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

Seventy-Seventh Session
February 26, 2013

A joint meeting of the Assembly Committee on Ways and Means, Subcommittee on Human Services, and the Senate Committee on Finance, Subcommittee on Human Services, was called to order by Chair Maggie Carlton at 8:05 a.m. on Tuesday, February 26, 2013, in Room 3137 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 SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblyman Michael Sprinkle, Vice Chair
Assemblyman David P. Bobzien
Assemblyman John Hambrick
Assemblyman Pat Hickey
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Randy Kirner

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Debbie Smith, Chair
Senator Ben Kieckhefer
Senator David R. Parks

SUBCOMMITTEE MEMBERS EXCUSED:

Assemblyman William C. Horne

STAFF MEMBERS PRESENT:

Michael J. Chapman, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Brody Leiser, Program Analyst
Janice Wright, Committee Secretary
Cynthia Wyett, Committee Assistant

Chair Carlton said the Subcommittees would begin to hear budget presentations and she wanted to start with the Department of Health and Human Services.

HUMAN SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH DIVISION
RADIATION CONTROL (101-3101)
BUDGET PAGE DHHS-PUBLIC HEALTH-12

Richard Whitley, M.S., Administrator, Health Division, Department of Health and Human Services, presented Exhibit C, "Public Health, SFY 14/15 Budget Presentation," and introduced his staff. The Health Division was organized into four bureaus: Bureau of Child, Family and Community Wellness; Bureau of Health Statistics, Planning, Epidemiology and Response; Bureau of Health Care Quality and Compliance; and Public Health and Clinical Services.

Mr. Whitley testified that Exhibit C reflected a color-code for each decision unit to aid in tracking. Decision units shown in green represented decision units related to a technology investment request (TIR). Four of the seven budget accounts (BA) contained decision units that funded a licensing system that allowed the public to access and apply for licenses, permits, and certificates online. Applications were submitted for health facilities, radiological health, childcare licenses, environmental health, emergency medical services, and the medical marijuana registry. Mr. Whitley explained the licensing system included the initial application, renewal, the accounting and payment process, inspections including complaints, and a function to generate reports or documents.

Mr. Whitley explained that decision units shown in red contained requests for review of positions by the Division of Human Resource Management, Department of Administration, for potential reclassification; the orange decision units represented information technology (IT) requests; the purple decision units represented proposed transfers as part of the proposed reorganization.

Mr. Whitley addressed BA 3101 [page 5, Exhibit C] that funded Radiation Control. Decision unit Enhancement (E) 350 replaced two state-owned vehicles with Motor-Pool leased vehicles. Decision unit E-581 contained TIR costs to fund a system allowing the public to apply online for licenses, permits, and certificates. Budget account 3101 would pay 20 percent of the cost of the TIR. Decision unit E-710 requested replacement IT hardware and software in accordance with the recommended replacement schedule of the Division of Enterprise Information Technology Services, Department of Administration. Decision unit E-711 replaced specialized radiation equipment. Decision unit E-720 requested the purchase of new radiation equipment and Fantom Shielding Kits to reduce unnecessary radiation exposure.

In response to a question from Assemblyman Sprinkle, Marla McDade Williams, Deputy Administrator, Health Division, Department of Health and Human Services, replied the Division's role included testing the Beatty low level radioactive waste site to ensure the site was stable. The agency performed a minimal role of gathering samples for testing. The Division contracted with laboratories to perform the analysis of the samples.

In response to a question from Assemblyman Sprinkle, Ms. McDade Williams replied the Health Division worked to change the fees assessed by the Radiation Control Program. The goal of that change was to ensure the fees were appropriate based on the amount of work involved. The Radiation Control Program had 22 full-time-equivalent (FTE) staff. About 12 of the FTE staff were involved in the x-ray mammography work and the remaining staff were involved in other radiation duties. No fees were collected for the work performed by the Division on oversight of the Beatty site. The Division had the authority to contract with other entities to provide additional oversight when needed.

HUMAN SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH DIVISION
IMMUNIZATION PROGRAM (101-3213)
BUDGET PAGE DHHS-PUBLIC HEALTH-43

Richard Whitley, M.S., Administrator, Health Division, Department of Health and Human Services, referred to page 7, Exhibit C, "Public Health, SFY 14/15 Budget Presentation." He stated the Division made improvements in the vaccination rates for children between the ages of 19 to 35 months. Nevada's

ranking improved from 51st to 40th in the nation. The Vaccines for Children (VFC) program was exempt from the automatic across-the-board cuts known as sequestration, necessitated by the Budget Control Act of 2011 and its funding would not be reduced. The VFC was the vaccine program for Medicaid and all other children who were uninsured or underinsured.

Mr. Whitley continued that decision unit Enhancement (E) 225 and E-738 added one-time federal funding for the immunization registry project and added three positions funded with the main immunization grant [Federal Prevention and Public Health Fund grant] to ensure compliance with the immunization registry standards. Decision unit E-277 requested funding to continue the Immunization Program's proactive approach to preventing the spread of pertussis by providing the pertussis vaccine to family members of newborns.

Mr. Whitley apprised the Subcommittees that decision unit E-710 requested replacement information technology hardware and software in accordance with the recommended replacement schedule of the Division of Enterprise Information Technology Services, Department of Administration. Decision unit E-711 requested replacement of one agency-owned copy machine with a leased machine in the Las Vegas office of the Immunization Program. Decision unit E-713 requested a new refrigerator to store vaccines on-site.

In response to a question from Chair Carlton, Mr. Whitley clarified that the pertussis prevention program was ongoing and was funded with a grant from the Centers for Disease Control and Prevention (CDC). One unintended consequence of the Affordable Care Act (ACA) was that CDC no longer paid for vaccine costs. Beginning October 1, 2012, CDC was prohibited from providing funding for routine vaccination of uninsured or underinsured children, adolescents, and adults. This ACA change adversely affected the ability of the Health Division to continue to receive federal vaccine funds to purchase the pertussis vaccine. Vaccines were generally covered by most health plans.

Mr. Whitley cited an example of a newborn infant and its mother who were patients in a hospital. The practice known as "cocooning" was to vaccinate the mother and other family members because the newborn could not be vaccinated. It was a lost opportunity when the entire family was not vaccinated. The ACA caused a loss of resources, and the hospitals were no longer able to provide vaccinations to nonpatients. The goal of public health is to take advantage of immunization opportunities. The Health Division requested funding to continue the vaccinations because it had been successful in reducing

the number of pertussis [whooping cough] cases. The estimate of vaccines needed was based on the actual number of vaccines that had been provided in prior years.

In response to another question from Chair Carlton, Tracey Green, M.D., State Health Officer, Health Division, Department of Health and Human Services, testified that in the example Mr. Whitley cited, the newborn's mother was considered the patient of record. The mother's immunization would be included in her birth benefits as a covered benefit. The actual vaccine for the other family members would not be covered as part of her birth benefit because the family was not the patient of record. The hospital visit and delivery were covered benefits, but the family's immunization was not a covered benefit. Decision unit E-277 requested $500,000 each year of the biennium of General Funds to pay for pertussis vaccines.

In response to a question from Chair Carlton, Dr. Green replied there were some instances of transplacental [the ability of a pathogen to cross the physical and biological barriers of the placenta separating the mother and fetus] transmission in which pathogens may be dangerous. It was difficult to prove the pathogen had passed to the infant. The Health Division wanted to create an environment that was appropriate for the baby to assure the maximum protection for the newborn. Any child under the age of one year that contracted pertussis was at high risk for permanent neurologic damage, including hospitalization, and even death.

Dr. Green explained that Nevada's rate of pertussis had decreased significantly compared to other states. Other states experienced pertussis outbreaks numbering in the thousands. Nevada had 110 reported cases of pertussis this past year. California had over 8,000 cases of pertussis. She attributed Nevada's decrease to cocooning as the major cause of the reduced number of pertussis cases. She said pertussis was an ongoing problem facing states for the next several years. Dr. Green said health professionals noted that the pertussis occurring now was a new strain and may be resistant to some of the old immunizations that adults received when they were children. The Centers for Disease Control and Prevention (CDC) recommended that any adults who were around small children be revaccinated with the tetanus, diphtheria, and pertussis (Tdap) vaccine.

In response to a question from Assemblyman Sprinkle, Dr. Green explained this $500,000 General Fund request was just one of the vaccine funding sources.

There were several other funding sources. The decision to administer the Tdap vaccine was based on a selection by the hospital and by birth date. The pertussis vaccine would be provided at no fee to an uninsured mother that had not previously received the pertussis vaccine. The father of the newborn may have been advised by the pediatrician to obtain the vaccine. Patients arriving at the hospital who required the vaccine may receive it based on the "first birth, first served" principle.

In response to a question from Senator Kieckhefer, Mr. Whitley replied that the VFC program was the federal safety net program for children. The Health Division purchased vaccine for the Nevada Check Up program for an economy of scale [lower average costs per unit]. That purchase was not part of the VFC program. The qualifications for the VFC were uninsured, underinsured, Medicaid-eligible, American Indian, and Alaskan native children. The Health Division purchased vaccines to save money resulting from the economy of scale, its ability to mass purchase, and for the ease of the provider. The Division received General Funds from Medicaid to purchase vaccine for the Nevada Check Up program.

Mr. Whitley continued that there was no waiting list for immunization of Medicaid children that were eligible, and he did not anticipate a waiting list. He had not received any communication from CDC regarding the formulary of covered vaccines. Staff used the same calculations as Medicaid to project the vaccine needed for Nevada Check Up children. He believed there was sufficient vaccine for coverage of the eligible population. Adequate immunization in Nevada was the goal, and the cost of the vaccine should not be a deterrent to vaccination. Every child had a pay source. The challenge had always been getting sufficient providers, obtaining sufficient vaccine, and providing reimbursement.

In response to another question from Senator Kieckhefer, Mr. Whitley replied that the Immunization Program supported an immunization information system known as Nevada WebIZ. Nevada WebIZ tracked immunizations of patients, consolidated records, identified underserved populations, and offered recommendations for future vaccinations. Providers must participate in WebIZ to participate in the VFC program.

Dr. Green commented that the Health Division had 1,200 providers enrolled in the WebIZ program. The two program officer positions requested in the budget would be involved in the enhancement of provider enrollment and training.

Provider training was needed because of the anticipated increased enrollment resulting from the ACA. The Division increased its outreach activities to assure that the training and processing were appropriate. Much of the data about immunizations to adults and children was reported to WebIZ. The Division's goal was to get all of its providers to report to WebIZ.

In response to a question from Chair Carlton, Mr. Whitley replied that the Division needed three positions requested in the budget to meet the immunization information system requirements. The Division of Human Resource Management (DHRM), Department of Administration, would study the position functions and make the determination about the appropriate classification for each position. The Health Division needed to increase its help desk services for WebIZ providers. The agency had a program officer assigned to the help desk who was overworked. The goal was to improve the WebIZ service. The Division thought it prudent to budget the position at a grade 38 level. After July 1, 2013, the DHRM would analyze the appropriate classification of the position and may reduce the position to a grade 36 level.

Mr. Whitley continued that the positions should be filled with permanent state employees rather than contract staff because immunization was an activity that was permanent. The Health Division often used contract staff for grant-funded activities. The process to fill a state position was slow and usually grant work must begin right away. *Nevada Revised Statutes* 439.265 required providers to submit data on immunizations. The need to provide additional assistance on WebIZ continued to grow whenever caseload increased or staff in a medical provider's office changed.

HUMAN SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH DIVISION
WIC FOOD SUPPLEMENT (101-3214)
BUDGET PAGE DHHS-PUBLIC HEALTH-50

Richard Whitley, M.S., Administrator, Health Division, Department of Health and Human Services, referred to page 9, Exhibit C, "Public Health, SFY 14/15 Budget Presentation." Budget account (BA) 3214 funded the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) from the United States Department of Agriculture (USDA). The WIC was a federal discretionary program and not an entitlement program. It did not have

an exemption from the automatic across-the-board cuts known as sequestration, necessitated by the Budget Control Act of 2011, and the anticipated federal cut would total 9.3 percent, or approximately $4.3 million.

Mr. Whitley explained that WIC funding was divided into two categories. One category was funding for the actual food that recipients purchased with an electronic benefits transfer card. The WIC was the only USDA-funded program that focused on nutrition. The second category was funding for nutrition consultation and promotion of breastfeeding. The cuts from the federal Budget Control Act of 2011 sequester might cause an increase in caseload. The WIC program was not capped. In the past, WIC funding was reverted to the USDA. The cuts would affect both categories of WIC funding. The Supplemental Nutrition Assistance Program was exempt from sequestration cuts, but WIC was not.

Mr. Whitley continued that decision unit Enhancement (E) 225 requested elimination of two information technology (IT) technician 5 positions that were used to develop the electronic benefits transfer program and were no longer needed. Decision unit E-710 requested replacement IT hardware and software in accordance with the recommended replacement schedule of the Division of Enterprise Information Technology Services, Department of Administration.

In response to a question from Assemblyman Sprinkle, Mr. Whitley replied that if the federal Budget Control Act of 2011 sequester occurred, the WIC program could cap caseload and create a waiting list to incorporate the 9.3 percent cuts from USDA. The WIC program currently had two vacant positions, and therefore would not need to eliminate any state employees. The burden of one-half of the cuts would be absorbed by the nonprofit community organizations that operated the various WIC clinics statewide.

In response to a question from Chair Carlton, Mr. Whitley replied that WIC was subject to the federal Budget Control Act of 2011 sequester cuts, and WIC had reverted funds in the past. The WIC program was not at 100 percent utilization at this time. The effect of sequestration would begin in March 2013. The WIC award would be reduced by 9.3 percent, and that was about $4.3 million in each year of the 2013-2015 biennium. The WIC program must immediately reduce services because the loss would be split between the commodity program and WIC operations. There would be a $2.15 million cut in food purchases and a $2.15 million cut in program operations that would affect the nonprofit community organizations.

HUMAN SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH DIVISION
HEALTH FACILITIES HOSPITAL LICENSING (101-3216)
BUDGET PAGE DHHS-PUBLIC HEALTH-62

Richard Whitley, M.S., Administrator, Health Division, Department of Health and Human Services, referred to page 10, Exhibit C, "Public Health, SFY 14/15 Budget Presentation." Budget account (BA) 3216 funded the Bureau of Health Care Quality and Compliance to protect the safety and welfare of the public. In the past several years, changes had been made to the frequency of inspections to regulate health facilities. This budget was primarily fee-funded and the periodicity of inspections of the facilities was either annual or 18-months. The Bureau was current on all its required inspections.

Mr. Whitley elaborated on decision unit Enhancement (E) 581 that funded an online system allowing the public access to apply for licenses, permits, or certificates. This system would be configurable, allowing for new license types to be added. The front-line staff could make a majority of needed changes without the need to rely on high-cost programmers. Decision unit E-710 replaced computer hardware and associated software per the recommended replacement schedule of the Division of Enterprise Information Technology Services (EITS), Department of Administration. Decision unit E-720 requested funds to purchase a new Polycom videoconference system for the Las Vegas office.

In response to a question from Assemblyman Sprinkle, Marla McDade Williams, Deputy Administrator, Health Division, Department of Health and Human Services, replied that the Division licensing programs had a variety of different ways to collect and record applications. Some methods were based on Microsoft Excel spreadsheets, and some were based on the agency's SQL-based software system. When the Division added licensed dieticians and music therapists after the 76th Session, the agency tried to add that licensing modification to the electronic system. The Division found it could not afford to pay EITS to make the modification because it required intense reprogramming to make the system function correctly. Any change to the system cost the Division because the system was antiquated. The system could not be modified for any online Web-based applications that were requested by many industries.

Ms. McDade Williams continued that the electronic payment system needed modifications. *Nevada Revised Statutes* 353.1467 required that payments in excess of $10,000 must be remitted electronically. The Division was unable to electronically reconcile its data with data from the Office of the State Treasurer. It was time-intensive to complete all of the tracking to collect money and credit it to the facility that paid. The Division centralized its fiscal functions several years ago and needed to centralize its license application functions. The Division would integrate with the Nevada Business Portal of the Office of the Secretary of State. Integration would increase the efficiency for its customers and provide information to the public. Several years ago staff made a decision to create transparency for the health facilities inspection findings. That was a labor-intensive process for staff. They had to scan documents and load the documents to the website. Because the process was so labor-intensive, staff could not ensure the findings were loaded timely for all inspections. The new system being proposed would allow staff to post all findings online. The system was interactive, and there would be almost no manual labor required to ensure that the processes worked properly.

In response to another question from Assemblyman Sprinkle, Ms. McDade Williams replied the Division estimated the costs and benefits of a new electronic system when it developed its technology investment request (TIR). The Division anticipated it would take longer than five years to recover all its TIR costs. The agency had a small administrative staff to perform its duties. A small administrative staff meant the Division often required its professional staff to perform some lower-level functions. Professional staff should be inspecting health facilities and not tasked with clerical functions. Staff was unable to quantify the exact cost of the lower-level functions performed. The new electronic system would save staff time and increase the productivity and efficiency of the inspection programs.

Ms. McDade Williams stated Assembly Bill 139 required all state agencies to connect to the state business portal of the Office of the Secretary of State. The Health Division worked with the Office of the Secretary of State staff. The public could access the Division's website to download an application. The application must be completed manually and mailed to the Division. The Health Division wanted to improve the online accessibility by fully connecting to the state business portal.

In response to a question about the state business portal integration from Assemblyman Bobzien, Ms. McDade Williams replied that the Division staff held programmatic discussions between its information technology (IT) staff and the Office of the Secretary of State's staff to work on the integration. Discussions were also held between the internal IT staff and the EITS staff. The TIR was completed with input from the IT and EITS staff. The goal was to develop an online licensing system that integrated with the state business portal system.

In response to a question from Chair Carlton, Ms. McDade Williams replied that the Health Division conducted its health facilities inspections timely. The staff had analyzed all of its internal programs that performed an application function, received payments, or reconciled money. The Division completed its administrative activities to centralize staff to be ready when the TIR was approved.

Ms. McDade Williams explained that to improve efficiency, the application licensure system must be replaced to accept the paperwork and ensure the licensees were paid. Some of the Division programs had functioning inspection databases. One database was the Health Facilities system. That inspection database allowed staff to post the findings online. However, the plans of correction submitted by the facilities and the sanction notices could not be posted online. Staff maintained those in a manual process. The Health Division was the agent that certified about 30 percent of the medical facilities for the Centers for Medicare and Medicaid Services (CMS). The Health Division must interact with the CMS system, and that inspection system was functioning.

In response to another question from Chair Carlton, Ms. McDade Williams replied the Division was unable to quantify the loss resulting from having an outdated system. When a check was received, posting was a manual process to record the check and log the facility that paid the fee. The Division had to trust that the person who received the check and entered the data into the system recorded it correctly to show which licensee had paid. When a license application was received without a check, staff must enter data showing no payment was made. But if staff recorded that the application was received and did not match up a payment with the application, then the Division would have no way of knowing whether that entry was an error. The Division started using QuickBooks last year and could match the payments with the applications using QuickBooks. The former system would not interact with the fiscal system. She estimated that any loss may be in the hundreds of dollars, but the agency had no exact way to measure the loss.

In response to another question from Chair Carlton, Stacey Johnson, Administrative Services Officer 4, Health Division, Department of Health and Human Services, replied that the vacant management analyst position when filled, would perform the fiscal task of tracking within the program. Tracking was the piece that was lacking in the system. The centralized fiscal officer was required to track, and that extra work made it difficult to keep up with the normal workload. She understood staff had completed interviews and was ready to make an offer of the position to a candidate. There had been a delay in getting that position approved through the Division of Human Resource Management (DHRM), Department of Administration. She was unsure why the delay occurred but believed that the position would be filled soon. The position had never been filled before.

Ms. McDade Williams clarified that the position costs for the management analyst 2 position were paid with federal funding from CMS. The Division established that new position and presented it to the Interim Finance Committee for approval. Once the authority was approved, the DHRM studied the position to ensure the duties aligned with the proper classification. She understood the hiring process was moving forward. Once the agency received approval to hire the position at the proper classification, the Division must complete the recruitment for the position, check the layoff lists, conduct interviews, and make the offer. The management analyst 2 position was a new position and was not one that was intentionally left vacant. The state hiring process delayed filling the position.

In response to a question from Assemblyman Sprinkle, Ms. McDade Williams replied the CMS had an agreement with the Health Division to certify medical facilities including hospitals and nursing homes on behalf of the CMS. Certification was required before any facility could bill Medicare and Medicaid. The ongoing agreement was renewed every year. The Division had between 20 to 30 staff that were continually paid from the CMS funding. Reimbursements from CMS were retroactive reimbursements. The Division must determine how much time was invested in inspecting and recertifying a particular facility. Once that assessment was complete, the agency completed a complicated process and uploaded the data to CMS. The CMS reviewed it and determined whether it was an acceptable expenditure and reimbursed the Division. The management analyst 2 position was tasked with that CMS duty. The position would ensure that the money was drawn, the billing to CMS was accurate, and the reimbursements were correct.

The position was not technically a grant-funded position. It was an agreement-funded position similar to many of the other inspector positions that performed that work. If CMS chose to not have the Division conduct the certifications, many staff positions would be eliminated.

HUMAN SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH DIVISION
OFFICE OF HEALTH ADMINISTRATION (101-3223)
BUDGET PAGE DHHS-PUBLIC HEALTH-111

Richard Whitley, M.S., Administrator, Health Division, Department of Health and Human Services, referred to page 12, Exhibit C, "Public Health, SFY 14/15 Budget Presentation." Budget account (BA) 3223 included decision unit Enhancement (E) 225 that requested four grants and projects analyst 2 positions to complete federal reporting, grant-tracking, and federal auditing requirements for approximately 70 federal grants awarded to the agency each year. Decision unit E-226 requested additional training and travel funds because of the proposed combining of the Health Division and the Division of Mental Health and Developmental Services into the Division of Public and Behavioral Health, Department of Health and Human Services.

Mr. Whitley continued that decision unit E-710 replaced information technology (IT) computer hardware and associated software per the recommended replacement schedule of the Division of Enterprise Information Technology Services, Department of Administration. Decision unit E-711 replaced the primary network routers for the agency. Decision unit E-712 replaced the video/calling bridges in the north and south. Decision unit E-805 reclassified an IT technician 6 to an IT professional 2 because of significant changes in duties. Decision unit E-807 reclassified an IT professional 3 to an IT manager 2 because of significant changes in duties. Decision unit E-811 requested to reclassify the Health Division Administrator, deputy administrator, and State Health Officer positions to unclassified deputy administrators for the new division to align with the new responsibilities resulting from the proposed merger of the Division of Mental Health and Developmental Services and the Health Division into the Division of Public and Behavioral Health, Department of Health and Human Services.

Mr. Whitley added that decision unit E-908 and E-508 requested transfer of the community health nursing manager from the Community Health Services,

budget account (BA) 3224, to the Office of Health Administration, BA 3223. As a result of the merger between the Health Division and the Division of Mental Health and Developmental Services, Department of Health and Human Services, this position would be reclassified as a deputy administrator overseeing rural health care including the community health nursing program and the mental health clinical services. Decision unit E-920 requested the transfer of 11 positions to provide adequate support for the early intervention services (EIS) program being transferred to the Aging and Disability Services Division (ADSD), Department of Health and Human Services, as part of the Department consolidation of the developmental-services programs across the lifespan of recipients.

In response to a question from Chair Carlton, Stacey Johnson, Administrative Services Officer 4, Health Division, Department of Health and Human Services, replied that the positions that worked 100 percent on EIS were included in the 11 positions being transferred. An analysis was done on the remaining functions that must be completed because some positions were allocated to multiple budget accounts. The staff worked with ADSD to ensure the Health Division transferred sufficient staff to be able to cover the needs of ADSD but also retained enough staff to cover the Health Division needs. The analysis was completed to determine the number and the types of positions that should be transferred.

In response to another question from Chair Carlton about cost assessments, Ms. Johnson said the Health Division paid the costs of the 11 positions totaling $843,354 of expenditures in fiscal year (FY) 2014 and $886,192 in FY 2015. The agency transferred about $1 million in indirect costs to the Office of Health Administration budget account. The indirect cost agreement was prescribed by the United States Department of Health and Human Services. The rates were based on the agency's administration costs. The rates were always developed one year in arrears. The Division would not receive its FY 2012 rate until May 2013. There was a refund from this budget account to Early Intervention Services of approximately $330,000 from FY 2011. The indirect rate formula included the administrative costs of the Health Division. The calculation began with administrative costs and allocated those equally based on several criteria. All the administrative costs were distributed fairly to the programs that were being supported. The effect of the reorganization would change the indirect cost distribution.

In response to a question from Assemblyman Sprinkle, Mr. Whitley referred to page 2 of Exhibit C that contained the organization chart. The integration model showed there was a natural structure for direct services being listed under an organizational framework that included the rural mental health and nursing clinics, the three hospitals, and the outpatient services. Those were all services that were currently being provided by the state through direct service providers. The current community health nursing manager position would serve as the deputy over those direct services. That was the proposed change. The unclassified status was requested to match the deputies in other divisions. These higher level positions were typically unclassified in other divisions within the Department of Health and Human Services.

In response to another question from Assemblyman Sprinkle, Mr. Whitley replied the Division prepared a bill draft request (BDR) that would align the statutory references to the positions. Changes would be made to the Health Division Administrator, the Division of Mental Health and Developmental Services (MHDS) Administrator, the State Health Officer, and the related definitions and terminology.

In response to a question from Chair Carlton, Mr. Whitley replied that the Division would not eliminate the State Health Officer position. The agency would combine the position of the medical director for MHDS with the position of the State Health Officer. Both positions were required to be medical physicians. The Health Division retained the qualifications and functions of the State Health Officer in its BDR. Tracey Green, M.D., had been performing both the duties of the clinical director for MHDS and the State Health Officer for over a year. The new position would be titled the State Health Officer, whose duties would include the oversight of clinical direct services.

In response to a question from Chair Carlton, Marla McDade Williams, Deputy Administrator, Health Division, Department of Health and Human Services, referred to page 2 in Exhibit C that showed the organization chart listed the Administrator of MHDS as position control number (PCN) 3168-0001. The State Health Officer was PCN 3168-0107 and that position was proposed to serve as the statewide medical director in the MHDS budget. The PCN in the Health Division dedicated to the former State Health Officer position was PCN 3223-0017 and it had been reclassified to a deputy administrator. The State Health Officer would fill PCN 3168-0107 and would still be titled the State Health Officer. The change was the merger of

the medical director of the MHDS into the combined position of the State Health Officer in PCN 3168-0107.

In response to a question from Chair Carlton, Mr. Whitley replied that one of the best benefits of the proposed integration was in the rural frontier area where mental health clinics staffed by nurses often provided medications to consumers of the mental health system. The Health Division had public health clinics located in those same rural communities, and the clinics were not currently colocated. The oversight was split, but the clinics shared the same clients. Integration provided a good opportunity for the deputy administrator of the new combined Division of Public and Behavioral Health to oversee the integration of mental health and public health clinical services in the rural frontier area. The integration had functioned during the past year and a half and the benefits were positive. There were benefits from integrating programs such as WIC, the nursing clinics, and the mental health services into a single location for clients. As leases expired, the agency would take advantage of those opportunities to colocate. The leadership of the agency must drive the integration. The reclassification of the community health nurse manager to a deputy administrator would provide that leadership and oversight. The agency had been successful at the integration because the leadership bridged both mental health and public health services.

In response to a question from Chair Carlton, Mr. Whitley replied that the community health nursing manager would be reclassified to a deputy administrator whose duties would be to oversee all clinical direct services. The three mental health hospitals and the outpatient services would be assigned to this position. The result was a total system of care. The rural frontier consumers who needed hospitalization were transported to urban areas for psychiatric hospitalizations. There was a need to collaborate and not be geographically bound. The leadership position for hospital administrators was classified at one grade less than the deputy administrator overseeing it. In reviewing the organizational structure, he found the top-level positions in the Health Division and MHDS were usually lacking, which adversely affected the ability to coordinate and link services for consumers. During the last several years, the top-level positions had been cut to save the lower-level positions. Agencies were reluctant to request positions that appeared too administrative in nature.

In response to a question from Chair Carlton, Ms. Johnson replied that a cost-allocation plan was required if an agency wanted to bill direct services to

Medicaid. An indirect rate agreement was highly recommended for any agency that received a large amount of federal funding such as the Health Division. The agency's federal liaison recommended that the Health Division not change to a cost-allocation plan because it would be difficult to track the funds. The liaison assured the Health Division that it was appropriate to have both a cost-allocation plan and an indirect rate agreement and those might overlap. The agency requested some training because staff lacked any formal training on how to develop a cost-allocation plan. Staff had done its best by calling persons for help to create the indirect agreement but needed some training on a cost-allocation plan because it was more complex.

In response to a question from Chair Carlton, Ms. Johnson replied the Health Division conducted a grants-management pilot project during the past year and requested six contract grants and projects analyst (GPA) positions that were approved by the Interim Finance Committee. The Division had difficulty filling the GPA positions. The agency was successful in writing procedures and developing a standardized template. The Division assigned the GPAs to test the template and workload involved in maintaining it. The results helped the agency determine how many grants each GPA position could maintain in its caseload. That data was used to determine the number of GPAs needed. The Division applied that analysis to MHDS and requested one new management analyst 4 in the MHDS budget. The team would consist of the six GPAs and one management analyst 4 from MHDS. The Division believed that one of the best things about the consolidation plan was that a standard methodology would be used. The agency would have multiple persons who knew how to manage grants. That shared knowledge would reduce problems when turnover occurred. The Division would not lose knowledge when an employee left the agency. The Division wanted to develop a cross-trained team that was centrally located to manage all the federal grants of both MHDS and the Health Division.

HUMAN SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH DIVISION
EMERGENCY MEDICAL SERVICES (101-3235)
BUDGET PAGE DHHS-PUBLIC HEALTH-131

Richard Whitley, M.S., Administrator, Health Division, Department of Health and Human Services, referred to page 16, Exhibit C, "Public Health, SFY 14/15 Budget Presentation." Budget account (BA) 3235 funded the Emergency Medical Services (EMS) program that licensed both persons and

ambulances in all counties except Clark County. Decision unit Enhancement (E) 581 requested funds for an online system allowing the public to apply for licenses, permits, or certificates. Budget account 3235 would contribute 17 percent of the cost of the online system. Decision unit E-710 requested replacement of computer hardware and associated software per the recommended replacement schedule of the Division of Enterprise Information Technology Services, Department of Administration.

In response to a question from Assemblyman Sprinkle, Marla McDade Williams, Deputy Administrator, Health Division, Department of Health and Human Services, replied the EMS licensure process was time-consuming and cumbersome although the current manager, Patrick Irwin, had made improvements. The process was more efficient. The online system would bring the program into the modern age where license applications were processed more quickly.

HUMAN SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH DIVISION
CHILD CARE SERVICES (101-3149)
BUDGET PAGE DHHS-PUBLIC HEALTH-142

Richard Whitley, M.S., Administrator, Health Division, Department of Health and Human Services, referred to page 17, Exhibit C, "Public Health, SFY 14/15 Budget Presentation." Budget account (BA) 3149 funded childcare licensing. The childcare licensing program moved to the Health Division after the 76th Session as part of the consolidation of regulatory functions. The program licensed childcare facilities in all counties except Washoe County. Decision unit Enhancement (E) 275 funded a portion of a child care facilities surveyor needed for childcare facility inspections. Decision unit E-581 allocated costs to fund a system allowing the public to apply online for licenses, permits, or certificates. Budget account 3149 would contribute 2 percent of the cost of the online system. Decision unit E-710 requested replacement of information technology hardware and software in accordance with the recommended replacement schedule of the Division of Enterprise Information Technology Services, Department of Administration.

In response to a question from Senator Kieckhefer, Marla McDade Williams, Deputy Administrator, Health Division, Department of Health and Human Services, replied that the Health Division studied the fee schedule that

had been unchanged for the last 20 years. During the last three months, the Child Care Licensing program was integrated into the existing time and effort system to allow the Division to determine the time required to perform facility inspections. The agency needed to know the problems associated with the most time-intensive inspections. Efforts were made to charge the facilities for the time spent in performing the inspections. Increasing fees for childcare facilities was an emotional problem because it involved children. Some childcare facilities were small operations. The Division intended to complete all its research before it proposed increased fees. Public education was needed about the amount of General Funds supporting private sector establishments. The agency was still in the analysis phase and needed at least a year's worth of data from a comprehensive time and effort system to provide a sound basis for fee changes.

In response to a question from Chair Carlton, Ms. McDade Williams replied that the General Fund contributed $51,088 to this budget account in fiscal year 2013. Most of the cost of the program was subsidized by the Child Care and Development Block Grant, but fees also contributed some revenue. General Fund support would decrease after the new fee schedule was finalized. Some difficult decisions must be made in the future. A subcommittee looked at the fee schedule about six years ago but made no changes. Child Care Licensing was transferred to the Health Division on July 1, 2011, and the Health Division was not responsible for its prior problems.

In response to a question from Chair Carlton, Ms. McDade Williams replied that the Health Division had about three months of comprehensive data on inspections of childcare facilities. The agency inspected the facilities twice each year. It would take at least one year to collect sufficient data.

In response to a question from Assemblyman Sprinkle, Ms. McDade Williams replied that the surveyor position had been vacant since July 1, 2011, but it was a critical position. The position was intended to be used for complaint investigations. The Health Division timely conducted the required periodic inspections of childcare facilities. The agency wanted to create a separate team to conduct independent complaint investigations. A surveyor conducting a periodic inspection generally worked with the facility to help get it into compliance with the statutes and regulations. A periodic inspection was not intended to be a punitive activity, but a complaint investigation was more punitive in nature.

Ms. McDade Williams continued that a complaint investigation must be objective. The complaint investigator was protecting the rights of the public and must be impartial. A surveyor inspection employee was not intended to be dedicated to complaint investigations. The agency performed complaint investigations now, but this position would allow the agency to ensure that it was maintaining the integrity of the process. The position would also allow the agency to work more closely with child protective services and law enforcement. The Health Division relied heavily on those agencies to conduct most of the investigations. The Health Division responded to the findings. The new surveyor position would help the agency do justice for citizens who registered complaints. The agency needed to take a more active role in the process.

In response to a question from Assemblyman Sprinkle, Ms. McDade Williams cited an example of a complaint received in central Nevada. The Health Division sent an investigator from Elko. That employee's workload was delayed while he was doing the complaint investigation. Moving a staff person from performing periodic inspections to complaint investigation caused workload problems. Periodic inspections suffered. It was better service to the public to dedicate one person to do complaint investigations. This position would be incorporated into the complaint team that existed. It would allow the periodic investigators to do their job to help facilities learn how to become compliant. The staff would not be drawn away from the planned work to do complaint investigations.

In response to a question from Chair Carlton, Ms. McDade Williams replied that the Division was trying to hold to the integrity of the funding. If the agency did not receive approval for the position, it would do the complaint investigations, but at the expense of the regular work.

Chair Carlton said that the position was held vacant so that vacancy savings could be realized. She understood that the Health Division needed an objective person to handle public complaints. Sometimes agencies must make do with fewer resources, but this was a problem that should be addressed.

Chair Carlton asked for public comment and there was none.

There being no further business before the Subcommittees, Chair Carlton adjourned the meeting at 9:27 a.m.

RESPECTFULLY SUBMITTED:

_____
Janice Wright
Committee Secretary

APPROVED BY:

_____
Assemblywoman Maggie Carlton, Chair

DATE: _____

_____
Senator Debbie Smith, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Ways and Means

Date: February 26, 2013 Time of Meeting: 8:05 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Richard Whitley, Administrator, Health Division, Department of Health and Human Services	Department of Health and Human Services Public Health, SFY 14/15 Budget Presentation