

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

**Seventy-Eighth Session  
April 22, 2015**

The Committee on Health and Human Services was called to order by Chair James Oscarson at 1:35 p.m. on Wednesday, April 22, 2015, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4404B of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/78th2015](http://www.leg.state.nv.us/App/NELIS/REL/78th2015). In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman James Oscarson, Chair  
Assemblywoman Robin L. Titus, Vice Chair  
Assemblyman Nelson Araujo  
Assemblywoman Teresa Benitez-Thompson  
Assemblywoman Jill Dickman  
Assemblyman David M. Gardner  
Assemblyman John Hambrick  
Assemblywoman Amber Joiner  
Assemblyman Brent A. Jones  
Assemblyman John Moore  
Assemblywoman Ellen B. Spiegel  
Assemblyman Michael C. Sprinkle  
Assemblyman Tyrone Thompson  
Assemblyman Glenn E. Trowbridge

**COMMITTEE MEMBERS ABSENT:**

None



**GUEST LEGISLATORS PRESENT:**

Senator Scott T. Hammond, Senate District No. 18

**STAFF MEMBERS PRESENT:**

Kirsten Coulombe, Committee Policy Analyst  
Risa Lang, Committee Counsel  
Karyn Werner, Committee Secretary  
Jamie Tierney, Committee Assistant

**OTHERS PRESENT:**

Betsy Aiello, Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services  
Mary Wherry, Deputy Administrator of Community Services, Division of Public and Behavioral Health, Department of Health and Human Services  
Kevin Quint, Chief, Substance Abuse Prevention and Treatment Agency, Division of Public and Behavioral Health, Department of Health and Human Services  
Warren B. Hardy II, representing Nevada Pic-A-Part  
David Christensen, Owner, Nevada Pic-A-Part

**Chair Oscarson:**

[Roll was taken. Committee procedures were explained.] We will open the hearing on Senate Bill 14.

**Senate Bill 14: Revises provisions governing the Pharmacy and Therapeutics Committee within the Department of Health and Human Services. (BDR 38-325)**

**Betsy Aiello, Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services:**

Senate Bill 14 modifies the membership of the Nevada Medicaid Pharmacy and Therapeutics Committee. It modifies it in two ways: it decreases the minimum membership from nine to five members, and it removes the requirement that membership not be more than 51 percent of either physicians or pharmacists. It has been a government-appointed committee since 2003. With these two changes, we believe it will enhance our ability to recruit and retain members on the committee. The members serve two years and, with the current requirements of the committee being nine members, it is very difficult to recruit the exact membership to be in compliance.

We support this bill because it is a valuable resource that is necessary to manage our preferred drug list. We need it to continue to maintain a preferred drug list that is up to date with the most recent information analyzed. We support this to help us continue to have regular Pharmacy and Therapeutics Committee meetings.

**Assemblyman Thompson:**

In section 1, line 18, it strikes out the part about not more than 51 percent of the members of the committee must be active physicians. It is now saying at least two-thirds. That is the new language, correct?

**Betsy Aiello:**

No. It is at least one-third.

**Assemblyman Thompson:**

I am sorry; I am looking at the wrong number. Then who are some of the others who are on the committee? I feel like they are saying they do not want it to be all physicians.

**Betsy Aiello:**

The committee is made up of physicians and pharmacists only. The committee has to have one psychiatrist, who would be included with the physicians. The reason we changed the 51 percent is that with five people, you would have two of one and three of the other and the three would be over the 51 percent. The committee has to have at least one-third pharmacists and one-third physicians, so at least two of each and the third could be whichever.

**Assemblywoman Titus:**

I am curious regarding the makeup of this committee. Typically, there would be a member of the public or some other component on a committee such as this. I recognize that, at least the way I read this, that this committee is solely responsible for formulating the formulary that Medicaid is willing to pay for. Is that correct?

**Betsy Aiello:**

Yes. The members are only pharmacists and physicians, but they have open meetings. The quarterly open meeting is a hearing with input from folks who testify and provide input. Everything is posted ahead of time. They analyze new drugs that come on the market with the evidence-based medicine and whether something should be added to or removed from the formulary. They remove drugs that are obsolete. They look at the medical science to determine whether something should be on it.

**Assemblywoman Titus:**

A committee such as this has incredible power on what medications Medicaid patients receive and are allowed to receive. As a provider, one who writes prescriptions and has to fight the program sometimes for medications for my patients, I am worried about that particular makeup and if it really represents the Medicaid program and its dollars, since that is part of what it is charged with. They put programs together to save money. Who monitors the committee and ensures that it is really the best formulary for the Medicaid recipients? I do not see any outside input.

**Assemblyman Trowbridge:**

You are the committee that develops the formulary. The insurance companies have different tiers that determine how much they are willing to pay for the different medications on your formulary. Does this committee have anything to do with the determination of tiers that the individual insurance companies might elect to follow?

**Betsy Aiello:**

This committee only applies to the Medicaid fee-for-service formulary for the preferred drug list for Medicaid recipients. It does not develop the formulary for either of the Medicaid health plans—Amerigroup or Health Plan of Nevada—nor any other insurance group. They identify drugs that go on a preferred drug list. Medicaid recipients can get drugs that are not on our preferred drug list, but it requires a prior authorization process to demonstrate a medical necessity.

**Assemblyman Trowbridge:**

What value does price play in your determinations?

**Betsy Aiello:**

Price is not supposed to be looked at whatsoever. When a new drug comes out, they look at the medical science and evaluate whether they believe this drug would be better than other drugs or should be added inclusively with other drugs. There is not a limit on any type of drug, but they are looking to see which ones they believe are most effective. Some folks do need another drug, and that is where the prior authorization kicks in.

**Chair Oscarson:**

Are there any more questions from the Committee? Seeing none, is there any other testimony in support of this bill? Seeing none, is there any testimony in opposition either here or in Las Vegas? [There was none.] Is there testimony in neutral? Seeing none for any of the three, we will close the hearing on S.B. 14. I will now open the hearing on Senate Bill 31.

**Senate Bill 31: Revises provisions relating to detoxification technicians, facilities and programs. (BDR 40-329)**

**Mary Wherry, Deputy Administrator of Community Services, Division of Public and Behavioral Health, Department of Health and Human Services:**

Kevin Quint wrote the bill draft request for this bill, so he will give most of the testimony. This is a very short and sweet cleanup bill for our Division.

**Kevin Quint, Chief, Substance Abuse Prevention and Treatment Agency, Division of Public and Behavioral Health, Department of Health and Human Services:**

Senate Bill 31 is a cleanup bill that will make the current statutes more consistent and clear. In *Nevada Revised Statutes* (NRS) Chapter 449, the State Board of Health is empowered with a wide range of authority to adopt standards, qualifications, and other regulations within the Division of Public and Behavioral Health. However, in NRS Chapter 458, the Division is named as the body that adopts regulations and standards for certification for detoxification technicians in facilities or programs within the context of that statute. Senate Bill 31 changes and clarifies that rule by naming the State Board of Health as the body that adopts regulations in addition to adopting standards for certification of detox techs in facilities or programs within NRS Chapter 458, which is consistent with the rest of the Division. This bill has no fiscal impact or note.

**Assemblywoman Spiegel:**

I understand that it is cleanup language, but in section 1, line 7, you refer to paragraph (d) of subsection 1 of NRS 458.025. I went to the statute online to look at it, and I cannot find it. Can you refer back to what it is saying? It does not seem like that paragraph. It talks about alcohol abuse treatment, but it does not seem like it is talking very much about a facility.

**Kevin Quint:**

I do not have that in front of me, but I would say that NRS Chapter 458 does address all of the programs and facilities that the staff certifies and regulates. It also includes information about detoxification technicians as well.

**Assemblywoman Spiegel:**

I will look in the printed version and see if I still have a question.

**Mary Wherry:**

In section 1 of Senate Bill 31, it speaks to NRS Chapter 449 where it talks about the facility.

**Chair Oscarson:**

Are there any other questions from the Committee? Seeing none, is there any testimony in support of the bill here or in Las Vegas? Seeing no one, is there anyone in opposition to S.B. 31? Seeing no one, is there any neutral testimony? Seeing no further testimony, I will close the hearing on Senate Bill 31.

As soon as Mr. Hammond gets here, we will start with the next hearing. I will open the hearing on Senate Bill 281 (1st Reprint).

[Senate Bill 281 \(1st Reprint\)](#): Revises provisions governing dismantling of certain vehicles. (BDR 40-590)

**Senator Scott T. Hammond, Senate District No. 18:**

This came to my attention as a result of Mr. Hardy's diligent work. It is not much of a bill, but he would like to talk about why we needed to bring this forward. I will turn it over to Mr. Hardy so you can ask him questions.

**Warren B. Hardy II, representing Nevada Pic-A-Part:**

In the years that I have been doing this, I realize there are a lot of unintended consequences in statute. This is a piece of legislation that is designed to address one of those unintended consequences.

Nevada Pic-A-Part, for those of you who may not be familiar with that industry or business, is a business that basically purchases end-of-life vehicles. In other words, they are vehicles that no longer have any use for private ownership or driving. They are essentially a used parts store where the vehicles are stored and there is a database of what is there. You can go in and tell them that you need an alternator for a 1972 Nissan pickup and go pull the part off of the vehicle, pay for it, and be about your business. It is an extremely important business offering for a lot of folks because you can buy a perfectly good used part for a fraction of the cost you would pay at a parts store.

The business model is that these vehicles will go on our lot for 30 to 45 days until they have been picked over, then they become scrap metal. Several years ago, we learned that, technically, under statute these end-of-life vehicles that are used for our purposes are defined as solid waste. The problem with that is when they are defined as solid waste, the Clark County Health Department is technically required to regulate them as solid waste facilities, which is essentially a landfill. A couple of years ago they reached out to us and said we—in my words—were killing a fly with a piece of plywood, but the statute lists you as a solid waste facility, so we have to regulate you as a solid waste. I suggested we chat with the Legislature and see if we could clear this up rather than overregulate an industry that is providing a service to the public.

That is what this bill does. It removes the vehicles that we deal with from the definition of solid waste. Solid waste is obviously what goes to a landfill. Solid waste should appropriately be very heavily regulated for what happens there. To require a closure plan and all of the other things in statute for what we are doing with these vehicles is overregulation. Dr. David Christensen, who is one of the owners of Smith Christensen Enterprises which owns Nevada Pic-A-Part, is in Las Vegas to help answer questions I am unable to answer. The thing that I want to emphasize for the Committee today is that nothing in this bill proposes to eliminate in any way, shape, or form the regulation that is currently occurring in our industry. We would argue that the regulations that are currently occurring in our industry are appropriate, and it is significant regulation. We are regulated by the fire department for pallets, tires, fluid storage, dismantling torches, and other systems. We are required to get a clean-air permit. We are required by the U.S. Environmental Protection Agency to deal with our storm water. Every drop of water that flows off our facility is required to go through an oil/sand separator. The Southern Nevada Health District has significant regulations on what we do with the disposal of fluids that we take out of the vehicles, the batteries, and any other potentially hazardous materials. We have to keep very scrupulous records on what is done with all of that. In other words, the public is protected under current law.

In my opinion, the Southern Nevada Health District, by their neutral position on this, agrees that trying to regulate us as a solid waste facility is significantly overregulating the industry for what we do. When we are finished with the vehicle, it becomes solid waste because then it has the potential to end up in the landfill. The folks who we send it to, who are scrap metal shredders and recyclers, are licensed as solid waste facilities. We believe that is appropriate. We think that if the Southern Nevada Health District—or any health district—were to try to regulate these used parts stores as a solid waste facility, it would be significant overkill.

We received good support on this in the Senate where it passed unanimously. We offered one amendment for folks who possess similar vehicles in a salvage pool scenario. That is an insurance salvage pool where they take the vehicles. It is one of the places where we buy vehicles. They are similarly situated in terms of the need for regulations.

I probably made this more complicated than it needed to be. This is a bill we believe will not require the overregulation of an industry that is already significantly regulated for public safety.

**Assemblywoman Titus:**

You answered most of my questions about the fluids, and you are already well regulated. Many of these cars that are wrecked are modern cars with whole computer packages on them. Are there separate regulations on recycling those? What are you doing now with the new items in cars?

**Warren Hardy II:**

Much of that is not really a public safety issue. The computers, obviously, are very valuable. If you go to a parts store, those parts can be \$1,000, or you can pick them up from us for a couple hundred dollars. In addition, much of the material that is in there is highly sought after as a recyclable material. I also represent a company called SA Recycling that actually gets these vehicles when they are no longer valuable for parts. They have some very sophisticated methods for recycling a lot of those valuable components that are in there. That is not regulated except to the extent that there are public safety issues. I should have brought more detail on how much we are regulated on anything that is of hazardous material. We are audited all of the time and the fines are significant if we are out of line.

**Chair Oscarson:**

Are there any other questions? Seeing none, is there any testimony in support of S.B. 281 (R1)?

**David Christensen, Owner, Nevada Pic-A-Part:**

I know this is a very important bill for us. We are heavily regulated. Mr. Hardy has given a correct picture of our situation, and I am in support of this bill.

**Chair Oscarson:**

Is there any other testimony in support? Seeing no one, is there any testimony in opposition? Seeing no one, is there any testimony in neutral? Seeing no further testimony I will now close the hearing on S.B. 281 (R1). We will open the hearing to public comment. Seeing no further testimony, I will close this hearing and this meeting is adjourned [at 2:02 p.m.].

RESPECTFULLY SUBMITTED:

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Karyn Werner  
Committee Secretary

APPROVED BY:

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Assemblyman James Oscarson, Chair

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

**EXHIBITS**

**Committee Name:** Assembly Committee on Health and Human Services

**Date:** April 22, 2015

**Time of Meeting:** 1:35 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster