MINUTES OF THE JOINT MEETING OF THE ASSEMBLY COMMITTEE ON WAYS AND MEANS AND THE SENATE COMMITTEE ON FINANCE

Seventy-Seventh Session
May 16, 2013

The joint meeting of the Assembly Committee on Ways and Means and the Senate Committee on Finance was called to order by Chair Maggie Carlton at 8:15 a.m. on Thursday, May 16, 2013, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda (Exhibit A), the Attendance Roster (Exhibit B), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at 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).

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblyman William C. Horne, Vice Chair
Assemblyman Paul Aizley
Assemblyman Paul Anderson
Assemblyman David P. Bobzien
Assemblyman Andy Eisen
Assemblywoman Lucy Flores
Assemblyman Tom Grady
Assemblyman John Hambrick
Assemblyman Cresent Hardy
Assemblyman Pat Hickey
Assemblyman Joseph M. Hogan
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Randy Kirner
Assemblyman Michael Sprinkle

SENATE COMMITTEE MEMBERS PRESENT:

Senator Debbie Smith, Chair
Senator Joyce Woodhouse, Vice Chair

Minutes ID: 1195

Senator Moises (Mo) Denis
Senator David R. Parks
Senator Pete Goicoechea
Senator Ben Kieckhefer
Senator Michael Roberson

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Mark Krmpotic, Senate Fiscal Analyst
Jeffrey A. Ferguson, Senior Program Analyst
Catherine Crocket, Program Analyst
Heidi Sakelarios, Program Analyst
Anne Bowen, Committee Secretary
Cynthia Wyett, Committee Assistant

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that since the work session held for the Division of Health Care Financing and Policy (DHCFP), a number of issues had come to light. Those issues were summarized in pages 2 through 4 of Exhibit C, Closing List #2.

Ms. Sakelarios said the first two items pertained to Clark County's request to reduce its voluntary contribution to the Intergovernmental Transfer (IGT) account during the upcoming biennium. This reduction would affect the Upper Payment Limit (UPL) program, Graduate Medical Education (GME) program, and Disproportionate Share Hospital program (DSH) contributions. The Executive Budget recommended revenue from Clark County equal to 55 percent of the supplemental payments made to the University Medical Center (UMC) of Southern Nevada for the UPL and GME programs. Ms. Sakelarios said this would result in a state net benefit which would be used to offset General Fund expenditures in the Medicaid program.

The Fiscal Analysis Division had received two budget amendments that would reduce Clark County's contribution from 55 percent recommended in the Governor's budget to 50 percent. This agreement was based on negotiations between the state and Clark County. The projected fiscal effect, according to the budget amendment, would be a reduction in the state net benefit of approximately $3.6 million during the biennium, which would create the need for additional General Funds in the Medicaid account. Ms. Sakelarios said there was a potential offsetting General Fund savings: the Federal Funds Information for States (FFIS) had issued a report indicating that Medicare Part D clawback payments were projected to decrease nationally over the upcoming biennium.

For Nevada, this could result in a General Fund savings of approximately $4 million, which could then be used to offset the General Fund shortfall resulting from the reduction in the revenue from the IGT account. Ms. Sakelarios said a budget amendment had been submitted for the reduction in the clawback payment.

Additionally, Clark County had requested that its voluntary contribution to the DSH program be reduced. According to *Nevada Administrative Code* (NAC) 422.105, Clark County contributed 70 percent of the DSH payments for all hospitals, less the $1,050,000 contributed by Washoe County.

Ms. Sakelarios said it had been recommended that a portion of the funds from the Indigent Supplemental Account be used to reduce Clark County's contribution. The reduction would total approximately $7.9 million in each year of the 2013-2015 biennium. Senate Bill 452 would require an amendment to allow a transfer of funds from the Indigent Supplemental Account to the Medicaid budget to be used for this purpose.

According to Ms. Sakelarios, the federal allotment for DSH payments would reduce during the upcoming biennium as a result of the implementation of the Affordable Care Act (ACA). The reduction was projected to create a General Fund shortfall in the Medicaid account totaling approximately $1.2 million over the biennium.

Recently, the state received information from Rand Corporation that provided information on the new income criteria that would be used to determine Medicaid eligibility as a result of the ACA. The new criteria that would be used was referred to as the modified adjusted gross income (MAGI). According to the Rand Corporation study, more children would be covered at the regular Federal Medical Assistance Percentage (FMAP) rate for Medicaid and not the enhanced FMAP rate for Nevada Check Up. Ms. Sakelarios noted that more pregnant women would be covered, which would increase the state's costs for those expenses. However, the Rand Corporation study indicated that the state had not been covering adults within the income criteria that was thought—it was less than that—and the state had to maintain that level. Referring to the federal funding, Ms. Sakelarios said the 100 percent FMAP would be available to offset those costs for more adults than was originally anticipated in the Governor's recommended budget. Overall, the MAGI conversions for income would result in a General Fund savings in the Medicaid and Nevada Check Up Program accounts totaling approximately $6.3 million during the 2013-2015 biennium. The Division had indicated that the funds could be used to offset other General Fund shortfalls in its budget accounts during the upcoming biennium.

Since the work session, the Division had received additional information regarding the provider care rate increases mandated by the ACA through December 31, 2014. Ms. Sakelarios said the provider rate increases were federally funded through 2014. The Governor had included an enhancement decision unit in the Medicaid budget account that would extend those rate increases through the balance of fiscal year (FY) 2015. An enhancement decision unit in the Nevada Check Up Program account would apply those same rate increases for the entire biennium because those rate increases were not mandated or federally funded. The Governor's budget was based on those rate increases totaling approximately 36 percent of the amount currently paid to the eligible primary care providers. However, the Centers for Medicare and Medicaid Services (CMS) had revised the criteria that it recommended states use for developing those rate increases, and it appeared that the rate increases would actually be closer to 50 percent, not the 36 percent included in the budget. Ms. Sakelarios explained there would be a General Fund shortfall of approximately $3.4 million in the Medicaid budget, and approximately $300,000 in the Nevada Check Up budget. As discussed previously, the Division believed that the General Fund savings resulting from the MAGI conversion could be used to offset the shortfall.

Ms. Sakelarios maintained that the General Fund shortfalls could be offset with General Fund surplus in other areas, resulting in a possible surplus of approximately $1.4 million in the Medicaid budget for the upcoming biennium.

Senator Kieckhefer referred to the UPL and asked whether the 50 percent contribution rate was already agreed upon with Clark County.

Ms. Sakelarios replied that it was her understanding that the 50 percent rate had been agreed upon, and the Clark County Commissioners would consider the contract at their meeting next week.

Assemblyman Eisen referred to the DSH program offsets resulting from revisions in the numbers of individuals in different categories, and said if he understood correctly, the number of recipients that were thought to be in the standard FMAP was lower, so the number of people in the gap between that mark and where the state needed to be was larger, and the second group was the 100 percent federal FMAP portion. He asked whether he was correct.

Ms. Sakelarios replied that was correct. With the children from birth to age 18, there would be more children covered under the Medicaid FMAP, but fewer children covered under the enhanced FMAP for the State Children's Health Insurance Program (SCHIP), creating a General Fund increase. However, that increase was offset by the adults who would become newly eligible for Medicaid as a result of Medicaid expansion. Ms. Sakelarios said Assemblyman Eisen was correct; because the state overestimated the federal poverty level that Nevada currently covered, the MAGI conversion revised that number and said Nevada was actually covering up to 36 percent of the federal poverty level. What was included in the budget from 36 percent to 75 percent would be funded at 100 percent FMAP, because the federal government considered those persons to be newly eligible clients.

HUMAN SERVICES
HEALTH CARE FINANCING & POLICY
NEVADA MEDICAID, TITLE XIX (101-3243)
BUDGET PAGE DHHS-DHCFP-45

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the first budget account for closing, budget account (BA) 3243, Nevada Medicaid, began on page 5 of Exhibit C. As was discussed during the work session, the Federal Medical Assistance Percentage (FMAP) rate for fiscal year (FY) 2015 had been revised based on a report from the Federal Funds Information for States (FFIS). According to that report, 22 states were projected to receive an increase in their FMAP during FY 2015. Ms. Sakelarios said Nevada was projected to receive the greatest FMAP increase. The projected increase would result in adjusting the state's FMAP rate to 64.19 percent in FY 2015, which was slightly higher than the 63.54 percent included in The Executive Budget.

Ms. Sakelarios noted that the FMAP rate for FY 2015 would not be finalized until the fall of 2013, when the U.S. Department of Health and Human Services released its final calculation.

The Fiscal Analysis Division had received a budget amendment that included revenues and expenditures for the upcoming biennium based on the revised FMAP, as well as revised caseload projections and cost-per-eligible (CPE) projections. Ms. Sakelarios said the budget amendment actually affected 12 decision units within BA 3243. According to the Division of Health Care Financing and Policy (DHCFP), the change in the FMAP rate for FY 2015 resulted in a General Fund savings of approximately $11 million.

In response to a question from Assemblyman Hambrick, Ms. Sakelarios replied that, historically, the Executive Branch and the Legislature had used the FMAP projections from FFIS and the projections had proved to be accurate. She added that there tended to be a slight modification in the second year of the biennium, but it was minimal.

> ASSEMBLYMAN EISEN MOVED TO APPROVE THE FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) RATES, AS REVISED, FOR THE 2013-2015 BIENNIUM.
>
> SENATOR PARKS SECONDED THE MOTION.
>
> THE MOTION CARRIED UNANIMOUSLY.

Ms. Sakelarios said the Governor's recommended budget included two provider rate increases. The first was decision unit Maintenance (M) 101 which included mandatory rate increases because of inflation for HMOs, rural health centers (RHC), and pharmaceutical medications. The second rate increase was in decision unit M-744 and decision unit Enhancement (E) 744, which would adjust the primary care provider rates for the upcoming biennium.

In The Executive Budget, decision unit M-101 recommended approximately $6.5 million in fiscal year (FY) 2014 and approximately $21.2 million in FY 2015 for the mandatory rate increases. Ms. Sakelarios said the rate increases were summarized in Exhibit C on page 7. Fiscal Analysis Division staff noted that calculation and formula errors included in the spreadsheets used to develop The Executive Budget had been revised by the Division of Health Care Financing and Policy (DHCFP), and those corrections had been included in various budget amendments.

Ms. Sakelarios stated there had been two budget amendments submitted for decision unit M-101. The first budget amendment reflected the caseload projections and Federal Medical Assistance Percentage (FMAP) changes for the upcoming biennium; the second corrected data entry errors.

As amended, decision unit M-101 recommended a reduction of expenditures totaling approximately $2.6 million in FY 2014 and an increase totaling $10.6 million in FY 2015. Ms. Sakelarios said the recommendation included a General Fund reduction totaling $6.5 million in FY 2014 and a General Fund increase totaling $341,379 in FY 2015.

In decision unit M-744, the Governor recommended federal funds totaling $41.8 million in FY 2014 and $25.1 million in FY 2015 to continue the primary care provider rate increases that were mandated by the Affordable Care Act (ACA) through December 31, 2014.

Ms. Sakelarios said decision unit E-744 included $25.1 million in FY 2015 to extend the rate increases through June 30, 2015. Extending the provider rates for the last half of FY 2015 was discretionary and not mandated by the ACA. According to Ms. Sakelarios, one budget amendment had been submitted that affected this decision unit and was based on the revision for caseload and FMAP. Based on the adjustments, decision unit E-744 would total $24.5 million in FY 2015.

As discussed in the overview document, the projected provider rate increases were most likely to increase to 50 percent, rather than 36 percent. Ms. Sakelarios said a budget amendment had not been submitted for this change, and work programs could be submitted if it was necessary for the agency to move authority during the interim.

Chair Carlton asked whether she was correct that the extension of the benefit of the payments was not mandatory and would only be done if funding was available.

Ms. Sakelarios explained that the Fiscal Analysis Division staff met with staff from the Department of Health and Human Services, the Division of Health Care Financing and Policy, and the Budget Division last week, and the agencies indicated that because this was an optional extension of the increases, if sufficient funding was not available, they would consider not continuing the extensions in the last half of FY 2015.

Senator Kieckhefer commented that if the money was appropriated and authorized, presumably sufficient funding would be available: he asked whether that was correct.

Ms. Sakelarios said there would be sufficient funding available for the rate increase that was actually included in the amended budget. If the savings from the MAGI conversion was not sufficient to offset the projected increase in the provider rates, then there would not be sufficient funding in the budget.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE PROVIDER RATE INCREASES FOR THE 2013-2015 BIENNIUM, AS AMENDED, INCLUDING THE MANDATORY RATE AND INFLATIONARY

INCREASES RECOMMENDED IN DECISION UNIT MAINTENANCE (M) 101, PRIMARY CARE PROVIDER RATE INCREASES REQUIRED BY THE AFFORDABLE CARE ACT, AND EXTENSION OF THE PRIMARY CARE PROVIDER RATE INCREASES FROM JANUARY 1, 2015, THROUGH JUNE 30, 2015, AS RECOMMENDED BY THE GOVERNOR.

SENATOR SMITH SECONDED THE MOTION.

Senator Kieckhefer said he would like to see some sort of tracking over the accessibility of primary care physicians upon this expansion of the reimbursement rate. He said it was regularly assumed that the Medicaid rate was a barrier to access for clients, so as the reimbursement rate increased, he expected to see more providers sign up for Medicaid and greater access for those who signed up for services.

THE MOTION CARRIED. (Assemblyman Hickey was not present for the vote.)

Ms. Sakelarios said the Medicaid budget account (BA) 3243 included four decision units that pertained to caseload growth during the upcoming biennium. The Division of Health Care Financing and Policy (DHCFP) had rerun its projection model based on actual caseload data through February 2013, current cost-per-eligible (CPE) data, and mandatory inflationary changes. According to Ms. Sakelarios, this information was generally used by the Legislature as a guide to project the Medicaid caseload and expenditures for the upcoming biennium.

Decision unit Maintenance (M) 200 had been amended based on the caseload projections and the revised FMAP. Ms. Sakelarios referred to page 9 of Exhibit C, which contained a table that compared the caseload that was projected in the Governor's recommended budget and the revised caseload proposed through the budget amendment. She said, overall, the caseload for Medicaid was projected to decrease by approximately 2,500 persons per month in FY 2014 and approximately 5,000 per month in FY 2015. The budget amendment, based on the caseload reductions, would adjust decision unit M-200 to total $6.9 million in FY 2014 and $16.5 million in FY 2015.

Ms. Sakelarios said the second budget amendment that had been submitted pertained to caseload growth and was based on the correction of errors identified in previous budget amendments. As amended with the two amendments, the recommended budget was approximately $122.9 million in FY 2014 and approximately $182.3 million in FY 2015 for increased costs associated with the projected caseload, excluding the effect of the Affordable Care Act (ACA).

Ms. Sakelarios said the revised caseload projections based on the ACA and Medicaid expansion were found on page 10 of Exhibit C. The revised caseload projections indicated that caseload growth was projected to be slightly less than originally included in The Executive Budget.

Ms. Sakelarios referred to the table on page 10 of Exhibit C, which compared the caseload projections in the Governor's recommended budget with the revised caseload in the amendment for each of the decision units for caseload growth. The decision units were as follows: decision unit M-740, which was the requirement that all Americans have health insurance; decision unit M-741, which included the children who would become Medicaid-eligible on January 1, 2014; and decision unit E-740, which included persons newly eligible for Medicaid based on the expansion.

Based on the reduced caseload growth, Ms. Sakelarios said it appeared that the expenditures associated with the implementation of the ACA would also decrease. At the bottom of page 10 in Exhibit C, three bulleted statements identified the General Fund and federal fund revisions based on the budget amendment. Additionally, a budget amendment had been submitted to adjust the Clark County contribution for Medicaid expenditures in the Intergovernmental Transfer (IGT) account, which then affected this account. Ms. Sakelarios said the revised expenditures for caseload growth resulting from the implementation of the ACA and Medicaid expansion would decrease from $609.5 million to $595.8 million for the 2013-2015 biennium.

Ms. Sakelarios said that on page 11 of Exhibit C were two tables that compared the costs of Medicaid expansion through the ACA and the additional caseload eligibility groups. The top table demonstrated what the costs were in The Executive Budget, and the bottom table showed what the projected costs were based on the budget amendments submitted.

Fiscal Analysis Division staff had reviewed the revised caseload projections for the 2013-2015 biennium and the revised caseload-driven expenditures as amended by the three budget amendments that affected this decision unit, and they appeared to be reasonable based on the most recent caseload history and the most current information available on the ACA and Medicaid expansion.

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDED CASELOAD PROJECTIONS, AS AMENDED, FOR DECISION UNIT MAINTENANCE (M) 200, WHICH INCLUDES NORMAL CASELOAD GROWTH; DECISION UNITS M-740 AND M-741, WHICH INCLUDES CASELOAD GROWTH BECAUSE OF THE IMPLEMENTATION OF THE AFFORDABLE CARE ACT (ACA); AND DECISION UNIT ENHANCEMENT (E) 740, WHICH INCLUDES CASELOAD GROWTH BECAUSE OF THE EXPANSION OF MEDICAID ELIGIBILITY.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Hickey was not present for the vote.)

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the next major closing item was on page 12 of Exhibit C. Decision unit Enhancement (E) 235 was the Governor's recommendation to establish a cost-sharing program for certain Medicaid recipients. A budget amendment had been received that would adjust the state and federal funding allocation for this decision unit, and subsequently a budget amendment was received to eliminate this decision unit.

Senator Kieckhefer said he understood the need to remove the decision unit from the budget because of the complexities governing federal rules, but for the record, he supported cost-sharing, particularly for the eligible able-bodied, childless adults.

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION, AS AMENDED, TO NOT IMPLEMENT THE COST SHARING WITH CERTAIN MEDICAID PATIENTS DURING THE 2013-2015 BIENNIUM.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Goicoechea and Assemblymen Bobzien and Kirkpatrick were not present for the vote.)

Ms. Sakelarios stated that the Governor recommended $3.3 million in fiscal year (FY) 2014 and $10.3 million in FY 2015 to increase the number of Medicaid waiver slots and related administration expenditures. Waiver slots were approved by the Legislature during each legislative session.

Decision unit Maintenance (M) 511 recommended the addition of 125 waiver slots in each year of the 2013-2015 biennium for the Mental Retardation and Related Conditions (MRRC) waiver. A budget amendment had been received specific to this decision unit based on Federal Medical Assistance Percentage (FMAP) revisions and cost-per-eligible (CPE) revisions. Ms. Sakelarios said the budget amendment would result in the expenditure being reduced by approximately $3,607 in FY 2015. The federal funds portion of this decision unit would be increased by $51,285 in FY 2015.

Fiscal Analysis Division staff noted that the additional waiver slots were approved when the mental health budget accounts (BA 3167, BA 3279, and BA 3280) were closed on May 3, 2013.

Decision unit M-512 recommended $1.4 million in FY 2014 and $3.9 million in FY 2015 to add 91 slots in FY 2014 and 84 slots in FY 2015 to the Waiver for Persons with Physical Disabilities (also referred to as the WIN waiver). A budget amendment was submitted to revise the projected costs for these waiver spots based on the revised FMAP projections.

Decision unit M-514 recommended the addition of 58 waiver slots in FY 2014 and 59 waiver slots in FY 2015 for the Community and Home Based Initiative Program (also referred to as the CHIP waiver). Ms. Sakelarios said a budget amendment had been submitted that would revise costs based on a revised FMAP for FY 2015.

Fiscal Analysis Division staff noted that the additional waiver slots were approved in the Home and Community Based Services account, budget account (BA) 3266, on May 3, 2013.

> SENATOR SMITH MOVED TO APPROVE DECISION UNITS M-511, M-512, AND M-514, AS AMENDED AND AS RECOMMENDED BY FISCAL ANALYSIS DIVISION STAFF, CONSISTENT WITH THE ACTION TAKEN BY THE MEMBERS OF THE JOINT SUBCOMMITTEES, INCLUDING THE FOLLOWING:
>
> a. ADD 125 WAIVER SLOTS FOR THE MENTAL RETARDATION AND RELATED CONDITIONS (MRRC) WAIVER IN EACH YEAR OF THE 2013-2015 BIENNIUM (M-511).

b. ADD 91 WAIVER SLOTS IN FY 2014 AND 84 WAIVER SLOTS IN FY 2015 FOR THE WAIVER FOR PERSONS WITH PHYSICAL DISABILITIES (M-512).
c. ADD 58 WAIVER SLOTS IN FY 2014 AND 59 WAIVER SLOTS IN FY 2015 FOR THE COMMUNITY AND HOME BASED INITIATIVE PROGRAM FOR THE FRAIL ELDERLY (M-514).

ASSEMBLYMAN EISEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Goicoechea and Assemblymen Anderson and Bobzien were not present for the vote.)

Ms. Sakelarios said the next major closing item pertained to budget items submitted following the work session. The Fiscal Analysis Division had received three budget amendments.

In budget amendment A13A0091, the Governor recommended $18.2 million in fiscal year (FY) 2014 and $19 million in FY 2015 allocated among four decision units.

Ms. Sakelarios explained that decision unit Maintenance (M) 150, in budget account (BA) 3243, would eliminate the $2.50 per bed-day General Fund contribution to the long-term care provider supplemental payments because the agreement for those payments would end on June 30, 2013. The budget amendment also considered the reduction of a voluntary contribution from Clark County of 55 percent to 52 percent in the Intergovernmental Transfer (IGT) account.

SENATOR SMITH MOVED TO APPROVE THE MAINTENANCE (M) 150 PORTION OF BUDGET AMENDMENT A13A0091, ELIMINATING THE $2.50 PER BED-DAY GENERAL FUND CONTRIBUTION TO THE LONG-TERM CARE PROVIDER SUPPLEMENTAL PAYMENT AND REDUCING THE INTERGOVERNMENTAL TRANSFER (IGT) ACCOUNT REVENUE AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Goicoechea and Assemblyman Bobzien were not present for the vote.)

Ms. Sakelarios said the same budget amendment A13A0091 added decision unit Enhancement (E) 276 in budget account (BA) 3243 and recommended $3.6 million in fiscal year (FY) 2014 and $4.5 million in FY 2015 for kidney dialysis services for undocumented aliens. This decision unit was not included in the Governor's recommended budget. Assembly Bill 1 would amend the State Plan for Medicaid to require that the state pay the nonfederal share of expenses for kidney dialysis needed to stabilize patients with kidney failure and additional emergency care related to the treatment of kidney failure.

ASSEMBLYMAN HORNE MOVED TO APPROVE THE DECISION UNIT E-276 PORTION OF BUDGET AMENDMENT A13A0091, WHICH PROPOSED GENERAL FUNDS TOTALING $1.4 MILLION IN FISCAL YEAR (FY) 2014 AND $1.6 MILLION IN FY 2015 FOR KIDNEY DIALYSIS SERVICES AND OTHER EMERGENCY CARE-RELATED SERVICES FOR MEDICAID ELIGIBLE PATIENTS WITH KIDNEY FAILURE.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Goicoechea and Smith and Assemblyman Bobzien were not present for the vote.)

Ms. Sakelarios said decision unit Enhancement (E) 750 recommended General Funds totaling $661,920 in fiscal year (FY) 2014 and $649,660 in FY 2015 to offset a reduction in the county reimbursement revenue of an equal amount. This decision unit was not included in the Governor's recommended budget and was not previously considered by the Committees. Under existing law, each board of county commissioners was required to allocate money for medical assistance to indigent persons. Senate Bill 3 would limit the amount allocated in counties with populations less than 700,000 residents to the equivalent of 8 cents per $100 of the assessed valuation in property taxes.

SENATOR KIECKHEFER MOVED TO APPROVE THE ENHANCEMENT (E) 750 PORTION OF BUDGET AMENDMENT A13A0091, WHICH RECOMMENDED GENERAL FUNDS TOTALING $661,920 IN FISCAL YEAR (FY) 2014 AND $649,660 IN FY 2015 TO OFFSET A REDUCTION IN COUNTY REIMBURSEMENT REVENUE OF AN EQUAL AMOUNT.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Goicoechea and Smith and Assemblyman Bobzien were not present for the vote.)

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that decision unit Enhancement (E) 751 recommended $14.6 million in fiscal year (FY) 2014 and $14.5 million in FY 2015 to restore or partially restore various provider rate reductions imposed during previous biennia. The proposed rate restorations were as follows:

- A 15 percent rate increase for freestanding ambulatory surgery centers and ambulance services.
- A less than 1 percent rate increase for dental services.
- An approximate 6.86 percent rate increase for partial anesthesia services, which is a partial rate restoration.
- A 28 percent increase for nonprimary care obstetric services.
- A 30 percent increase for the enhanced rate for pediatric surgical services, which is also a partial restoration.

Ms. Sakelarios said this decision unit was not included in the Governor's recommended budget and was not previously considered by the Committees. Ms. Sakelarios noted that during the 2011 Legislative Session, rate reductions were approved by the Legislature, which reduced the General Fund appropriations in the Medicaid account by approximately $2.5 million in FY 2012 and approximately $2.3 million in FY 2013. The rate reductions approved by the 2011 Legislature were summarized in Exhibit C on page 15. Fiscal Analysis Division staff noted that the restorations recommended in this budget amendment exceeded the amount of the reductions approved by the 2011 Legislature. Based on the information included in the budget amendment, it was not possible to determine how those rate restorations were calculated, although it appeared that the rate restorations might include the increased caseload resulting from the Affordable Care Act (ACA) and Medicaid expansion.

SENATOR WOODHOUSE MOVED TO APPROVE DECISION UNIT ENHANCEMENT (E) 751 IN BUDGET ACCOUNT 3243 TO RESTORE OR PARTIALLY RESTORE VARIOUS PROVIDER RATE REDUCTIONS TOTALING $14.6 MILLION IN FISCAL YEAR (FY) 2014 AND $14.5 MILLION IN FY 2015 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Goicoechea and Smith and Assemblyman Bobzien were not present for the vote.)

Ms. Sakelarios said budget amendment A13A0127 was received on May 10, 2013, and recommended a General Fund increase totaling approximately $1.4 million in fiscal year (FY) 2014 and $1.9 million in FY 2015 and a federal funds and Intergovernmental Transfer (IGT) decrease totaling approximately $7.9 million in FY 2014 and $9 million in FY 2015. The budget amendment to the IGT account included the reduction in Clark County's voluntary contribution rate from 52 percent to 50 percent and also included an adjustment to the supplemental payment for long-term care facilities. The budget currently overstated the non-General Fund portion of that payment.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE THE REVENUE REDUCTION INCLUDED IN BUDGET AMENDMENT A13A0127, INCLUDING A REDUCTION IN THE CLARK COUNTY VOLUNTARY CONTRIBUTION RATE IN THE INTERGOVERNMENTAL TRANSFER (IGT) ACCOUNT.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Smith and Assemblyman Bobzien were not present for the vote.)

Ms. Sakelarios explained that budget amendment A13A0130 included a General Fund reduction totaling $1.3 million in fiscal year (FY) 2014 and $2.7 million in FY 2015 because of a reduction in the projected Medicare Part D clawback payments. The clawback required each state participating in Medicaid to pay a monthly premium to the federal government to cover the costs of prescription drugs used by its dual-eligible population: those clients eligible for both Medicare and Medicaid. Ms. Sakelarios reiterated that the clawback payment was expected to decrease during the upcoming biennium.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE THE GENERAL FUND REDUCTION INCLUDED IN BUDGET AMENDMENT A13A0130, BASED ON THE PROJECTED REDUCTION IN THE MEDICARE PART D CLAWBACK PAYMENT IN BUDGET ACCOUNT (BA) 3243.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Smith and Assemblyman Bobzien were not present for the vote.)

Ms. Sakelarios said that under other closing items, there was a budget amendment that would revise base budget expenditures because of the revised caseload projections and the revised FMAP projection. Budget amendment A130023243 reduced base budget expenditures by approximately $10.5 million in fiscal year (FY) 2014 and $9.8 million in FY 2015. According to Ms. Sakelarios, the adjustments included a General Fund increase of approximately $2.2 million in FY 2014 and a General Fund reduction of approximately $7.1 million in FY 2015. Additionally, Fiscal Analysis Division staff noted that it was working with the Department of Health and Human Services to reconcile the transfers from the Medicaid account to other Department of Health and Human Services budget accounts and requested authority to make technical adjustments to ensure that the transfers-out matched the transfers-in.

SENATOR WOODHOUSE MOVED TO APPROVE BASE BUDGET REVISIONS BECAUSE OF REVISED CASELOAD PROJECTIONS FOR THE 2013-2015 BIENNIUM AND THE REVISED FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) FOR FISCAL YEAR (FY) 2015 INCLUDED IN BUDGET AMENDMENT A130023243.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Smith and Assemblyman Bobzien were not present for the vote.)

SENATOR WOODHOUSE MOVED TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS BASED ON THE ACTIONS TAKEN IN THE OTHER DIVISION OF HEALTH CARE FINANCING AND POLICY ACCOUNTS THAT AFFECTED THIS ACCOUNT AND TECHNICAL ADJUSTMENTS FOR FINAL DEPARTMENT COST ALLOCATIONS.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Smith and Assemblyman Bobzien were not present for the vote.)

BUDGET CLOSED.

*****

HUMAN SERVICES
HEALTH CARE FINANCING & POLICY
NEVADA CHECK UP PROGRAM (101-3178)
BUDGET PAGE DHHS-DHCFP-38

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reviewed budget account (BA) 3178, Nevada Check Up Program. Ms. Sakelarios commented that many of the decision units and budget amendments in this budget account mirrored those that were just discussed in the Medicaid account.

The Federal Medical Assistance Percentage (FMAP) rate for the Nevada Check Up Program was also projected to increase during fiscal year (FY) 2015. The projected rate would be 74.93 percent, which was slightly higher than the rate of 74.48 percent included in The Executive Budget.

Ms. Sakelarios said a budget amendment was submitted that revised the FMAP rate in the decision units in budget account 3178.

ASSEMBLYMAN HORNE MOVED TO APPROVE THE GENERAL FUND REDUCTION IN BUDGET ACCOUNT 3178 RESULTING FROM THE REVISED FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) FOR THE NEVADA CHECK UP PROGRAM FOR FISCAL YEAR (FY) 2015 INCLUDED IN BUDGET AMENDMENT A130023178 AS RECOMMENDED BY THE GOVERNOR.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Smith was not present for the vote.)

Ms. Sakelarios informed the Committees that budget account (BA) 3178 included three decision units pertaining to provider rate increases. Decision unit Maintenance (M) 101 recommended mandatory rate increases for designated service providers. Ms. Sakelarios noted that the decision unit recommended a reduction in expenditures even though the rate increases were mandatory. She said that was because the rate increases were offset by an 8 percent reduction in the Health Maintenance Organization (HMO) capitation rate in fiscal year (FY) 2013 and the projected caseload decreases for the 2013-2015 biennium.

Fiscal Analysis Division staff noted that the Division of Health Care Financing and Policy (DHCFP) had corrected the errors in the spreadsheets used to develop the Governor's recommended budget, and those corrections were included in the budget amendments.

A budget amendment had been submitted to revise the costs of this decision unit based on the caseload projections and the Federal Medical Assistance Percentage (FMAP) for FY 2015. Additionally, the pharmacy inflation rate in this budget account had been adjusted to total 3.5 percent in each year of the biennium. The cost-per-eligible (CPE) rate for fee-for-service recipients was also recommended to increase by 6.24 percent in each fiscal year.

ASSEMBLYMAN HORNE MOVED TO APPROVE THE PROVIDER RATE INCREASES RESULTING FROM INFLATION AS AMENDED IN BUDGET AMENDMENT A130023178 AS RECOMMENDED BY THE GOVERNOR.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Smith was not present for the vote.)

Ms. Sakelarios said decision unit Enhancement (E) 744 recommended the primary care provider rate increases, which would mirror those mandated in the Medicaid account by the Affordable Care Act (ACA). A budget amendment had been submitted that recommended an overall increase of $38,891 in fiscal year (FY) 2014 and $59,477 in FY 2015 for the rate increases based on revised caseload projections and the Federal Medical Assistance Percentage (FMAP).

Fiscal Analysis Division staff noted that the provider rate increases might be higher than originally included in the Governor's recommended budget because of the revision in the calculation methodology from the Centers for Medicare and Medicaid Services (CMS). Ms. Sakelarios said a budget amendment had not been submitted to offset the increased expenditures because it was hoped that the General Fund savings resulting from the modified adjusted gross income (MAGI) conversion would offset the General Fund shortfall.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION, AS AMENDED, TO INCREASE RATES FOR PRIMARY CARE SERVICES PROVIDED THROUGH NEVADA CHECK UP BY APPROXIMATELY 36 PERCENT DURING THE 2013-2015 BIENNIUM, TOTALING APPROXIMATELY $1.49 MILLION IN FISCAL YEAR (FY) 2014 AND $1.57 MILLION IN FY 2015.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Smith was not present for the vote.)

Ms. Sakelarios explained that decision unit Enhancement (E) 751 was a new decision unit introduced through the budget amendment and recommended $579,579 in fiscal year (FY) 2014 and $581,652 in FY 2015 to restore or partially restore various provider rate reductions imposed during previous biennia. The proposed rate restorations were identical to those discussed in the Medicaid account, budget account (BA) 3243.

SENATOR WOODHOUSE MOVED TO APPROVE THE RESTORATION OR PARTIAL RESTORATION OF VARIOUS PROVIDER RATE REDUCTIONS IMPOSED DURING PREVIOUS BIENNIA TOTALING $579,579 IN FISCAL YEAR (FY) 2014 AND $581,652 IN FY 2015 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Smith was not present for the vote.)

Ms. Sakelarios said the next major closing items in budget account (BA) 3178 pertained to caseload growth. With respect to decision unit Maintenance (M) 200, a budget amendment had been submitted based on the revised caseload projections and Federal Medical Assistance Percentage (FMAP) projections. The amendment included an overall increase of $1.3 million in fiscal year (FY) 2014 and $2.2 million in FY 2015 and would increase the total expenditure for decision unit M-200 to $873,212 in FY 2014 and $1.7 million in FY 2015. Ms. Sakelarios referred to the table in the middle of page 22 of Exhibit C, which compared the caseload projections included in The Executive Budget and the revised caseload projections included in the budget amendment. Based on the information provided, it appeared that the number of clients was expected to be 576 greater in FY 2014 and 834 greater in FY 2015 than the caseload assumptions in The Executive Budget.

Ms. Sakelarios said that based on the information provided by the Division of Health Care Financing and Policy, the overall caseload projections for decision unit M-200, as amended, appeared reasonable.

SENATOR WOODHOUSE MOVED TO APPROVE THE CASELOAD PROJECTIONS IN DECISION UNIT MAINTENANCE (M) 200, AS AMENDED, FOR THE NEVADA CHECK UP PROGRAM FOR THE 2013-2015 BIENNIUM AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Smith was not present for the vote.)

Ms. Sakelarios stated that the table on the bottom of page 22 of Exhibit C showed the caseload projections and expenditures for decision unit Maintenance (M) 740 and decision unit M-741 included in the Governor's recommended budget. The table on page 24 of Exhibit C showed the changes in the caseload projections based on the revised calculations developed by the Division of Health Care Financing and Policy (DHCFP).

Ms. Sakelarios noted that during the budget hearings, the DHCFP indicated that children currently enrolled in Nevada Check Up who would become Medicaid eligible on January 1, 2014, were projected to transfer to Medicaid during their annual eligibility redetermination. Information had been received from the federal government indicating that the transfer might need to occur on January 1, 2014. Ms. Sakelarios commented that the DHCFP was currently working to obtain clarification about when those children would transfer from Nevada Check Up to Medicaid.

According to Ms. Sakelarios, a budget amendment had been received to revise revenue and expenditure projections based on the revised caseload projections and the Federal Medical Assistance Percentage (FMAP). The budget amendment recommended reducing expenditures to $6.6 million in fiscal year (FY) 2014 and $17.4 million in FY 2015 for projected caseload growth.

Based on the information provided by the Division, Ms. Sakelarios said the overall caseload projections for Nevada Check Up as described in the budget amendment appeared reasonable.

SENATOR WOODHOUSE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDED CASELOAD PROJECTIONS, AS AMENDED, FOR THE NEVADA CHECK UP PROGRAM FOR THE 2013-2015 BIENNIUM.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Smith and Assemblyman Horne were not present for the vote.)

Ms. Sakelarios said there were two items for consideration in other closing items in budget account (BA) 3178. The first item was budget amendment A130023178 that included General Fund reductions to expenditures and increased the federal funding portion of those same expenditures.

The second other closing item included decision units Enhancement (E) 901 and E-906, which recommended transferring all personnel and operating expenditures, including 22.51 full-time equivalent (FTE) positions from the Nevada Check Up Program account, to either the Division of Health Care Financing and Policy Administration account or the Division of Welfare and Supportive Services Field Services account. The transfer would limit the expenditures from the Nevada Check Up Program account to medical reimbursements during the upcoming biennium.

SENATOR WOODHOUSE MOVED TO APPROVE OTHER CLOSING ITEMS IN BUDGET ACCOUNT 3178 AS RECOMMENDED AND AMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Smith and Assemblyman Horne were not present for the vote.)

BUDGET CLOSED

*****

HUMAN SERVICES
HEALTH CARE FINANCING & POLICY ADMINISTRATION (101-3158)
BUDGET PAGE DHHS-DHCFP-15

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reviewed budget account 3158, the Health Care Financing & Policy Administration account, on page 25 of Exhibit C.

Ms. Sakelarios stated the first item in major closing issues pertained to federal mandates related to health care reform. The Executive Budget included several maintenance and enhancement decision units relating to new and expanding requirements associated with health care reform. Many of these new mandates would be federally funded initially; however, increasing amounts of financial responsibility would be shifted to the states over the next seven years.

Ms. Sakelarios said the first item for consideration was decision unit Maintenance (M) 505. The Executive Budget recommended $100,600 in each year of the biennium for a vendor to perform prepayment eligibility verification for the electronic health record (EHR) provider incentive payment (PIP) program prior to the authorization of incentive payments. The addition of a contractor to perform the prepayment eligibility verification would ensure that only providers that met eligibility requirements participated in the incentive program. The Division indicated this would maximize the time for the auditors to confirm that the electronic health record updates were appropriate to be eligible for the incentive program. Prepayment eligibility verification would also prevent the state from authorizing reimbursement to noneligible providers.

SENATOR PARKS MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO CONTRACT WITH A VENDOR TO PERFORM PREPAYMENT ELIGIBILITY VERIFICATION FOR THE ELECTRONIC HEALTH RECORD (EHR) PROVIDER INCENTIVE PAYMENT (PIP) PROGRAM.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Roberson and Smith and Assemblyman Horne were not present for the vote.)

Ms. Sakelarios referred to decision unit Maintenance (M) 515, and said The Executive Budget recommended $297,352 in fiscal year (FY) 2014 and $251,418 in FY 2015 to contract with an external quality review organization (EQRO) to conduct annual reviews of managed care organizations to assess the quality of outcomes, timeliness, and access to services. The use of a qualified independent entity for the annual reviews was a requirement of the Balanced Budget Act of 1997. A budget amendment had been submitted which recommended an increase of $26,375 in fiscal year (FY) 2014 and $39,434 in FY 2015 for the contract. According to the Division, the amount of the expenditure included in The Executive Budget was incorrect, and additional revenue and expenditure authority was needed to make the payments that were included in the contractual agreement. This budget amendment would increase the overall cost of this decision unit to $323,727 in FY 2014 and $290,852 in FY 2015.

Assemblywoman Kirkpatrick asked whether the Committees would receive updates of those reviews during the interim, and Ms. Sakelarios replied that updates would be requested from the Division for the Interim Finance Committee (IFC).

> SENATOR WOODHOUSE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION, AS AMENDED, TO CONTRACT WITH AN EXTERNAL QUALITY REVIEW ORGANIZATION TO CONDUCT ANNUAL REVIEWS OF MANAGED CARE ORGANIZATIONS AS REQUIRED BY FEDERAL REGULATION, AT THE COST OF $323,727 IN FISCAL YEAR (FY) 2014 AND $290,852 IN FY 2015.
>
> ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Senator Roberson and Assemblyman Horne were not present for the vote.)

Ms. Sakelarios referred to decision unit Maintenance (M) 517, and said The Executive Budget recommended $1.9 million in fiscal year (FY) 2014 and $1.4 million in FY 2015 to implement the Transformed Medicaid Statistical Information System (T-MSIS). The T-MSIS was used by the Centers for Medicare and Medicaid Services (CMS) to gather eligibility, enrollment, usage, and expenditure data for the Medicaid and Nevada Check Up programs. The CMS required that the T-MSIS be operational no later than January 2014. Ms. Sakelarios said a budget amendment had been submitted which revised the federal funding allocation for this project to 90 percent federal funds and

10 percent General Funds. This revision reduced the General Fund portion by $111,270 in FY 2014 and $25,500 in FY 2015.

SENATOR WOODHOUSE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION, AS AMENDED, TO IMPLEMENT THE TRANSFORMED MEDICAID STATISTICAL INFORMATION SYSTEM (T-MSIS) DURING THE 2013-2015 BIENNIUM, AT A COST TOTALING $1.9 MILLION IN FISCAL YEAR (FY) 2014 AND $1.4 MILLION IN FY 2015.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson and Assemblyman Horne were not present for the vote.)

Ms. Sakelarios said a budget amendment had been received that established decision unit Maintenance (M) 740 in budget account (BA) 3158 and recommended $561,452 in fiscal year (FY) 2014 and $1.4 million in FY 2015 to increase the fiscal agent expenditures resulting from the implementation of the Affordable Care Act (ACA). This decision unit was not included in The Executive Budget; however, it should have been included to accurately reflect the administrative costs for the Division of Health Care Financing and Policy (DHCFP) and to maintain consistency with the proposed caseload decision units in the Medicaid account and the Nevada Check Up Program account.

SENATOR DENIS MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION, PROPOSED IN BUDGET AMENDMENT A130023158, TO INCREASE FISCAL AGENT EXPENDITURES RESULTING FROM PROJECTED CASELOAD GROWTH ATTRIBUTED TO THE AFFORDABLE CARE ACT (ACA), TOTALING $561,452 IN FISCAL YEAR (FY) 2014 AND $1.4 MILLION IN FY 2015.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson and Assemblyman Horne were not present for the vote.)

Ms. Sakelarios said the Governor recommended $10.03 million in fiscal year (FY) 2014 and $2.6 million in FY 2015 for revisions to the Medicaid Management Information System (MMIS) to make the system compliant with the Affordable Care Act (ACA) mandates and to establish connectivity with the Health Information Exchange. Decision unit Maintenance (M) 742 recommended approximately $5 million in (FY) 2014 and $1.5 million in (FY) 2015 for MMIS changes mandated by the Affordable Care Act (ACA). Ms. Sakelarios noted the changes in the MMIS would include eligibility tracking across Medicaid, Nevada Check Up, and the Silver State Health Insurance Exchange; measuring the usage of new benefit plans and aid codes resulting from the adoption of essential health benefits; establishing an interface with NOMADS [Nevada Operations of Multi-Automated Data Systems] to facilitate accurate transmission of eligibility data; and revising the eligibility verification system to include ACA aid category changes.

Decision unit M-748 recommended approximately $3.3 million in fiscal year (FY) 2014 and approximately $1.1 million in FY 2015 for MMIS changes that would allow connectivity with the statewide Health Information Exchange. Ms. Sakelarios said this was not a federal mandate, and the health information exchange was currently being developed within the State of Nevada. Participation by state Medicaid programs was intended to support the development of health information exchanges and to sustain clinical quality measures that contributed to the improved health care delivery system. According to the Division, 90 percent of the costs of the connection would be paid with federal funds and 75 percent of the costs for ongoing maintenance would be paid with federal funds. Ms. Sakelarios noted the balance would be paid with State General Funds.

Ms. Sakelarios explained that decision unit Enhancement (E) 235 recommended reprogramming to implement the Governor's cost-sharing proposal. As was discussed previously, a budget amendment had been submitted to eliminate the decision unit.

> SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO MODIFY THE MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS) TO BECOME COMPLIANT WITH THE AFFORDABLE CARE ACT (ACA) MANDATES AND ESTABLISH CONNECTIVITY WITH THE HEALTH INFORMATION EXCHANGE AS RECOMMENDED IN DECISION UNITS M-742 AND M-748; AND FURTHER, TO APPROVE THE PORTION OF BUDGET AMENDMENT A13A0124 THAT RECOMMENDS ELIMINATION OF THE MMIS MODIFICATION REQUIRED TO IMPLEMENT THE GOVERNOR'S COST-SHARING PROPOSAL FOR CERTAIN MEDICAID RECIPIENTS.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson and Assemblyman Horne were not present for the vote.)

Ms. Sakelarios said that in decision unit Maintenance (M) 745, The Executive Budget recommended $425,129 in each year of the 2013-2015 biennium for a contractor to perform federally required screening of new and existing Medicaid providers. The Affordable Care Act (ACA) required state Medicaid agencies to verify the identification and eligibility of Medicaid providers every 36 months. The provider screening would be a joint effort between the Division and the fiscal agent. The process would eventually be electronically administered; however, discrepancies would be addressed manually.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO INCREASE FUNDING FOR THE FISCAL AGENT TO PERFORM SCREENING OF NEW AND EXISTING MEDICAID PROVIDERS, AS REQUIRED BY THE AFFORDABLE CARE ACT.

SENATOR SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson and Assemblyman Horne were not present for the vote.)

Ms. Sakelarios referred to decision unit Maintenance (M) 746 and said The Executive Budget recommended $100,000 in fiscal year (FY) 2014 to use contractors to conduct a dispensing fee and ingredient cost survey for all outpatient pharmaceuticals. The expenditure was a requirement of the Affordable Care Act (ACA) and would be a one-time expenditure.

SENATOR PARKS MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO EMPLOY A CONTRACTOR TO CONDUCT A DISPENSING FEE AND INGREDIENT COST SURVEY FOR ALL OUTPATIENT PHARMACEUTICALS IN FISCAL YEAR (FY) 2014.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson and Assemblyman Horne were not present for the vote.)

Ms. Sakelarios informed the Committees that decision unit Maintenance (M) 749 recommended $560,791 in fiscal year (FY) 2014 and $697,306 in FY 2015 for the Medicaid and Nevada Check Up cost-sharing portions for operating and maintaining the Business Operations Solution (BOS) for the Silver State Health Insurance Exchange (SSHIX). She said it was required that the state allocate the costs based on the Medicaid, Nevada Check Up, and the health insurance exchange populations. A budget amendment had been introduced that reduced the General Fund portion of this expenditure by $309 in FY 2014 and $385 in FY 2015 and increased the federal portion by a corresponding amount.

SENAT0R SMITH MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION, AS AMENDED, TO TRANSFER $560,791 IN FISCAL YEAR (FY) 2014 AND $697,306 IN FY 2015 TO THE SILVER STATE HEALTH INSURANCE EXCHANGE (SSHIX) FOR THE MEDICAID AND NEVADA CHECK UP PORTIONS OF THE OPERATING AND MAINTENANCE COSTS OF THE BUSINESS OPERATIONS SOLUTION.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson and Assemblyman Horne were not present for the vote.)

Ms. Sakelarios stated that in decision unit Enhancement (E) 740, the Governor recommended $441,302 in fiscal year (FY) 2014 and about $1.3 million in FY 2015 for increased fiscal agent expenditures resulting from the Governor's recommendation to expand Medicaid eligibility. Budget amendment A130023158 recommended an additional $155,324 in FY 2014 and $385,954 in FY 2015 to increase the fiscal agent expenditures: this would increase the total cost for this decision unit to $596,626 in FY 2014 and about $1.7 million in FY 2015. Fiscal Analysis Division staff noted that this portion of the budget amendment corrected an error in the Governor's budget which did not accurately reflect the number of fee-for-service patient visits per month. The budget amendment also incorrectly increased the Title XXI or State Children's Health Insurance Program (SCHIP) portion of this decision unit, rather than the Medicaid portion. Fiscal Analysis Division staff had made a technical adjustment to correct this error.

SENATOR SMITH MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION, AS AMENDED, WITH THE TECHNICAL ADJUSTMENT RECOMMENDED BY FISCAL ANALYSIS DIVISION

STAFF, TO INCREASE FISCAL AGENT COSTS BY $596,626 IN FISCAL YEAR (FY) 2014 AND $1.7 MILLION IN FY 2015 BECAUSE OF THE GOVERNOR'S RECOMMENDATION TO EXPAND MEDICAID ELIGIBILITY TO CHILDLESS ADULTS.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Kieckhefer and Roberson and Assemblyman Horne were not present for the vote.)

Ms. Sakelarios said the Governor recommended $1.6 million in fiscal year (FY) 2014 and $1.9 million in FY 2015 to implement the second phase of the Medicaid Management Information System (MMIS) replacement project, including the addition of one new management analyst 3 position and a consultant to assist with the development of the procurement for a new MMIS. This project represented phase 2 of an expected three-phase project. The purpose of phase 2 was to perform planning activities and to ensure the most cost-effective, low-risk implementation of the conversion was achieved. The specific tasks to be completed during the upcoming biennium were listed on pages 31 and 32 of Exhibit C. Phase 2 would take approximately two years to complete. Ms. Sakelarios noted for the Committees that phase 3 would be planned for fiscal years 2017 and 2018 and would involve the design, development, and implementation of the solution identified during the current biennium. Phase 3 was projected to cost approximately $53 million, 90 percent of which would be paid with federal funds.

Budget amendment A130023158 had been submitted revising the funding allocation for the MMIS procurement process. The Executive Budget indicated that 75 percent of the costs associated with this activity would be federal funds, and 25 percent would be General Funds. The budget amendment adjusted this allocation to be 90 percent federal funds and 10 percent General Funds, which reduced the General Funds by $247,281 in FY 2014 and $285,246 in FY 2015.

SENATOR SMITH MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION, AS AMENDED, TO IMPLEMENT THE SECOND PHASE OF THE MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS) REPLACEMENT PROJECT, INCLUDING FUNDING ONE NEW MANAGEMENT ANALYST 3 POSITION AND CONTRACTING WITH A CONSULTANT TO ASSIST WITH THE DEVELOPMENT OF THE PROCUREMENT OF A NEW MMIS.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Kieckhefer and Roberson and Assemblyman Horne were not present for the vote.)

Ms. Sakelarios explained that decision unit Maintenance (M) in budget account (BA) 3158 included mandatory rate increases because of inflation for the fiscal agent and physicians performing disability assessments. The Executive Budget recommended reducing expenditures for this purpose during the 2013-2015 biennium because the cost per claim and the cost per prior authorization were projected to decrease as a result of the contractual agreements with the current fiscal agent.

Budget amendment A130023158 recommended increasing expenditures based on rate increases for the projected caseload projections and the Federal Medical Assistance Percentage (FMAP). The increased expenditures would adjust the reduction included in decision unit M-101 to $3.6 million in FY 2014 and $4.6 million in FY 2015.

SENATOR DENIS MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION, AS AMENDED, TO REDUCE EXPENDITURES FOR RATE INCREASES BECAUSE OF INFLATION FOR THE FISCAL AGENT AND PHYSICIANS PERFORMING DISABILITY ASSESSMENTS BY $3.6 MILLION IN FISCAL YEAR (FY) 2014 AND $4.6 MILLION IN FY 2015.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Kieckhefer and Roberson and Assemblyman Horne were not present for the vote.)

Ms. Sakelarios said the next several decision units pertained to the Division of Health Care Financing and Policy's (DHCFP) request for additional staff. The Executive Budget recommended $448,748 in fiscal year (FY) 2014 and $548,521 in FY 2015 to add eight additional staff and to reclassify four existing positions within the Administration account.

Ms. Sakelarios said decision unit Maintenance (M) 747 recommended $178,588 in FY 2014 and $216,075 in FY 2015 to add three positions, effective October 2013, to support new programs in the Business Lines Unit, such as the Care Management Organization and health/medical homes programs, and to implement various components of the Affordable Care Act (ACA).

The recommended positions included:

- One administrative services officer 2 to serve as the business manager of the unit.
- One program officer 1 to investigate the eligibility and enrollment status of individuals during certain time frames.
- One social services program specialist 2 to monitor managed care organizations and other contractors to ensure Medicaid clients have access to quality, accessible, and timely services.

The Division reported that the positions were needed to establish the state's proposed care-management program, Nevada Comprehensive Care Waiver (NCCW), for Nevada Medicaid recipients. Ms. Sakelarios said the Division had indicated, as recently as May 2, 2013, that negotiations with the Centers for Medicare and Medicaid Services (CMS) regarding the terms and conditions had been completed, and CMS established a new target date of July 1, 2013, to issue a letter of approval for the waiver.

Decision unit E-225 included $42,163 in FY 2014 and $53,026 in FY 2015 to establish one administrative assistant 3 position to provide clerical support for the Information Services Unit. Fiscal Analysis Division staff noted that the Information Services Unit currently had an administrative assistant 4 position that had recently been designated to serve as the change management coordinator. According to Ms. Sakelarios, this reassignment created a lack of support staff in this unit. The Division indicated that the existing administrative assistant was shifted to the change management coordinator because it was not possible to wait for a formal request for a new position to be approved by the Legislature.

Decision unit E-229 recommended $109,521 in FY 2014 and $136,682 in FY 2015 for one management analyst 2 position and one management analyst 1 position to perform claims recovery, tracking, and accounting tasks associated with processing claims identified for payment recovery in the Payment Recovery Unit. This request was based on addressing the increased workload experienced during the current biennium as well as the workload projections anticipated during the upcoming biennium because of the Affordable Care Act (ACA).

Decision unit E-231 recommended $95,921 in FY 2014 and $119,991 in FY 2015 for one social services program specialist 2 and one administrative assistant 2 to accommodate the anticipated increases in the number of fair hearing requests received by the Hearings Unit. Ms. Sakelarios said the fair hearings were used to resolve disputes of adverse actions taken against Medicaid clients and providers. The Division anticipated a 50 percent increase in the number of requests for these hearings based on the current caseload and activities to combat fraud, waste, and abuse.

In decision unit E-805, The Executive Budget recommended $22,555 in FY 2014 and $22,747 in FY 2015 to reclassify four existing positions, including a business process analyst 3 position, two business process analyst 2 positions, and one administrative assistant 4 position. Based on the limited information provided by the Division, Ms. Sakelarios said it was difficult to determine whether the reclassification of these positions was warranted. It appeared that these reclassifications could be deferred to the interim, which would allow the Division of Human Resource Management, Department of Administration, the opportunity to review the proposed reclassifications for each of these positions to determine whether the upgrades were reasonable. Fiscal Analysis Division staff noted that the effect on the General Fund would be minimal.

Chair Carlton commented that there had been discussions previously about how positions had been chosen, and she believed this was a job for the Division of Human Resource Management.

> SENATOR SMITH MOVED TO APPROVE THE ADDITION OF EIGHT POSITIONS TO MEET THE INCREASING WORKLOAD ASSOCIATED WITH THE IMPLEMENTATION OF THE AFFORDABLE CARE ACT (ACA) IN BUDGET ACCOUNT 3158 AS RECOMMENDED BY THE GOVERNOR AND TO NOT APPROVE THE POSITION RECLASSIFICATIONS TO ALLOW TIME FOR THE DIVISION OF HUMAN RESOURCE MANAGEMENT TO DETERMINE WHETHER THE PROPOSED RECLASSIFICATIONS WERE REASONABLE.
>
> ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Senator Roberson and Assemblymen Horne and Kirner were not present for the vote.)

Ms. Sakelarios said other closing items in budget account (BA) 3158 began on page 36 of Exhibit C.

The first other closing item was budget amendment A130023158, which reduced the General Fund portion of various base budget expenditures by $248,405 in fiscal year (FY) 2014 and $248,868 in FY 2015 and increased the federally funded portion by a corresponding amount.

Ms. Sakelarios referred to the Maintenance (M) 200 decision unit, which pertained to administrative costs driven by caseload and had been amended. The amendment recommended reducing the decision unit to $9.5 million in FY 2014 and $11.1 million in FY 2015.

Decision unit M-502 recommended $46,900 in FY 2014 and $8,000 in FY 2015 to purchase a security information and event manager application and contract for software maintenance and support. This decision unit would allow the Division to be compliant with requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

Ms. Sakelarios said decision unit M-503 recommended $80,000 in FY 2014 to contract with a security expert to perform a risk assessment of the Division's automatic data processing system as required by HIPAA.

Decision unit M-504 recommended $38,773 in FY 2014 and $4,729 in FY 2015 for hardware and software to provide a two-factor authentication system for users of the Division's network, applications and data. Ms. Sakelarios said the Division indicated the authentication system was necessary to be in compliance with HIPAA.

Decision units M-511, M-512, and M-514 recommended $22,773 in FY 2014 and $59,014 in FY 2015 for the fiscal agent's increased costs for claims processing and prior authorization services associated with the Governor's recommendation to expand the number of waiver slots for the Mental Retardation and Related Conditions waiver, the Waiver for Persons with Physical Disabilities, and the Community and Home Based Initiative Program waiver for the frail elderly.

Ms. Sakelarios said decision unit Enhancement (E) 228 recommended $62,400 in FY 2014 and $78,000 in FY 2015 for certified medical coders.

Decision unit E-230 recommended $343,678 in FY 2014 and $356,928 in FY 2015 for vendors to provide training and audit services.

Decision unit E-233 recommended $82,114 in each year of the 2013-2015 biennium for additional in-state travel, out-of-state travel, and training. Ms. Sakelarios said much of the travel-related costs were for conducting audits and quality reviews, meeting with vendors, and attending state, regional, and national conferences.

Decision unit E-234 recommended General Funds totaling $254,553 in each year of the biennium to support the Consumer Health Information Analysis (CHIA) and to expand reporting on the public health data transparency website. According to the Division, additional funding was needed to complete and maintain the website reporting.

Ms. Sakelarios said, as noted in the base budget, the Division entered into a contractual agreement with the University of Nevada, Las Vegas (UNLV), for this purpose during the 2011-2013 biennium. The contracted expenditures totaled $187,353 in FY 2012 and $165,801 so far in FY 2013. The Division advised that funding previously allocated for this contract had expired. It appeared that this decision unit would replace prior funding sources with General Funds during the 2013-2015 biennium.

In response to a question during the joint meeting of the Committees on February 20, 2013, the DHCFP said that the CHIA program benefited all health care recipients, not just Medicaid recipients; therefore, the program was not eligible for federal funding through Medicaid. Additionally, the Division advised there were no federal regulations requiring the state Medicaid program to provide data to CHIA for the public health data transparency website. Ms. Sakelarios said, based on the information provided by the Division, the recommendation did not appear to be a reasonable expenditure for this account, as the account was intended to support Medicaid-related activities.

Decision unit E-710 recommended the replacement of equipment, including 116 desktop computers, 8 laptops, 9 servers, videoconferencing equipment, and server software.

Decision unit E-800 recommended adjustments to the transfers from this account to other Department of Health and Human Services agencies based on the Governor's recommended budget. Ms. Sakelarios explained that this decision unit had been amended to increase the transfer to the Division of Welfare and Supportive Services by approximately $6.7 million in FY 2014 and $10.8 million in FY 2015 for eligibility functions performed by the Division. The transfer was a result of a determination that federal funds could be used for 75 percent of all personnel costs related to determining Medicaid eligibility.

Decision units E-900 and E-500 recommended transferring four full-time-equivalent (FTE) positions from the Division of Welfare and Supportive Services Administration account to the Division of Health Care Financing and Policy Administration account.

Ms. Sakelarios said decision unit E-901 recommended transferring noneligibility functions and the three FTE responsible for medical claims processing and benefits coverage from Nevada Check Up Program account to the Administration account.

Decision unit E-903 recommended transferring one social service chief assigned to the Nevada Check Up Program from the Administration account to the Division of Welfare and Supportive Services Administration account.

Assemblyman Eisen referred to decision unit E-234 and asked whether the amount in the recommended budget was the total cost that was intended to reflect the portion for Medicaid recipients.

Ms. Sakelarios said the amount included in the Governor's recommended budget was the amount that was exchanged via contracts between Medicaid and the University of Nevada Las Vegas (UNLV).

In response to another question from Assemblyman Eisen, Ms. Sakelarios said the Fiscal Analysis Division staff had been working with several state agencies to ascertain the total cost of the system but had not been able to arrive at one complete total. She said it was her understanding that the Health Division worked with the same information and posted the data collected by UNLV on its website.

Assemblyman Eisen commented that without an answer about the total cost, it would be difficult to approve decision unit E-234.

Chair Carlton commented that data was needed to make a decision, and it appeared to be one of those cases where monies were not being used in the appropriate account.

> SENATOR SMITH MOVED TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED AND AMENDED BY THE GOVERNOR, EXCLUDING ITEM NUMBER 10, WHICH FISCAL ANALYSIS DIVISION STAFF RECOMMENDED NOT BE APPROVED, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS BASED ON THE ACTIONS TAKEN

IN THE OTHER DIVISION OF HEALTH CARE FINANCING AND POLICY ACCOUNTS THAT AFFECTED BUDGET ACCOUNT 3158 AND TECHNICAL ADJUSTMENTS FOR FINAL DEPARTMENT COST ALLOCATIONS.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson and Assemblymen Hambrick and Kirkpatrick were not present for the vote.)

BUDGET CLOSED.

*****

HUMAN SERVICES
HEALTH CARE FINANCING & POLICY
INTERGOVERNMENTAL TRANSFER PROGRAM (101-3157)
BUDGET PAGE DHHS-DHCFP-13

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said budget account 3157 was the Intergovernmental Transfer Program found on page 40 of Exhibit C. Most of the major closing issues in this account had been previously discussed; however, two budget amendments had been submitted. Those budget amendments would reduce the voluntary contribution from Clark County to the Intergovernmental Transfer (IGT) account for the Upper Payment Limit (UPL) program and the Graduate Medical Education (GME) program. Ms. Sakelarios said, collectively, the budget amendments reduced the transfer to the Medicaid account by approximately $4 million in fiscal year (FY) 2014 and approximately $4.5 million in FY 2015, resulting in a General Fund shortfall of an equivalent amount in the Medicaid account.

ASSEMBLYMAN BOBZIEN MOVED TO APPROVE BUDGET AMENDMENT A13A0090 AND BUDGET AMENDMENT A13A0128, WHICH REDUCED THE VOLUNTARY CONTRIBUTION RATE FOR CLARK COUNTY FOR THE UPPER LIMIT PAYMENT (UPL) PROGRAM AND THE GRADUATE MEDICAL EDUCATION (GME) PROGRAM TO 50 PERCENT OF THE SUPPLEMENTAL PAYMENT AMOUNTS FOR THE 2013-2015 BIENNIUM, REDUCING THE TRANSFER TO BUDGET ACCOUNT (BA) 3243, NEVADA MEDICAID, BY APPROXIMATELY $8.5 MILLION DURING THE 2013-2015 BIENNIUM.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson and Assemblymen Hambrick, Kirkpatrick, and Sprinkle were not present for the vote.)

Ms. Sakelarios explained that budget account (BA) 3157 included decision unit Enhancement (E) 740, which recommended an Intergovernmental Transfer (IGT) revenue transfer to the Medicaid account based on the Medicaid expansion. Overall, there had been three budget amendments submitted for this decision unit. The budget amendments reduced the recommended transfer to the Medicaid account in this decision unit to approximately $1.6 million in fiscal year (FY) 2104 and $5.1 million in FY 2015, a reduction of $378,890 in the Medicaid account.

ASSEMBLYMAN HOGAN MOVED TO APPROVE DECISION UNIT ENHANCEMENT (E) 740 TO INCREASE INTERGOVERNMENTAL TRANSFER (IGT) REVENUE BY APPROXIMATELY $1.6 MILLION IN FISCAL YEAR (FY) 2014 AND APPROXIMATELY $5.1 MILLION IN FY 2015 FOR INCREASED MEDICAL COSTS RESULTING FROM EXPANDING MEDICAID ELIGIBILITY AS RECOMMENDED AND AMENDED BY THE GOVERNOR.

SENATOR SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson and Assemblymen Hambrick and Kirkpatrick were not present for the vote.)

Ms. Sakelarios said the third major closing issue in budget account (BA) 3157 was primarily an informational item concerning the anticipated reduction to the Disproportionate Share Hospital (DSH) allotments from the federal government during the upcoming biennium. As a reminder, Ms. Sakelarios said it was expected that the state's DSH payments would be reduced by approximately $1 million in fiscal year (FY) 2014 and approximately $2.6 million in FY 2015, which would then reduce the state net benefit in the Medicaid account. Additionally, Fiscal Analysis Division staff reminded the Committees that Clark County had indicated its interest in reducing its financial contribution to the DSH program. According to the Director of the Department of Health and Human Services, negotiations between the state, county, and the Nevada Association of Counties (NACO) had resulted in an agreement to recommend the use of $7.9 million in each year of the biennium from the Indigent Supplemental Account to offset Clark County's contribution to the

DSH program. Fiscal Analysis Division staff would note that it appeared that Senate Bill 452 would need to be amended to execute the agreement.

Under other closing items, Ms. Sakelarios explained budget amendment A130023157 reduced the projected revenues and expenditures in the base budget of the IGT account based on revised caseload projections and the Federal Medical Assistance Percentage (FMAP).

SENATOR KIECKHEFER MOVED TO APPROVE BASE BUDGET ADJUSTMENTS IN BUDGET AMENDMENT A130023157 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson and Assemblymen Hambrick and Kirkpatrick were not present for the vote.)

BUDGET CLOSED.

*****

HUMAN SERVICES
HEALTH CARE FINANCING & POLICY
INCREASED QUALITY OF NURSING CARE (101-3160)
BUDGET PAGE DHHS-DHCFP-36

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that budget account (BA) 3160 was the Increased Quality of Nursing Care, found on page 45 of Exhibit C. There were no major closing issues in the account. Under other items, there was a discussion of the new supplemental payment methodology and the expiration of the $2.50 per bed-day General Fund contribution to the long-term care providers supplemental account. According to Ms. Sakelarios, no action was required by the Committees on either issue.

Fiscal Analysis Division staff recommended closing BA 3160 as recommended by the Governor with authority to make any necessary technical adjustments resulting from the Committees' actions in other Medicaid budget accounts and technical authority to make any other adjustments based on final department cost allocations.

SENATOR DENIS MOVED TO APPROVE CLOSING BUDGET ACCOUNT (BA) 3160 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE ANY TECHNICAL ADJUSTMENTS NECESSARY AS A RESULT OF THE COMMITTEES' ACTIONS IN BA 3243, MEDICAID, AND TO MAKE TECHNICAL ADJUSTMENTS BASED ON ACTIONS TAKEN IN OTHER DIVISION OF HEALTH CARE FINANCING AND POLICY ACCOUNTS THAT AFFECTED BA 3160 AND FINAL DEPARTMENT COST ALLOCATIONS.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson and Assemblymen Bobzien, Hambrick, and Kirkpatrick, were not present for the vote.)

BUDGET CLOSED.

*****

HUMAN SERVICES
WELFARE AND SUPPORTIVE SERVICES
WELFARE - FIELD SERVICES (101-3233)
BUDGET PAGE DHHS-DWSS-34

Jeffrey A. Ferguson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, referred to budget account (BA) 3233, Field Services, on page 2 of Exhibit D. Mr. Ferguson said in response to the increased general caseloads, the implementation of the Affordable Care Act (ACA), and the Governor's recommendation to expand Medicaid eligibility, the Governor originally recommended 437 new positions in budget account 3233. Welfare and Supportive Services provided all of the eligibility determinations for not only welfare, but also for Medicaid. This recommendation included 267 new positions and three new offices in fiscal year (FY) 2014 at a total cost of $17.2 million, and 170 additional new positions and one new office in FY 2015 at a total additional cost of $9.8 million.

Mr. Ferguson said the traditional funding for the Field Services account for eligibility was 50 percent General Funds and 50 percent federal funds, and that ratio was used to construct the budget.

In the interest of time, Mr. Ferguson said he would not go into the details regarding the decision units in BA 3233 except that decision unit Maintenance (M) 200 was based on general caseload increases; decision unit M-740 dealt with health care reform and the ACA; and decision unit Enhancement (E) 740 dealt with the expansion of Medicaid to 138 percent of the federal poverty level.

The table on page 5 of Exhibit D, summarized the positions as originally recommended by the Governor. In July 2013 there were 84 new positions recommended and in August 2013 there were 183 additional positions recommended. For July 2014 there were 170 additional positions recommended and also on July 1, 2013, there were three large offices planned and one more large office planned for 2014.

Based on March 2013 caseload projections, the caseloads for Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), and Medicaid were reduced, and the decreases had resulted in a reduction in the number of new positions required by 27 in the Field Services account. Mr. Ferguson said the decrease would lower the Governor's recommended number of new positions from 437 to 410.

Mr. Ferguson explained that in decision unit M-200, the decrease would reduce staff by 18 positions in 2014 and by 3 more in 2015; in the ACA decision unit, there would be a reduction of 1 position in 2014 and 2 more in 2015; and for Medicaid expansion, there would be no position reductions in 2014, but 3 position reductions in 2015.

Accordingly, the Budget Division presented budget amendment A130023233, which reduced the total 2014 costs from $17.2 million to $16.2 million and the 2015 costs from $27 million to $25.6 million. Mr. Ferguson said the General Fund portion would be reduced from $8.6 million to $8.1 million in fiscal year (FY) 2014, and from $13.5 million to $12.8 million in FY 2015.

SENATOR SMITH MOVED TO APPROVE THE PORTION OF BUDGET AMENDMENT A130023233 TO ELIMINATE 27 POSITIONS AND ASSOCIATED COSTS FROM DECISION UNITS MAINTENANCE (M) 200, M-740, AND ENHANCEMENT (E) 740 IN BUDGET ACCOUNT (BA) 3233 BECAUSE OF UPDATED CASELOAD INFORMATION.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Roberson and Assemblymen Aizley, Bobzien, Hambrick, and Kirkpatrick were not present for the vote.)

Mr. Ferguson stated that another budget amendment was discussed during the April 12, 2013, work session. The federal government had agreed to provide what was called enhanced Medicaid funding, which would increase the federal share of administrative costs related to the eligibility function performed by the Division of Welfare and Supportive Services (DWSS) from 50 percent federal funds and 50 percent General Funds to 75 percent federal funds and 25 percent General Funds. The new funding would become available on October 1, 2013, for almost all costs within the Field Services account, with the exception of some one-time costs, such as office equipment or tenant improvements. Mr. Ferguson noted the budget amendment applied the funding change throughout the entire Field Services account, including the base budget. The amendment would provide General Fund savings of approximately $6.7 million in fiscal year (FY) 2014 and $10.8 million in FY 2015. According to the Division and documentation recently published by the federal government, the enhanced Medicaid funding would not expire.

SENATOR SMITH MOVED TO APPROVE THE PORTION OF BUDGET AMENDMENT A131002, WHICH PROVIDED ENHANCED MEDICAID FUNDING FOR THE FIELD SERVICES ACCOUNT, THEREBY PROVIDING GENERAL FUND SAVINGS OF APPROXIMATELY $6.7 MILLION IN FISCAL YEAR (FY) 2014 AND $10.8 MILLION IN FY 2015.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

In response to a question from Senator Kieckhefer regarding the funding ratio, Mr. Ferguson stated that according to the Division and information from the federal government, the funding ratio would not expire, but no one could guarantee what might happen ten years from now.

THE MOTION CARRIED. (Senator Roberson and Assemblymen Bobzien, Hambrick, and Kirkpatrick were not present for the vote.)

Mr. Ferguson explained that during the work session on April 12, 2013, the Committees directed Fiscal Analysis Division staff and the Division of Welfare and Supportive Services (DWSS) to work together to create a plan to phase in the 410 new positions and the four recommended offices in decision units Maintenance (M) 200, M-740, and Enhancement (E) 740, and to provide a more realistic scenario for hiring and bringing office space online as needed. Accordingly, Fiscal Analysis Division staff had worked extensively with the Division to create a plan.

Mr. Ferguson said the Governor's budget recommended a ratio of 280 cases per full-time-equivalent (FTE) position. That ratio compared with 168 cases per FTE that was used for the 2009-2011 biennium and 260 cases per FTE that was used for the 2011-2013 biennium. He said there had been a number of technology enhancements that allowed staff eligibility workers to handle a higher caseload. For the 2013-2015 biennium, the ratio had been increased to 280 to 1, and part of that was attributable to productivity improvements that were anticipated through the introduction of the eligibility engine. Fiscal Analysis Division staff noted that testimony during the budget hearing indicated that currently there were 306 cases assigned per FTE because of caseload increases that had occurred over the last few years. The increases also included 248 intermittent positions that were approved during the 2009 Session. It had originally been thought those intermittent positions might be phased out; however, the caseloads had been such that none of the positions had been phased out.

According to Mr. Ferguson, there had also been discussion about the relatively high turnover rate among eligibility workers. The turnover rate was 22 percent for the family service specialist 2 positions in 2012, and to date in 2013, the Division indicated that the turnover rate was 28 percent. The ratio of the positions recommended in the budget was based on the same ratio that was approved by the 2009 Legislature and in approving the Field Services budget. Mr. Ferguson said, based on information provided to staff and testimony at the budget hearings, the staffing guidelines appeared reasonable.

Mr. Ferguson stated there had been discussion about training the eligibility workers who were in key positions and had to receive training before going into the field. The majority of the eligibility workers were family service specialist 2 positions that required a 12-week training period. Those positions were trained in the Division's professional development center in Las Vegas, which could accommodate 72 positions at one time. The Fiscal Analysis Division staff and DWSS staff worked to phase in positions based on the training capacity.

In response to questions from Fiscal Analysis Division staff concerning the ability of the DWSS to bring staff onboard in a more systematic manner, the Division had worked with Fiscal Analysis Division staff to construct a new hiring plan for eligibility workers based on space available in the training academies.

Accordingly, the Division had projected the start dates for the eligibility workers in the training academies for the 2013-2015 biennium and fit the training of the recommended new positions into the academies based on academy dates and available slots in each academy: the plan included the projected accommodation for the training of existing positions because of turnover and promotions.

Mr. Ferguson explained that eligibility workers would be hired just in time to begin the next available academy. At the top of page 8 of Exhibit D was a table that showed the academies' anticipated start dates during the biennium; the number of new positions that would be hired; and the number of existing positions that would need to be hired. Mr. Ferguson said the recommended new positions in the Field Services account would be phased in through the course of the biennium, rather than the majority starting within the first month of fiscal year (FY) 2014.

The support staff for eligibility workers was based on established staffing ratios that would also be phased in based on new eligibility workers being placed in the field offices. Mr. Ferguson said the Division testified it had been working with the Division of Human Resource Management to get a head start on hiring the positions. Fiscal Analysis Division staff indicated that it had independently contacted the Division of Human Resource Management and learned that it was currently working with the DWSS in anticipation of hiring eligibility workers. The Division had two open recruitments for family service specialist positions. The first recruitment had received 578 applications to date, and 219 applications had been evaluated and scheduled for testing. Mr. Ferguson said there was a second recruitment that had selected criteria for applicants to speak both English and Spanish, and he had been informed there were 71 applicants for that recruitment and 44 were being scheduled for testing.

In addition, Mr. Ferguson said the Division had been working with the Department of Employment, Training and Rehabilitation (DETR) to screen potential applicants and refer them to apply for the positions. The Division had also been working with the Workforce Investment Act of 1998 (WIA) boards to screen positions. Based on conversations with Fiscal Analysis Division staff, the DWSS and the Division of Human Resource Management, it appeared there was a reasonable possibility the Division would be able to hire the appropriate number of eligibility workers and support staff by the anticipated July 8, 2013, start date for the next training academy.

Mr. Ferguson referred to page 9 of Exhibit D, which illustrated the phase-in of facilities. It had been determined that offices could be opened, one in September 2013, another in November 2013, one in February 2014, and the last opening in August 2014. There was concern about the ability to bring new offices online if the first one was opened in September 2013.

The Division had provided Fiscal Analysis Division staff with a map of the most desirable areas to locate offices, which was based on zip codes of their projected clients. The agency had been working with the Buildings and Grounds Section of the State Public Works Division to identify potential office space. The Division had also been working with the Division of Enterprise Information Technology Services (EITS) to determine whether those spaces would have appropriate information technology (IT) infrastructure. Mr. Ferguson noted that Fiscal Analysis Division staff had also independently verified these actions with Buildings and Grounds and with EITS and had also contacted the Department of Administration to determine whether it could have a contract for a new office by June 11, 2013, which was the State Board of Examiners' deadline.

Fiscal Analysis Division staff noted that the DWSS and Buildings and Grounds had indicated that a location had been identified that met the established location, capacity, and infrastructure requirements, and it appeared that a contract could be in place for approval by the June 11, 2013, Board of Examiners' meeting, pending approval by the Legislature. According to the Division and Buildings and Grounds, this scenario would possibly allow the first office to be available by the anticipated opening date of September 2013.

Mr. Ferguson referred to page 13, attachment A, of Exhibit D. The attachment represented efforts to phase in the positions in the offices in time to meet the projected caseload and allow the Division to provide training for the eligibility workers on a space-available basis. He directed the Committees' attention to the right side of the attachment, where it indicated the start dates of the positions and when the new offices would come online. Mr. Ferguson said the attachment showed a phase-in schedule that was more realistic than that originally proposed by the Governor. He pointed out that, as currently configured, the revised plan to phase in positions provided a savings of approximately $3.1 million over the biennium, and the phasing in of offices would provide a savings of approximately $700,000 over the biennium. The combined $3.8 million savings would include General Fund savings of approximately $1.1 million, using the 75 federal/25 state funding split.

SENATOR SMITH MOVED TO APPROVE DECISION UNITS MAINTENANCE (M) 200, M-740, AND ENHANCEMENT (E) 740 IN BUDGET ACCOUNT 3233 AND MODIFY THE START DATE OF THE 410 REMAINING POSITIONS TO CORRESPOND WITH THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES' ABILITY TO

TRAIN ELIGIBILITY WORKERS AS REFLECTED IN THE REVISED HIRING PLAN.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Kieckhefer, Parks, and Roberson and Assemblymen Hambrick and Hardy were not present for the vote.)

Mr. Ferguson said phasing in the four large offices, which would provide savings of about $700,000 over the biennium, had been discussed. However, more recently, the Division of Welfare and Supportive Services (DWSS) had expressed an interest in more flexibility in the new offices and had two potential modifications for the Committees' consideration. Mr. Ferguson noted that both modifications would replace a planned large office with two small offices.

Mr. Ferguson explained that under Modification A, the large office that would be scheduled to open in November 2013 would instead be replaced by two smaller offices. The modification would provide flexibility to bring offices online in a manner that would be more responsive to the DWSS's location needs. It would also provide the ability to adapt to any changes that might occur to actual caseloads versus projected caseloads, and the changes in the number of positions needed to accommodate the actual caseload increase. Mr. Ferguson said there would be a cost for the modification: approximately $277,700 over the biennium, with General Funds comprising approximately $110,982 of that amount. The additional costs would be related to increased IT infrastructure and security. Mr. Ferguson said both smaller offices would be opened in November 2013.

Regarding Modification B, Mr. Ferguson said if Modification A were approved, the DWSS would also be interested in replacing the office slated to open in February 2014 with two smaller offices. Again, there would be a cost of approximately $250,254 over the biennium, with General Fund costs being approximately $75,000 of the total amount. Mr. Ferguson said both of those smaller offices would open in February 2014. The Division indicated that with both Modification A and Modification B, which provided one large office in September 2013 and two small offices in November 2013 and February 2014, there might not be a need for a fourth large office scheduled to open in August 2014 if caseloads did not warrant the office.

In response to a question from Assemblyman Hogan, Mr. Ferguson explained that the agency had a map of southern Nevada broken out by zip code, and any time a new office was opened, the DWSS attempted to locate that office in an area where there was a higher density of clients based on zip code, taking into consideration the distance to other offices.

Senator Smith requested an update on the relocation of the DWSS office in northern Nevada.

Michael McMahon, Administrator, Division of Welfare and Supportive Services (DWSS), Department of Health and Human Services, said the Division was moving from the existing location on Kings Row in Reno, to divide the coverage and be more effective in the Reno-Sparks area. Mr. McMahon said there was a new structure being built behind the Old Town Mall that would accommodate the Reno location, and the old Greenbrae Plaza location had been remodeled to accommodate needs in the Sparks area. According to Mr. McMahon, both facilities should be operational by June 2013.

> ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE PHASING IN OF THE FOUR LARGE OFFICES, AS MODIFIED, FOR THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES (DWSS) BASED ON THE REVISED HIRING PLAN AGREED UPON BY DWSS AND FISCAL ANALYSIS DIVISION STAFF, WHICH INCLUDED MODIFICATION A TO ALLOW THE DWSS TO REPLACE THE LARGE OFFICE SCHEDULED TO OPEN IN NOVEMBER 2013 WITH TWO SMALLER OFFICES, AND MODIFICATION B TO ALLOW THE DWSS TO REPLACE THE LARGE OFFICE SCHEDULED TO OPEN IN FEBRUARY 2014 WITH TWO SMALLER OFFICES.
>
> SENATOR SMITH SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Mr. Ferguson said the Committees might want to issue a letter of intent to the Division of Welfare and Supportive Services (DWSS) requesting that it report to the Interim Finance Committee (IFC) on the progress of its hiring plan every six months during the biennium. The report could include whether the Division was able to meet the hiring and opening goals, current information about actual caseloads, and whether the Division anticipated any modifications to the hiring plan or phasing in of the offices. The letter could also request that any General Fund savings that would be associated with reductions to the hiring plan be placed in reserve for reversion to the General Fund and that any unfilled positions at the end of the biennium be eliminated from the base budget.

SENATOR SMITH MOVED TO APPROVE THE ISSUANCE OF A LETTER OF INTENT TO THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES REQUESTING THE DIVISION REPORT TO THE INTERIM FINANCE COMMITTEE EVERY SIX MONTHS DURING THE 2013-2015 BIENNIUM ON THE PROGRESS OF IMPLEMENTING THE REVISED HIRING PLAN.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

ASSEMBLYMAN SPRINKLE MOVED TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS TO ADD VACANCY SAVINGS FOR DECISION UNITS MAINTENANCE (M) 200, M-740, AND ENHANCEMENT (E) 740 BASED ON THE NUMBER OF POSITIONS APPROVED BY THE COMMITTEES.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Mr. Ferguson said the second major issue was decision units Enhancement (E) 906 and E-506, which would transfer the personnel and operating expenditures from the Nevada Check Up Program budget in the Division of Health Care Financing and Policy (DHCFP) to the Division of Welfare and Supportive Services (DWSS) Field Services account. The same action was approved by the Committees in the Medicaid budget, and Fiscal Analysis Division staff recommended approval of the decision units.

SENATOR KIECKHEFER MOVED TO APPROVE THE TRANSFER OF THE NEVADA CHECK UP ELIGIBILITY STAFF FROM THE DIVISION OF HEALTH CARE FINANCING AND POLICY (DHCFP) TO THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES (DWSS) FIELD SERVICES ACCOUNT IN DECISION UNITS ENHANCEMENT (E) 906 AND E-506 TO CONSOLIDATE ELIGIBILITY FUNCTIONS UNDER DWSS AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Mr. Ferguson explained that decision units Enhancement (E) 905 and E-505 recommended the transfer of one accounting assistant 1 position and associated revenues from the Division of Welfare and Supportive Services (DWSS) Child Assistance and Development account to the Welfare Field Services account. The transfer would change the funding slightly and add General Funds of approximately $14,032 in fiscal year (FY) 2014 and $17,248 in FY 2015, and those amounts would be reduced based on the 75/25 funding split. The Division of Welfare and Supportive Services (DWSS) testified the position was needed to support the increased volume of calls in the customer service unit for all field services and not just the child care program.

SENATOR WOODHOUSE MOVED TO APPROVE THE TRANSFER OF ONE ACCOUNTING ASSISTANT 1 POSITION FROM THE CHILD ASSISTANCE AND DEVELOPMENT ACCOUNT TO THE FIELD SERVICES ACCOUNT IN BUDGET ACCOUNT (BA) 3233 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Mr. Ferguson referred to decision unit Enhancement (E) 720, new equipment. The Executive Budget recommended $256,080 in fiscal year (FY) 2014 and $18,850 in FY 2015 for new equipment, including lobby management systems for the six large district offices; environmental monitoring equipment for server rooms; 15 barcode readers; and a Fluke Networks analysis device. The Division of Welfare and Supportive Services (DWSS) testified that the lobby management systems would provide a queuing system for the large number of clients that visited the larger DWSS offices. The lobby management systems would be similar to the systems in the DMV offices.

ASSEMBLYMAN HOGAN MOVED TO APPROVE THE PURCHASE OF NEW EQUIPMENT, INCLUDING LOBBY MANAGEMENT SYSTEMS FOR THE SIX LARGEST DIVISIONS OF WELFARE AND SUPPORTIVE SERVICES (DWSS) OFFICES IN SOUTHERN NEVADA, AND INFORMATION TECHNOLOGY MONITORING EQUIPMENT IN BUDGET ACCOUNT (BA) 3233 AS RECOMMENDED BY THE GOVERNOR.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

ASSEMBLYMAN SPRINKLE MOVED TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS RELATED TO THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES' (DWSS) COST-ALLOCATION REPROJECTIONS.

SENATOR SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

BUDGET CLOSED.

*****

HUMAN SERVICES
WELFARE AND SUPPORTIVE SERVICES
WELFARE-ADMINISTRATION (101-3228)
BUDGET PAGE DHHS-DWSS-15

Jeffrey A. Ferguson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the next account was Welfare Administration, budget account (BA) 3228. The first major closing item was enhanced Medicaid funding as discussed in the Field Services account, with 75 percent federal funds and 25 percent General Funds for eligibility-related activities. However, in the Administration account, there were eligibility-related functions, but there had been a budget amendment that would account for the increased federal funding. Mr. Ferguson noted the General Fund appropriation in this account was reduced by $137,000 in fiscal year (FY) 2014 and $149,000 in FY 2015.

ASSEMBLYMAN HORNE MOVED TO APPROVE BUDGET AMENDMENT A131003 TO PROVIDE ENHANCED MEDICAID FUNDING FOR THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES (DWSS) ADMINISTRATION ACCOUNT.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Mr. Ferguson stated that consistent with the caseload increases in the Field Services account, the Administration account had positions that supported the administrative functions related to new positions. The Executive Budget recommended 21 new positions, and there were no reductions in positions because of the caseload reprojections. Fiscal Analysis Division staff had also worked with the agency to phase in a few of these positions in accordance with the phasing in of the field services positions. Mr. Ferguson said the phasing in provided a small amount of savings of approximately $30,939 over the biennium, half of which would be General Funds.

ASSEMBLYMAN EISEN MOVED TO APPROVE THE PHASING IN OF ADMINISTRATIVE SUPPORT POSITIONS BASED ON THE COMMITTEES' APPROVAL OF THE RECOMMENDED POSITIONS IN THE FIELD SERVICES ACCOUNT AS RECOMMENDED BY FISCAL ANALYSIS DIVISION STAFF AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS TO ADD VACANCY SAVINGS FOR THE NEW POSITIONS, WHICH WERE INADVERTENTLY OMITTED FROM THE EXECUTIVE BUDGET.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Mr. Ferguson commented that during the budget hearing, there were questions about the electronic benefits transfer (EBT) contract costs. Accordingly, the Division of Welfare and Supportive Services (DWSS) reviewed the calculations for those costs and determined that it had erroneously calculated costs in decision unit Maintenance (M) 200 and had inadvertently omitted those costs from decision unit M-740. Mr. Ferguson said the result of the corrections was additional EBT costs of $171,918 in decision unit M-200 over the biennium, with $83,390 being General Funds, and additional costs of $429,114 in decision unit M-740 over the biennium, with $214,556 being General Funds.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE PORTION OF BUDGET AMENDMENT A130023228 TO CORRECT ERRORS AND OMISSIONS RELATED TO THE EBT CONTRACT BASED ON CASELOAD PROJECTIONS.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Mr. Ferguson stated there was a budget amendment to add a new contract for $415,075 in each year of the biennium with a company called TALX. The Division of Welfare and Social Services (DWSS) currently had a contract with the company in the Child Support Enforcement Program account, which provided employment location, verification of noncustodial parents, and income verification; however, the program was used very little because its process was cumbersome. Mr. Ferguson said that TALX had apparently revised how the program worked, and the new contract would be based on new technology that would provide eligibility workers with unlimited real-time access to information during the eligibility interview with clients. The Division indicated it expected a positive return on investment because the new program would provide the ability for workers to deny benefits immediately. Mr. Ferguson pointed out that this item was not included in The Executive Budget or as an amendment because the agreement had been recently negotiated. While there was currently no contract with TALX, it was anticipated it would be approved at the State Board of Examiners' meeting in July 2013.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE PORTION OF BUDGET AMENDMENT A130023228 TO INCLUDE A YET-TO-BE FINALIZED CONTRACT WITH TALX AT A COST OF $415,075 IN EACH YEAR OF THE BIENNIUM.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Mr. Ferguson said there were six position transfers from other accounts to the Welfare Administration account. Decision unit Enhancement (E) 900 transferred four positions from the Welfare Administration account to the Medicaid account. The positions were originally approved by the 2011 Legislature and dealt with the eligibility engine system. Mr. Ferguson said that while the positions were funded by the Division of Welfare and Supportive Services (DWSS) funds, they had been located in Medicaid, which had been reimbursing the DWSS for the federal share of the positions. The funding would not change, and decision unit E-900 would move these positions directly into the Division of Health Care Financing and Policy (DHCFP).

ASSEMBLYMAN EISEN MOVED TO APPROVE THE TRANSFER OF FOUR FULL-TIME-EQUIVALENT (FTE) POSITIONS FROM THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES (DWSS) ADMINISTRATION ACCOUNT TO THE DIVISION OF HEALTH CARE FINANCING AND POLICY (DHCFP) ADMINISTRATION ACCOUNT AS RECOMMENDED BY THE GOVERNOR.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Mr. Ferguson said decision unit Enhancement (E) 901 and E-501 would transfer one accounting assistant 3 from the Child Assistance and Development account, budget account (BA) 3267, to the Division of Welfare and Supportive Services (DWSS) Administration account. Mr. Ferguson said the decision unit appeared reasonable to Fiscal Analysis Division staff.

ASSEMBLYMAN EISEN MOVED TO APPROVE THE TRANSFER OF ONE ACCOUNTING ASSISTANT 3 POSITION FROM THE CHILD ASSISTANCE AND DEVELOPMENT ACCOUNT, BUDGET ACCOUNT (BA) 3267 TO THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES (DWSS) ADMINISTRATION ACCOUNT AS RECOMMENDED BY THE GOVERNOR.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Mr. Ferguson said the next transfer was for eight positions from the Child Support Enforcement Program account to the Division of Welfare and Supportive Services (DWSS) Administration account. The transfer would be cost-allocated in the Administration account and appeared reasonable to Fiscal Analysis Division staff.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE TRANSFER OF EIGHT FULL-TIME-EQUIVALENT (FTE) POSITIONS FROM THE CHILD SUPPORT ENFORCEMENT PROGRAM ACCOUNT TO THE DIVISION OF WELFARE SUPPORTIVE SERVICES (DWSS) ADMINISTRATION ACCOUNT AS RECOMMENDED BY THE GOVERNOR.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Mr. Ferguson said decision units Enhancement (E) 903 and E-503 recommended the transfer of the social services chief 3 position from the Division of Health Care Financing and Policy (DHCFP) Administration account, budget account (BA) 3158, to the Division of Welfare and Supportive Services (DWSS) Administration account. Fiscal Analysis Division staff recommended approval of the decision units.

ASSEMBLYMAN HORNE MOVED TO APPROVE DECISION UNITS ENHANCEMENT (E) 903 AND E-503 TO TRANSFER ONE SOCIAL SERVICES CHIEF 3 POSITION FROM THE DIVISION OF HEALTH CARE FINANCING AND POLICY (DHCFP), ADMINISTRATION ACCOUNT, BUDGET ACCOUNT (BA) 3158, TO THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES ADMINISTRATION ACCOUNT, BA 3228, AS RECOMMENDED BY THE GOVERNOR.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Mr. Ferguson said that in decision unit Maintenance (M) 744, The Executive Budget recommended approximately $4.47 million in fiscal year (FY) 2014 and $3.43 million in FY 2015 to complete the design, development, and implementation of the eligibility engine system and to support ongoing maintenance and operations costs. The recommendations enhanced the already approved eligibility engine and incorporated some of the services needed for the Affordable Care Act (ACA). The Division of Welfare and Supportive Services (DWSS) indicated that the eligibility engine system would be operational by October 2013.

ASSEMBLYMAN EISEN MOVED TO APPROVE DECISION UNIT MAINTENANCE (M) 744 IN BUDGET ACCOUNT 3228 TO COMPLETE THE DESIGN, DEVELOPMENT, AND IMPLEMENTATION OF THE ELIGIBILITY ENGINE SYSTEM AND TO SUPPORT ONGOING MAINTENANCE AND OPERATIONS COSTS AS RECOMMENDED BY THE GOVERNOR.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Mr. Ferguson noted that in decision unit Enhancement (E) 711, The Executive Budget originally recommended approximately $2.19 million in fiscal year (FY) 2014 and $139,000 in FY 2015 for replacement of portions of the Division's telephone system and associated equipment, including a voice response unit, telephone switches, and telephone handsets. Mr. Ferguson said staff had made a technical adjustment to this decision unit to reduce the General Fund appropriation based on the availability of Temporary Assistance for Needy Families (TANF) funds that were not available when the budget was constructed. The adjustment provided a General Fund savings of $550,587 in FY 2014 and replaced that amount with TANF funds.

During the budget hearing, there were questions about whether the DWSS could join the proposed new statewide phone system in the Division of Enterprise Information Technology Services (EITS) budget. According to Mr. Ferguson, the DWSS indicated that it could join, but it was unsure how using the new statewide phone system would affect the decision unit. Subsequent to the budget hearing, the Budget Division submitted budget amendments for each of the five DWSS budget accounts that contained personnel to add EITS utilization costs for voice mail and telephone service related to connecting to the new system. Mr. Ferguson said those amendments totaled approximately $500,000 over the biennium in additional costs that would be transferred from DWSS to EITS. However, the amendment did not reduce any of the equipment or costs that were associated with decision unit E-711.

In consultation with the DWSS and EITS, the Fiscal Analysis Division staff learned that approximately $1.6 million of the original recommendation would be required to update the telephone equipment in the current DWSS offices so they would be compatible with the new statewide phone system. However, according to EITS and DWSS, there would be additional costs required to connect the two systems, but the costs had yet to be determined. It appeared that EITS had not started the engineering work on its own upgrade because it was just approved on May 1, 2013, by the Assembly Committee on Ways and Means Subcommittee on General Government.

Fiscal Analysis Division staff noted that the approval of the replacement equipment originally recommended by the Governor would provide the needed equipment to allow the DWSS to continue maintaining its own telephone system. There was some uncertainly about the cost to connect the DWSS telephone system with the EITS statewide telephone system and the addition of EITS utilization charges to DWSS budgets to use the new system. Fiscal Analysis Division staff recommended approving the Governor's original recommendation to purchase replacement telephone equipment for the DWSS, as specified in decision unit E-711, and allow the Division to continue its phone system independent of the new phone system approved for EITS. Mr. Ferguson maintained the DWSS could connect with the statewide telephone system at a later date when a formal plan had been devised and accurate costs had been determined.

Senator Denis asked whether the plan to connect the DWSS telephone system to the statewide EITS system would be completed before the Legislature convened in 2015.

Mr. Ferguson replied that it could be connected during the 2013-2015 biennium if there was a plan in place.

In response to a question from Assemblyman Bobzien about the sequence of the plan to connect the DWSS to the EITS telephone system, Mr. Ferguson replied that some of the delay was because of Fiscal Analysis Division staff's discomfort with the uncertain costs. He said staff had not been able to ascertain what those costs would be. There were a number of other state agencies that wanted to connect to the EITS system and were likely to do so: staff's recommendation was to see how other agencies fared with the connection before trying to connect the DWSS.

Assemblyman Bobzien commented that a similar conversation had been held in the Assembly Committee on Ways and Means Subcommittee on Public Safety, Natural Resources and Transportation about correctional facilities consolidating telephone systems with EITS.

Assemblyman Anderson said he was comfortable with Fiscal Analysis Division staff's recommendation, and he believed it was an appropriate plan of action. He commented that if the DWSS would work with EITS to ensure the product it was getting was compatible with the EITS' main system, it would give the Committees the comfort level that was needed.

Assemblyman Bobzien wondered whether a letter of intent was needed to report to the Interim Finance Committee about the collaboration between DWSS and EITS.

Mr. Ferguson noted that DWSS had indicated it would be coordinating with EITS through the entire process so that any equipment purchased would be compatible between the systems.

> ASSEMBLYMAN BOBZIEN MOVED TO APPROVE THE GOVERNOR'S ORIGINAL RECOMMENDATION TO PURCHASE REPLACEMENT TELEPHONE EQUIPMENT FOR THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES (DWSS) AS SPECIFIED IN DECISION UNIT ENHANCEMENT (E) 711 AND ALLOW THE DIVISION TO CONTINUE TO OPERATE ITS TELEPHONE SYSTEM INDEPENDENT OF THE NEW TELEPHONE SYSTEM APPROVED FOR THE DIVISION OF ENTERPRISE INFORMATION TECHNOLOGY SERVICES (EITS), AS RECOMMENDED BY FISCAL ANALYSIS DIVISION STAFF.
>
> SENATOR DENIS SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)

Chair Carlton called for a vote on decision unit Enhancement (E) 805 concerning a position reclassification.

> SENATOR SMITH MOVED TO APPROVE DECISION UNIT ENHANCEMENT (E) 805 IN BUDGET ACCOUNT (BA) 3228 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS RELATED TO THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES' (DWSS) COST-ALLOCATION REPROJECTIONS.
>
> ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Senators Parks and Roberson and Assemblyman Hambrick were not present for the vote.)
>
> BUDGET CLOSED.

*****

HUMAN SERVICES
WELFARE AND SUPPORTIVE SERVICES
WELFARE - TANF (101-3230)
BUDGET PAGE DHHS-DWSS-29

Jeffrey A. Ferguson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said that in Temporary Assistance for Needy Families (TANF), budget account (BA) 3230, the major item was TANF\ caseloads.

The Executive Budget recommended decreases of $1.25 million in fiscal year (FY) 2014 and $2.45 million in FY 2015 because of the decreases in TANF caseloads. The Budget Division had submitted budget amendment A130023230 that reduced funding even further. Mr. Ferguson referred to a table on page 22 of Exhibit D which showed the Governor's recommendation and the new projected decreases. The caseload reprojections resulted in additional savings of $709,368 in FY 2014 and approximately $1.4 million in FY 2015.

> SENATOR KIECKHEFER MOVED TO APPROVE BUDGET AMENDMENT A130023230 IN BUDGET ACCOUNT (BA) 3230 AS RECOMMENDED BY FISCAL ANALYSIS DIVISION STAFF.
>
> ASSEMBLYMAN GRADY SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Senators Parks and Roberson and Assemblymen Bobzien and Hambrick were not present for the vote.)
>
> BUDGET CLOSED.

Mr. Ferguson pointed out that that the Fiscal Analysis Division staff always paid attention to the Temporary Assistance for Needy Families (TANF) reserve for unspent TANF funds at the end of the biennium. As a result of the budget amendment, the unspent TANF funds were projected to be $9.8 million at the end of fiscal year (FY) 2014 and $6.4 million at the end of FY 2015. Mr. Ferguson said that was better than the $1.3 million that was originally recommended in the budget at the end of FY 2015.

*****

HUMAN SERVICES
WELFARE AND SUPPORTIVE SERVICES
WELFARE - ASSISTANCE TO AGED AND BLIND (101-3232)
BUDGET PAGE DHHS-DWSS-32

Jeffrey A. Ferguson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, referred to budget account (BA) 3232, Assistance to Aged and Blind. He said there was a caseload increase in decision unit Maintenance (M) 200. The Executive Budget recommended General Funds of $532,913 in fiscal year (FY) 2014 and $830,924 in FY 2015 for caseload increases over the previous biennium. Mr. Ferguson pointed out that a budget amendment was received from the Budget Division which resulted in a small increase in the caseloads, increasing the required General Funds for the decision unit by $97,460 in FY 2014 and $187,861 in FY 2015. Fiscal Analysis Division staff recommended approval of the budget amendment, which increased the General Fund support based on caseload information as displayed in Exhibit D.

SENATOR SMITH MOVED TO APPROVE BUDGET AMENDMENT A130023232, IN BUDGET ACCOUNT (BA) 3232, WHICH INCREASED GENERAL FUND SUPPORT BASED ON CASELOAD INFORMATION AS RECOMMENDED BY FISCAL ANALYSIS DIVISION STAFF.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblymen Bobzien and Hambrick were not present for the vote.)

SENATOR SMITH MOVED TO APPROVE CONTINUING THE PRACTICE OF REQUESTING IN A LETTER OF INTENT THAT THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES REPORT TO THE INTERIM FINANCE COMMITTEE (IFC) ON HOW IT RECOMMENDED IMPLEMENTING THE FEDERAL SUPPLEMENTAL SECURITY INCOME (SSI) COST-OF-LIVING INCREASES IN EACH YEAR OF THE UPCOMING BIENNIUM.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Parks and Roberson and Assemblymen Bobzien and Hambrick were not present for the vote.)

BUDGET CLOSED.

*****

HUMAN SERVICES
WELFARE AND SUPPORTIVE SERVICES
WELFARE - CHILD SUPPORT ENFORCEMENT PROGRAM (101-3238)
BUDGET PAGE DHHS-DWSS-44

Jeffrey A. Ferguson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said that in budget account (BA) 3238, Child Support Enforcement Program, the major item was a Nevada Operations of Multi-Automated Data Systems (NOMADS) feasibility study in decision unit Enhancement (E) 582. The Executive Budget recommended approximately $1 million over the biennium for technology improvement requests to modernize the program. There was discussion during the budget hearing that in 2009 there was a similar technology investment request (TIR) for a feasibility study; however, at that time, it was brought to the attention of the Legislature that a new system would cost approximately $100 million. A Letter of Intent was issued to tailor the feasibility study to determine what could be done, given current resources, and whether the existing system, which was part of NOMADS, could be updated. Mr. Ferguson said the consultant reported back that it would cost $96 million to modernize the current system as it existed within NOMADS and recommended 12 years to accomplish that work. This was a second attempt at performing a feasibility study, but instead of trying to modernize the existing system, the study would be to replace the current system and estimate what those costs would be. The federal government provided 66 percent of the funding, and the state's share of collections paid the balance. Mr. Ferguson said the new system for child support enforcement would cost approximately $100 million. There was testimony that the counties were having a difficult time with the current system because it was part of NOMADS, which was cumbersome and difficult to use. According to Mr. Ferguson, the federal government would still provide about 66 percent of the total cost for a new system, but the remaining 34 percent would have to be paid by the state.

Mr. Ferguson said the reserves in the account were typically low and projected to be $5.8 million at the end of the 2013-2015 biennium, so collections would probably not be a good source to fund much of the state share. General Funds would be required over the next two biennia. The feasibility study would attempt to line out what those costs would be and exactly what would be required.

Page 28 of Exhibit D contained two tables indicating Nevada's national ranking and the performance indicators regarding child support enforcement. Mr. Ferguson noted that recently the state had been doing better than it had previously.

Senator Smith thanked the Fiscal Analysis Division staff for compiling information on the rankings and said she was pleased to see that Nevada's ranking had significantly improved.

> SENATOR SMITH MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR APPROXIMATELY $1 MILLION OVER THE 2013-2015 BIENNIUM TO CONDUCT A FEASIBILITY STUDY TO FULLY IDENTIFY CHILD SUPPORT ENFORCEMENT PROGRAM (CSEP) REQUIREMENTS, CONSIDER POTENTIAL ALTERNATE SOLUTIONS, AND ESTIMATE COSTS FOR A NEW CSEP SYSTEM.
>
> ASSEMBLYMAN HORNE SECONDED THE MOTION.

In response to a question from Assemblyman Anderson, Mr. Ferguson stated that the first feasibility study cost approximately $1 million.

> THE MOTION CARRIED. (Assemblymen Bobzien and Hambrick were not present for the vote.)

Chair Carlton called for a vote on decision unit Enhancement (E) 904 in budget account (BA) 3238.

> SENATOR SMITH MOVED TO APPROVE THE TRANSFER OF FEDERAL INCENTIVE FUNDS FROM THE CHILD SUPPORT FEDERAL REIMBURSEMENT ACCOUNT TO THE CHILD SUPPORT ENFORCEMENT PROGRAM ACCOUNT AS RECOMMENDED BY THE GOVERNOR.
>
> ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Bobzien, Hambrick, and Kirkpatrick were not present for the vote.)

Chair Carlton called for a vote on other closing items, decision unit Enhancement (E) 902 in budget account (BA) 3238.

SENATOR GOICOECHEA MOVED TO APPROVE DECISION UNIT ENHANCEMENT (E) 902 IN BUDGET ACCOUNT (BA) 3238 CONSISTENT WITH THE CLOSING ACTION OF THE COMMITTEE IN THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES (DWSS) ACCOUNT AND TO AUTHORIZE THE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS RELATED TO THE DIVISION'S OVERALL COST-ALLOCATION REPROJECTIONS.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Bobzien, Hambrick, and Kirkpatrick were not present for the vote.)

BUDGET CLOSED.

*****

HUMAN SERVICES
WELFARE AND SUPPORTIVE SERVICES
WELFARE - CHILD SUPPORT FEDERAL REIMBURSEMENT (101-3239)
BUDGET PAGE DHHS-DWSS-51

Chair Carlton called for a vote on decision unit Enhancement (E) 904 in budget account (BA) 3239.

SENATOR WOODHOUSE MOVED TO APPROVE THE CHILD SUPPORT FEDERAL REIMBURSEMENT ACCOUNT, BUDGET ACCOUNT (BA) 3239, AS RECOMMENDED BY THE GOVERNOR AND CONSISTENT WITH THE COMMITTEES' CLOSING ACTIONS IN THE CHILD SUPPORT ENFORCEMENT ACCOUNT

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Bobzien, Hambrick, and Kirkpatrick were not present for the vote.)

BUDGET CLOSED.

*****

HUMAN SERVICES
WELFARE AND SUPPORTIVE SERVICES
WELFARE - CHILD ASSISTANCE AND DEVELOPMENT (101-3267)
BUDGET PAGE DHHS-DWSS-53

Jeffrey A. Ferguson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the 2011 Legislature reduced the General Fund portion for the Child Assistance and Development account, budget account (BA) 3267, to $2.6 million in each year of the biennium, which was the minimum maintenance of effort (MOE) that was required. The Governor, for the 2013-2015 biennium, again recommended the minimum MOE.

Mr. Ferguson referred to the child assistance caseloads on a chart on page 33 of Exhibit D. He reported that all of the NEON [New Employees of Nevada] caseloads would be served, but not all of the at-risk or discretionary caseloads would be served, which would require waiting lists. The Budget Division submitted a budget amendment that would add $2 million in General Funds in each year of the biennium. The Division of Welfare and Supportive Services (DWSS) had indicated that as of March 2013 in the at-risk category there were approximately 1,178 children or 621 families on the at-risk waiting list. The addition of $2 million in each year of the biennium would reduce the at-risk waiting list by approximately 436 children per year or about 229 families.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S AMENDED RECOMMENDATION TO ADD GENERAL FUND APPROPRIATIONS OF $2 MILLION IN EACH YEAR OF THE BIENNIUM TO PROVIDE ADDITIONAL CHILD CARE FUNDING FOR THE AT-RISK CATEGORY IN BUDGET ACCOUNT 3267.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Bobzien, Hambrick, and Kirkpatrick were not present for the vote.)

Mr. Ferguson said other closing items in budget account (BA) 3267 had already been addressed, and Fiscal Analysis Division staff recommended approving decision units Enhancement (E) 901 and E-905.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE OTHER CLOSING ITEMS IN BUDGET ACCOUNT 3267 AS RECOMMENDED BY THE GOVERNOR.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Bobzien, Hambrick, and Kirkpatrick were not present for the vote.)

BUDGET CLOSED.

*****

HUMAN SERVICES
WELFARE AND SUPPORTIVE SERVICES
WELFARE - ENERGY ASSISTANCE PROGRAM (101-4862)
BUDGET PAGE DHHS-DWSS-58

Catherine Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated there was one major closing item in budget account (BA) 4862, Energy Assistance Program. The major closing item was additional assistance payments. Ms. Crocket said the Governor recommended additional funding of approximately $9.8 million over the upcoming biennium to increase the caseload for the Energy Assistance Program. The Division of Welfare and Supportive Services (DWSS) had provided updated caseload projections shown on page 36 of Exhibit D.

The DWSS indicated it had plans to serve all the eligible households in the upcoming biennium by adjusting the program, including modifying income levels and assistance payment levels to ensure that all eligible families received assistance.

Ms. Crocket said the Low Income Home Energy Assistance Program (LIHEA) federal grant was subject to sequestration [the automatic, across-the-board cuts, necessitated by the Budget Control Act of 2011]. The DWSS estimated a 5 percent reduction of approximately $500,000; however, it had not been determined how the reduction would be applied. The DWSS had requested to retain the federal funding levels budgeted in The Executive Budget to allow flexibility to deliver additional federal funding to households as quickly as possible should the Division receive additional monies.

Chair Carlton clarified that the Division had federal dollars coming in, and the universal energy charge (UEC) dollars were funds that were already collected: this was not an increase in the UEC.

> SENATOR SMITH MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO INCREASE FEDERAL LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEA) GRANT FUNDING BY $8.6 MILLION AND UNIVERSAL ENERGY CHARGE (UEC) FUNDING BY $1.2 MILLION OVER THE 2013-2015 BIENNIUM TO ALIGN WITH THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES (DWSS) REVENUE PROJECTIONS, TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY FISCAL ANALYSIS DIVISION STAFF, AND TO AUTHORIZE THE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.
>
> ASSEMBLYMAN EISEN SECONDED THE MOTION.
>
> THE MOTION CARRIED. (Assemblymen Bobzien, Hambrick, and Kirkpatrick were not present for the vote.)
>
> BUDGET CLOSED.

*****

Chair Carlton asked for public comment and seeing none, adjourned the meeting at 11:19 a.m.

RESPECTFULLY SUBMITTED:

____
Anne Bowen
Committee Secretary

APPROVED BY:

____
Assemblywoman Maggie Carlton, Chair

DATE: ____________________________

____

Senator Debbie Smith, Chair

DATE: ____________________________

EXHIBITS

Committee Name: Committee on Ways and Means

Date: May 16, 2013 **Time of Meeting: 8:15 a.m.**

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau	Closing List #2 May 16, 2013
	D	Jeffrey A. Ferguson, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau	Closing List #3 May 16, 2013