clark County, the county manager came in and said, "Oh, by the way, you are Chairman of the Board of UMC"—a hospital I did not even like. I did not like the hospital because I had a bad experience there with my child. I had to dig deep because it was not about me anymore; it was about the purpose of this hospital. If I really felt in my heart, and I am speaking from the Chairman of the Board's standpoint, that this enabling legislation being proposed was genuine, I would be sitting right here in this chair on the opposite side of it, but I do not believe it in any capacity. I am praying that you all do not buy into it, because I am of the opinion that there are those who are waiting in the wings. I am hearing testimony from people who are getting involved in this who have absolutely nothing to do with UMC, from special interests to those who have personal relationships and probably have

never stepped one foot in that facility, but yet they have so much to say about this hospital. It baffles me to no end. It is personal for me. I have had to dig deep to get to know UMC better being Chairman of the Board.

When they told me that I was the Chairman, it frightened me. I came to the table with no experience or understanding the day-to-day operations of how to run a hospital. I support our CEO, who I believe is experienced, but I do not 100 percent believe that he gets that full opportunity to run the hospital the way a CEO should. If you all move forward with this, what is supposed to be enabling legislation to talk about future governance will be a whole bunch of folks who are going to come out of the woodwork, and UMC is not going to be a hospital that is going to be that safety-net hospital caring for those men and women and mothers like mine who had no place to go. You will not see that anymore. I hope you think about the fact that you have an opportunity to stop this in its tracks. I am not here to take away from any of my colleagues because I believe all of my colleagues are very caring people. They ran for office because they want to make a difference, and I believe that. I also believe that some of my colleagues do not really care about this hospital. I do not think we spend enough time, as a board, caring for this hospital like we should. We have language in place that should enable us to sit at the table and talk and come up with solutions and work with our staff. As one of the employees said, you have staff members who are walking around every single day who do not have a clue as to what is going to happen. They are not being communicated with the way they should in terms of the plight and future of this hospital.

The intent of this legislation is not genuine. For them to put a time limit on it and say if we do not act on this now, we have to wait two years and the hospital is going to close, trying to make you all believe there is a bunch of doom and gloom. This is not my first ride in the rodeo. I serve as a city councilman as well. I know how government acts when the Legislature convenes. Everybody is sitting back on their hands concerned about any unfunded mandates that you all may send out. Here is one right here that is vitally important. It is also vital that we keep a hospital like this in place to continue to say to those out there, especially in these tough times, "We know that you do not have the resources to care for yourselves." Being that we are all blessed, because each of us was blessed by the people who voted us in, we need to do the right thing on behalf of the people, whether they are rich or poor. It is our responsibility to do our very best to represent for God's people.

Chair Dondero Loop:

I, too, was born at UMC, and I had children there. I am not sitting on my hands.

Chris Giunchigliani, Member, Board of Commissioners, Clark County; Member, Board of Trustees, University Medical Center of Southern Nevada:

Everyone has done a good job and you can tell this is an emotional issue. It is very difficult when you have seven colleagues to have this kind of a split. When you have this split from the Chair and the Vice Chair, that ought to tell you that there is something missing in the message. So, I decided to go back and do a little history. I have a chronology for folks who were not born at UMC. In 1931, a 20-bed Clark County indigent hospital was founded. In 1940, the first board of hospital trustees were elected and the name was changed to the Clark County General Hospital. In 1943, construction funding was sought from the federal government and the hospital was transferred to the federal work administration; they made improvements, and it was given back to the county. In 1949, the hospital's board of trustees was expanded to include three members of the county commission, to the five trustees elected from districts. In 1950, the hospital's name was changed to Southern Nevada Memorial Hospital. In 1974, a resolution was adopted by the county commissioners to seek legislative action to establish Southern Nevada Memorial Hospital as a general operating department of Clark County.

In the 1975 Legislative Session, BDR 40-1299 placed control of certain county hospitals with the Board of County Commissioners and allowed them to create a Hospital Advisory Board. In March of 1975, the bill was introduced to the Committee on Government Affairs. On April 10, 1975, Dr. Robert E. Robinson testified in support of Assembly Bill No. 453 of the 58th Session. They said the issue presented by this bill was an effort to solve problems that were being faced by Southern Nevada Memorial Hospital. It was having financial difficulties. They felt a major portion of the difficulties came because of the political formation of the unelected board of hospital trustees. Dr. Robinson stated that the lack of direct financial control by the then-present board of trustees had led to that difficulty. Robert V. Broadbent testified next. He made several different statements. He said, "We do not have the control, as county commissioners, to control the authority of the expenditures." Part of what you are being asked to do today is to give that control to an unelected body, but we are still going to be on the hook for paying for any decisions that are made. Further supporting testimony in 1975 was provided by Thalia Dondero, member, Hospital Board of Trustees; Jack Petitti, Clark County Commissioner; Dr. Otto Ravenholt; Dr. C.W. Zumpft, Chief of Staff; and Ms. Sharon Greene. That legislation passed, and that is when it was put under the Board of County Commissioners.

We fast forward to 2013 and we are debating a very similar issue. When I was first elected in 2007, we started talking about this politically. Not to bother anybody's feelings, but in the long run, a political decision was made because

someone running for Governor made this issue his governance, so we created a Hospital Advisory Board, thinking we should do something different. We are going to be on the hook for the dollars, but maybe we get some of the expertise that is there. We even crafted an entire statute, or resolution, giving almost all the authority to the Hospital Advisory Board that you could want it to do under the current NRS 450.175. I have the letter from the district attorney's office that did an analysis from the Lewin Report of the seven options that the Board of County Commissioners had, and there were no issues with the legal side of that part of it. I now hear today, "We did not really have the authority." We have the authority, you have the authority. This is a slippery slope. We have a moral obligation to make sure that we take care of the needy people in our community, as well as those who can afford to go there. It is a marvelous hospital. The staff is wonderfully dedicated, and they do a good job.

I would point out to you that back in 1981, in this same Legislature, the Washoe Medical Center started out under the premise of being a county hospital. By 2006, it had morphed into Renown Medical Center and employees lost their PERS and they did not have their collective bargaining. It began something that it was never intended to do. I would caution that no matter what happens with A.B. 484, which I hope does not pass, that we be cautious of unintended consequences. Not only do I have objections because we already have the authority, and it is up to the seven of us to step up and do things differently. I knew, when I ran for office, all of the duties that I had to assume. I take offense when somebody says I cannot wrap my arms around it, or I do not have the time. Maybe if the Legislature made us full time, that might help with some of my colleagues, but some of us spend full time down there and it is not too difficult. I do not know jack about airports or how you do foster care; I did not know anything about family services, but that is part of our job and it is part of our responsibility, just as managing UMC is.

If you want to do a governance change, the one thing we should do is take the CEO out from underneath the county manager which was placed there by the previous county manager because of an alleged issue with the previous CEO. We have to clean up our own house to some extent and we do not need A.B. 484 to help us do that. The issue is about money and this diverts us from that discussion. We have spent six years arguing over what kind of governance structure and not dealing with how we fund and change our payer mix.

The SEIU stepped up and they worked out a federal program and brought in \$35 million to the hospital to help with our upper payment limit—not the county, not management, but the union. We have two ways we can move forward. Right now, under state law, we have the authority to create a taxing district, which is what they have done in seven other communities, which

allows us to segregate and work with the people and make sure that we have a dedicated revenue stream. The county commission has a secondary piece. We have a countywide tax which has flexibility in it where you would then have the jurisdictions through that countywide tax being able to help fund the help for UMC. That is more equitable because we did a study of which zip codes come into UMC and almost half are from the City of Las Vegas, but I do not think we need to go to each of our sister cities and say, "You need to pony up." Through a countywide tax, we could come up with the dedicated revenue stream. We have the authority to do that now. We should have the courage to do that as politicians if we believe that is the real issue.

Assembly Bill 484 diverts the discussion of properly finding a revenue stream. When I served we passed presumptive eligibility. That should be our No.1 issue because that ties back into our hospital being able to have the dollar flexibility that comes in. Brian Brannman mentioned the Medicaid and Medicare. I think Obamacare is going to help very much, but if we do not increase the rates that they reimburse, we will continue to hurt the county hospital. There are avenues that are available to us that A.B. 484 does not deal with.

Finally, I do not support taking them out of the Open Meeting Law. As this debate unfurled, we heard this excuse: "Nobody will ever give money to the philanthropic." I do not buy that, they never really gave a lot anyway, and those who want to give, will give. That is not how you run a hospital anyway. The other excuse was that we did not have the time or expertise. We would make the time, and you do what you need to in order to get the job done. A third argument was that we have to be able to do competitive proprietary discussions. That was a new one. If that is legitimate, I believe that the Legislature has some bills on Open Meeting Law, or maybe you might want to consider allowing for executive sessions for periods of time, but then those minutes have to be publicly reported. That might allow any hospital, but especially public hospitals that are guided by this, to have those proprietary discussions. You do not need A.B. 484 to do that and you certainly do not need to put them under the cloak of darkness in order to make decisions that we do not know anything about.

In conclusion, we have all of the authority that we need governance-wise in statute. What we do not have is the political courage to deal with how you fund it. That is something that we have to wrestle with in the north and south. Hopefully, you will pass presumptive eligibility. Those are the types of structural changes that I think we need in order to make UMC far more effective.

Chair Dondero Loop:

Are there any questions from the Committee at this time? [There were none.]

Diane London, Private Citizen, Las Vegas, Nevada:

I am an employee at UMC and have been an employee for 12 years as a certified nurse's assistant. I love what I do at UMC and I think it is the number one hospital in the valley. I am anxious to kill A.B. 484 and remain a government employee. I believe to allow Brian Brannman, CEO of UMC, to step up and do his job would be a good thing. I applaud all of the county commissioners.

Chair Dondero Loop:

Is there anyone else in opposition? [There was no one.] Is there anyone in the neutral position? [There was no one.] Are there any comments or questions?

Assemblyman Eisen:

I would like Mr. Brannman to clarify something. I would like to mention my own connection to UMC and how much I care about that institution. I have been on the medical staff there for more than 15 years and taken care of a lot of patients on that inpatient service. I have seen firsthand the tremendous dedication of the employees in that facility who do amazing work every day. It does tie into the question I had about the bill itself. I think we have heard a lot of agita, for lack of a better word, about what would happen with the employees and their positions and the stability of their positions under this. I think a lot of that ties into section 36 of the bill on page 14. Could you help me understand the necessity for the transfer of the employees from county employee to the employment under the governing body of UMC as it would be developed in this bill?

Brian Brannman:

When I had the conversation with the attorneys when they were going through this, it was not to actually change their status as county employees. I felt that seems to be one of the most frightening things, and it is unsettling to the employees that we would do that.

I was very familiar with what had transpired with the Renown Medical Center transition and the sense that a lot of my employees had, with the folks in Reno—whether it was accurate or not—that a switch had happened to them and suddenly they were out of PERS, their 401(k)s were gone, and there were no contributions being made, and they were in distress.

I wanted to ensure that this was really about the governance issue so that the employees, while they would change to go underneath the trustees, would

retain their status as county employees. If there was a better means of providing for the employees and managing that workforce down the road, I wanted to ensure that there was provision to do that. Our county compensation packages today were set up as one-size-fits-all and the workforce in a health care environment is certainly much different than that. I think we need to look at how we structure onramps and offramps for people whom—nurses, for example—we seem to hold PERS out as an example as a recruiting incentive. With the young people, we found how much money they get up front is what matters. It came down to dollars and cents for the new graduates. If they got \$10 an hour more from a hospital up the street, they were going to lure them away. On the other hand, a lot of these folks are stepping out of the workforce for a few years to have their families. When they come back, PERS is very important. It is a great retirement plan and it could be more of an incentive. I had these conversations with the bargaining unit during the last contract negotiations because I think UMC is much different and requires much different analysis than that which you do for the motor pool at the county. We need to have those conversations, and I tried to create the flexibility, but the employees are the heart of this organization. University Medical Center is not 1800 West Charleston Avenue. It is 4,000 people who come to work in that facility and deliver the care, and we have to provide for them a great environment so that we keep great people. However we work with them to structure that, and that is what I am in favor of.

Chair Dondero Loop:

Thank you. Are there any additional questions?

Assemblyman Martin:

I have been over to UMC. I went on tour with you and I found it very educational. The question I have is dealing with the finances of this whole structure that is being proposed—cost versus benefit. Obviously, the cost of setting up subsidiary entities could be extreme and the cross talk between the entities could be a cross center as well. One would only do that if the benefits exceeded the costs. If you are breaking management into smaller pieces, are you looking at doing performance audits or other measurement activities? Section 33 of the bill talks about the finances and a CPA doing audit and tax reforms, but does not talk about the performance goals in metrics. All those things aside, I am curious to get your spin on the cost versus benefit that I just laid out.

Brian Brannman:

First of all, with respect to the compensation issue for prospective trustees, I think when the Hospital Advisory Board was created, we did do an amendment to NRS that allowed us to bump it up as high as it could be. I think it was \$100

a month and it got bumped up to \$500 a month. There was no sense that it would be additional compensation sought for the Board, because the information that we were able to gather by going out to the governance institute looking across the 3,000 or 4,000 hospitals in the United States, probably over 80 percent of the boards that are sitting as the board of trustees at not-for-profit hospitals in the United States are not compensated except for a minimal amount to cover training costs perhaps. They are not on salary. That is how those folks in the community philanthropically support that hospital, by giving of their time. We did not envision the need for a salary line for the board. We did have an expectation that the legal costs associated with setting up and incorporating the bylaws with this entity probably would entail an expenditure of \$1 million to \$1.5 million—that was the ballpark number given by some of the consulting organizations. Certainly there is a finance piece, but in terms of performance metrics, a lot of those details on how you are going to evaluate it; we left that to the establishment of the bylaws because that seemed to be where it was, rather than in the legislation talking about being evaluated once a quarter in a meeting with the trustees. Those were things that needed to be in the details of the bylaws and needed to be worked out collaboratively with the commissioners.

Chair Dondero Loop:

Thank you. Is there any public comment? [There was none.] I will close the hearing on A.B. 484. We are going to go into our work session. I will ask our policy analyst to go over the bills. We will first review Assembly Bill 56.

Assembly Bill 56: Increases the penalty for the first offense of unlawfully selling a controlled substance to a minor. (BDR 40-336)

Kirsten Bugenig, Committee Policy Analyst:

Assembly Bill 56 was presented by Brett Kandt. [Mrs. Bugenig read a description of the bill from the work session document (Exhibit D).] There are no amendments for this bill.

Chair Dondero Loop:

Is there a motion?

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS
ASSEMBLY BILL 56.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Mr. Sprinkle will do the floor statement. Please continue to Assembly Bill 109, Mrs. Bugenig.

Assembly Bill 109: Revises the qualifications and training required for certain persons who operate or are employed by a child care facility. (BDR 38-271)

Kirsten Bugenig, Committee Policy Analyst:

Assembly Bill 109 was presented by Assemblyman Bobzien on February 27, 2013. This bill revises the requirements related to the age, educational background, and experience for a director of a child care facility. [Mrs. Bugenig read a description of the bill and the proposed amendment from the work session document ([Exhibit E](#)).]

The sponsor of the bill worked with the Governor which resulted in the attached amendment ([Exhibit E](#)).

Chair Dondero Loop:

Is there a motion?

ASSEMBLYMAN EISEN MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 109.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

Is there any discussion?

Assemblyman Hickey:

I believe the Governor has Marla McDade Williams here. I would like to hear a little more testimony as to the effect of his support. I understand that you might have a statement or email from the Governor with regard to the amendment. Could you please share that with us?

Marla McDade Williams, Deputy Administrator, Health Division, Department of Health and Human Services:

I have been authorized by the Governor's office to indicate his support for the amendments.

Chair Dondero Loop:

Is there any other discussion on this bill? [There was none.]

THE MOTION PASSED. (ASSEMBLYWOMAN FIORE VOTED NO.)

Mr. Bobzien will do the floor statement, and we will have Dr. Eisen be the backup.

Assembly Bill 126: Requires the disclosure of certain nutritional information in certain chain restaurants. (BDR 51-81)

Kirsten Bugenig, Committee Policy Analyst:

Assembly Bill 126 was presented by Assemblywoman Flores on March 6, 2013. [Mrs. Bugenig read a description of the bill and two proposed amendments, one from the bill sponsor and another from Southern Nevada Health District, from the work session document ([Exhibit F](#)).]

Chair Dondero Loop:

Is there a motion?

ASSEMBLYWOMAN SPIEGEL MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 126.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE
MOTION.

Is there any discussion?

Assemblyman Duncan:

I will be voting no on this. My concerns with this bill are essentially that the bill references federal regulations that have yet to be drafted. Much of this is going to be covered under the Affordable Care Act (ACA). I do not see the necessity of dropping under what the ACA is doing, especially since we are referencing things that have not even been drafted yet.

Assemblyman Oscarson:

I am going to vote yes on this. I worked with the bill sponsors, and they made the accommodations that I thought were important.

Assemblywoman Fiore:

I will be voting no on this.

Assemblyman Martin:

In all the talking about this bill, how does this ultimately affect those convenience stores? Not so much restaurants, but the gas station convenience stores. Can someone clarify that?

Risa Lang, Committee Counsel:

The question had been how it was going to be defined. The definition that was included basically was taken from the proposed federal regulations. If it fell within these regulations, then they would be included. Ultimately what this does is it says that once the federal regulations are adopted, however it is defined in federal law is how it will be defined for our state law as well.

Assemblyman Hambrick:

If the proposed federal regulations do not pass, what effect will that have on the current bill?

Risa Lang:

If they do not pass, the definition we put in will remain. This continues until the federal government enacts their regulations.

Chair Dondero Loop:

THE MOTION PASSED. (ASSEMBLYMEN DUNCAN, FIORE, HAMBRICK, AND HICKEY VOTED NO.)

Ms. Flores will do the floor statement. Mrs. Bugenig, please continue.

Assembly Bill 147: Requires the notification to certain patients regarding supplementary mammographic screening tests. (BDR 40-172)

Kirsten Bugenig, Committee Policy Analyst:

Assembly Bill 147 was presented by Assemblyman Ohrenschall and was heard on March 11, 2013. [Mrs. Bugenig read a description of the bill and proposed amendment from the work session document ([Exhibit G](#)).]

Chair Dondero Loop:

Is there a motion?

ASSEMBLYMAN SPRINKLE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 147.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

Is there any discussion?

Assemblyman Eisen:

I had the opportunity to work with the bill sponsor. I really appreciate the tremendous amount of effort he has put into this to make it work. One thing

that I would like to ask be included in our amendment today is that the amendment language in section 1 refers to the breast imaging reporting and database system (BI-RADS) of the American College of Radiology. We have just become aware that the system is undergoing some revision. I would ask, and the sponsor has agreed, if we can include some language there that would also include a subsequent grading system that is adopted by the American College of Radiology.

Assemblyman James Ohrenschall, Clark County Assembly District No. 12:

I did speak with Assemblyman Eisen and I am fine with that if there is going to be a successor rating system to the BI-RADS. Janette Dean, my intern, has done extensive research on this issue. With your pleasure, she might chime in.

Chair Dondero Loop:

Go right ahead, please.

Janette Dean, Intern to Assemblyman Ohrenschall:

I would like to clarify what is happening with the BI-RADS. They have a rating system of 1 through 6 when they look at the potential cancer, they do not want to use the BI-RADS 1 through 4 numbers anymore because the BI-RADS 1 through 6 contain dangers of cancers that are too confusing when looked at 1 through 4 of the breast density. Instead of using numbers, they are using the categories. That is why the amendment shows the categories that will still be used. They will be using these words without the 1 through 4 numbers. That is all that is changing.

Assemblyman Ohrenschall:

I want to thank the folks with the American College of Gynecologists and the folks from the American Medical Association. We worked really hard and tried to address everyone's concerns. With this bill, as amended, we are accomplishing giving women the knowledge they deserve to have. Thank you for processing this bill.

Chair Dondero Loop:

[Chair Dondero Loop asked Assemblyman Sprinkle to restate his motion. Assemblyman Sprinkle repeated his motion to amend and do pass Assembly Bill 147.]

THE MOTION PASSED UNANIMOUSLY.

Mr. Ohrenschall will do the floor statement. We will continue with the work session and review Assembly Bill 209.

Assembly Bill 209: Revises provisions governing the distribution and sale of raw milk. (BDR 51-1011)

Kirsten Bugenig, Committee Policy Analyst:

Assembly Bill 209 was presented by Assemblyman Aizley on March 22, 2013. This bill revises existing law relating to the sale of raw milk. [Mrs. Bugenig read a description of the bill and the proposed amendment from the work session document ([Exhibit H](#)).]

I would like to note that there was an error in the amendment on page 2, line 40, in the green language: "protect public health" should not be included in this amendment. It is redundant and already addressed in line 25. This is just a technical correction.

Chair Dondero Loop:

Is there a motion?

ASSEMBLYMAN HICKEY MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 209.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

Is there any discussion?

Assemblyman Martin:

I noticed in the amendment in the work session document ([Exhibit H](#)), it reads "daily testing procedures," not random testing of raw milk. Is that the case? Because daily testing seems like a lot of testing.

Chair Dondero Loop:

Mr. Hettrick, could you please answer this question?

Lynn Hettrick, Executive Director, Nevada State Dairy Commission:

Daily testing is commonplace for certain tests. It is already done for dairies everywhere. There are other tests that are not done daily, but this daily testing is commonplace.

Chair Dondero Loop:

Thank you.

THE MOTION PASSED UNANIMOUSLY.

Mr. Aizley will do the floor statement.

I would like to announce at this time to the Committee that we are going to roll Assembly Bill 215, Assembly Bill 316, and Assembly Bill 348 to Friday's meeting. Sometimes bills that are on the agenda get rolled to other meetings. This may occur for many various reasons. We do not do this to rattle your brains; it is for good reason.

Assembly Bill 215: Provides for the collection and application of graywater for a single-family residence. (BDR 40-3)

[This bill was not heard during the work session.]

Assembly Bill 316: Revises provisions governing medical records. (BDR 40-233)

[This bill was not heard during the work session.]

Assembly Bill 348: Revises provisions relating to foster care. (BDR 38-457)

[This bill was not heard during the work session.]

We will now have Mrs. Bugenig go over Assembly Bill 286.

Assembly Bill 286: Requires the provision of emergency medical personnel and emergency medical services at the site of certain special events. (BDR 40-526)

Kirsten Bugenig, Committee Policy Analyst:

Assembly Bill 286 was presented by Assemblywoman Flores and was heard on April 1, 2013. It defines a host organization as the person who obtained the permit or, in an absence of a permit, the person who sponsors a special event. [Mrs. Bugenig read a description of the bill and proposed amendment from the work session document ([Exhibit I](#)).]

Chair Dondero Loop:

Is there a motion?

ASSEMBLYMAN EISEN MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 286.

ASSEMBLYMAN MARTIN SECONDED THE MOTION.

Is there any discussion?

Assemblyman Oscarson:

In the essence of all the emails I have received from the rural communities, this will significantly impact them, so I will be voting no.

Chair Dondero Loop:

I would like to note that I very much want the rural fire chiefs to know that we heard them loud and clear. We saw their emails. I would encourage you to work with the bill sponsor and with the Senate. We will move forward with it. I appreciate your time and effort put into this.

Assemblyman Hickey:

I also will be voting no currently, but I will reserve my right to change my vote if some further things can be done. While I fully support the intention of this bill and the need for it as testified to, in many instances I, too, share the concerns of not only the rural communities, but some of the smaller venues that might have a big stretch to accommodate this.

Assemblywoman Lucy Flores, Clark County Assembly District No. 28:

I wanted to confirm that I had a long conversation with one of the fire chiefs and Ms. Walker. We are going to try and work through this. I certainly cannot guarantee at this point that anything is going to change or what those changes might be, but we are working very diligently to try to address any remaining issues.

Chair Dondero Loop:

That is always our intent. Thank you for those comments. Is there any other discussion?

Assemblyman Duncan:

I also will be voting no due to the concerns I have for the rural communities and also some of the nonprofit and smaller venues. I am heartened to hear that there will be further discussions.

Assemblyman Oscarson:

Ms. Flores, with that new information, I will reserve my right to change my vote.

Chair Dondero Loop:

Is there any additional discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN DUNCAN, FIORE,
HAMBRICK, HICKEY, AND OSCARSON VOTED NO.)

Ms. Flores will do the floor statement. I appreciate those of you telling us that you reserve your right to change your vote, but you always have the right to vote later, just please notify the Chair.

Let us move on to Assembly Bill 287.

Assembly Bill 287: Authorizes the involuntary court-ordered admission of certain persons with mental illness to programs of community-based or outpatient services under certain circumstances. (BDR 39-163)

Kirsten Bugenig, Committee Policy Analyst:

Assembly Bill 287 was presented by Assemblyman Stewart on April 8, 2013. This bill authorizes a court to order the involuntary admission of person with a mental illness who is likely to self-induce harm to a community-based or outpatient service if such treatment is appropriate. [Mrs. Bugenig read a description of the bill and proposed amendment, submitted by The Nevada Psychiatric Association, from the work session document ([Exhibit J](#)).]

The amendment attached to the work session document ([Exhibit J](#)), revises section 2, subsection 4 to add: "facilities or mental health professionals providing services provisions." Section 13, subsection 2 adds a provision relating to funding and clarifies the criteria for a person to be admitted. Lastly, section 18, subsection 2, clarifies the provisions relating to a person's noncompliance with the program. Madam Chair, there are representatives here to address the amendment if there are questions from the members.

Chair Dondero Loop:

Is there a motion?

ASSEMBLYMAN SPRINKLE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 287.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN PIERCE VOTED NO.)

Mr. Stewart will do the floor statement and Dr. Eisen will be his backup.

Assembly Bill 351: Revises provisions governing the medical use of marijuana.
(BDR 40-733)

Kirsten Bugenig, Committee Policy Analyst:

Assembly Bill 351 was presented by Majority Leader Horne and was heard on April 8, 2013. [Mrs. Bugenig read a description of the bill ([Exhibit K](#)).]

Chair Dondero Loop:

Is there a motion?

ASSEMBLYWOMAN PIERCE MOVED TO DO PASS ASSEMBLY BILL 351.

ASSEMBLYMAN MARTIN SECONDED THE MOTION.

Is there any discussion?

Assemblywoman Fiore:

I am a little confused on this bill. I am under the impression that the bill is protecting people with medical marijuana cards from not being arrested, but not allowing them to drive under the influence. Can someone clarify that?

Kirsten Bugenig:

Testimony referenced the level of impairment that the person had so the bill prescribes the amount that you can have. A certain concentration can be in your blood or urine. Currently, marijuana is only allowable if you have a medical marijuana registry card. If you are arrested and subsequently charged and they take your urine, if you have no more than the acceptable concentration in your blood stream and you hold the card, then this bill is saying that you are exempt from prosecution.

Assemblywoman Fiore:

I am going to vote yes on this. I think I understand what you are saying and that is why I will vote yes on this. I do not want anyone driving under the influence. I reserve my right to change my vote on the floor.

Assemblyman Hickey:

I will be voting no simply because of what I perceive the ambiguity on the levels of "intoxication." I guess I side with law enforcement until we get clear standards. After all, we are not supposed to drink and drive.

Assemblyman Duncan:

I echo the sentiment of my colleague, Mr. Hickey. I think that the issue of figuring out intoxication levels when you are measuring the amount of grams per milliliter in the blood makes it very difficult. Until we understand that and get a grip on when and how you are intoxicated with this, I think that this bill,

in some ways, is putting the cart before the horse. I also share law enforcement's concerns that impaired drivers on our roadways kill people. I will be voting no.

Chair Dondero Loop:

I do not see Mr. Horne and Ms. Shipp in the room. Ms. Pierce, if you would like to rescind your motion, we can wait until they are here to clarify those questions.

Assemblywoman Pierce:

I rescind my do pass motion.

Assemblyman Martin:

I rescind my second to Ms. Pierce's motion.

Chair Dondero Loop:

We will roll this bill to Friday's meeting. We will ask Mr. Horne to come and help us walk through this. Thank you for your patience.

Assembly Bill 362: Provides for the establishment of the HIV/AIDS Drug Donation Program. (BDR 40-757)

Kirsten Bugenig, Committee Policy Analyst:

Assembly Bill 362 was presented by Assemblyman Stewart on April 1, 2013. This bill requires the State Board of Pharmacy to establish a program for the donation of HIV and AIDS drugs. [Mrs. Bugenig read a description of the bill in the work session document ([Exhibit L](#)).]

Chair Dondero Loop:

Is there a motion?

ASSEMBLYMAN MARTIN MOVED TO DO PASS
ASSEMBLY BILL 362.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Mr. Stewart will do the floor statement.

**Assembly Bill 393: Expands the rights of children placed in foster care.
(BDR 38-919)**

Kirsten Bugenig, Committee Policy Analyst:

Assembly Bill 393 was presented by Assemblywoman Fiore and was heard on March 29, 2013. [Mrs. Bugenig read a description of the bill and proposed amendment from the work session document ([Exhibit M](#)).]

Chair Dondero Loop:

Is there a motion?

ASSEMBLYMAN SPRINKLE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 393.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

Is there any discussion?

Assemblyman Eisen:

I appreciate the work that the bill sponsor has done and the amendments to help the Department of Family Services to be able to make this work. I will be voting in support of this.

Chair Dondero Loop:

Is there any additional discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

Ms. Fiore will do the floor statement.

**Assembly Bill 495: Abolishes the Committee on Co-Occurring Disorders.
(BDR 40-571)**

Kirsten Bugenig, Committee Policy Analyst:

Assembly Bill 495 was presented by Assemblywoman Bustamante Adams on behalf of the Sunset Subcommittee of the Legislative Commission. [Mrs. Bugenig read a description of the bill in the work session document ([Exhibit N](#)).] This bill abolishes the Committee on Co-Occurring Disorders as recommended by the Sunset Subcommittee of the Commission. There are no amendments to this bill.

Chair Dondero Loop:

Is there a motion?

ASSEMBLYMAN HAMBRICK MOVED TO DO PASS
ASSEMBLY BILL 495.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Assemblywoman Bustamante Adams will do the floor statement and I will be her backup.

This meeting is adjourned [at 4:08 p.m.].

RESPECTFULLY SUBMITTED:

Janel Davis
Committee Secretary

APPROVED BY:

Assemblywoman Marilyn Dondero Loop, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Health and Human Services

Date: April 10, 2013

Time of Meeting: 1:43 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 484	C	Alex Ortiz, Clark County	Proposed Amendment
A.B. 56	D	Kirsten Bugenig	Work Session Doc. Bill description
A.B. 109	E	Kirsten Bugenig	Work Session Doc.
A.B. 126	F	Kirsten Bugenig	Work Session Doc. and Amendments
A.B. 147	G	Kirsten Bugenig	Work Session Doc. and Amendments
A.B. 209	H	Kirsten Bugenig	Work Session Doc. and Amendments
A.B. 286	I	Kirsten Bugenig	Work Session Doc. and amendments
A.B. 287	J	Kirsten Bugenig	Work session doc. and amendment
A.B. 351	K	Kirsten Bugenig	Work session doc.
A.B. 362	L	Kirsten Bugenig	Work session doc.
A.B. 393	M	Kirsten Bugenig	Work session doc. and amendment
A.B. 495	N	Kirsten Bugenig	Work session doc.