

**MINUTES OF THE MEETING OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND
SENATE COMMITTEE ON FINANCE
SUBCOMMITTEES ON HUMAN SERVICES**

**Seventy-Eighth Session
April 16, 2015**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on Human Services was called to order by Chair James Oscarson at 8:06 a.m. on Thursday, April 16, 2015, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website: 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; telephone: 775-684-6835).

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblyman James Oscarson, Chair
Assemblywoman Jill Dickman, Vice Chair
Assemblyman Derek Armstrong
Assemblywoman Maggie Carlton
Assemblyman John Hambrick
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Michael C. Sprinkle
Assemblywoman Robin L. Titus

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Mark A. Lipparelli, Chair
Senator Ben Kieckhefer
Senator Debbie Smith



STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Stephanie Day, Principal Deputy Fiscal Analyst
Karen Hoppe, Senior Program Analyst
Catherine Crocket, Program Analyst
Karen Daly, Committee Secretary
Cynthia Wyett, Committee Assistant

Following call of the roll, Chair Oscarson opened public comment.

Bill Welch, President and Chief Executive Officer, Nevada Hospital Association, presented [Exhibit C](#), "Medicaid Budget — Hospitals' Perspective." Mr. Welch said his remarks would address the portions of the proposed Nevada Medicaid budget [budget account (BA) 3243] that affected Nevada hospitals and their ability to provide services to Nevada citizens. He indicated that he would also present a request for additional funding.

Mr. Welch provided a comparison of the proposed Nevada Medicaid budget from the state's perspective and from the hospitals' perspective. He recalled that in 2008, hospitals had received a 5 percent rate reduction, which had never been restored because of the state's effort to balance the budget during funding shortfalls. As part of the budget reconciliation process, the state had swept the Indigent Supplemental Account (ISA) funds of approximately \$25 million annually. Prior to that time, the ISA funds had been paid directly to hospitals that provided care to uninsured individuals with catastrophic medical expenses who could not qualify for Medicaid and had no insurance. In 2013, the Legislature released ISA funds to restore funding for its original purpose and to initiate several programs, including a new Medicaid supplemental payment program. The new Medicaid supplemental payment program would generate about \$30 million annually for hospitals. However, said Mr. Welch, the additional benefit to hospitals was only about \$10 million per year, because a portion of the funds that had historically been received as direct payments for indigent-related services were being redirected to the Medicaid supplemental payment program and used as matching funds. In addition, the funding levels in the Medicaid supplemental payment program had not addressed the years when the Indigent Supplemental account had been swept and not used for its intended purpose. Mr. Welch said that he appreciated that funding had been restored and would continue in the next biennium.

Additionally, Mr. Welch explained that there had been an increase in the general acute-care psychiatric hospital rates. That was in response to the crisis situation regarding the availability of acute-care beds for psychiatric patients. The rate increases had accomplished several things:

1. Hospitals with inpatient general acute psychiatric beds had expanded bed capacities.
2. Some hospitals had opened or considered opening additional inpatient general acute psychiatric services.
3. The state was provided access to freestanding psychiatric beds for the managed care Medicaid population, which was significant in addressing the needs of that patient population.

The Medicaid base budget included an adjustment for neonatal intensive care unit (NICU) payments. Mr. Welch pointed out that an administrative system change, which had occurred seven years earlier, had caused a decrease in the hospital reimbursement rate for Level II neonatal care. The Nevada Hospital Association (NHA) had worked with the state to correct the NICU reimbursement rate in 2015. He emphasized that the funding change was a payment correction and not a payment enhancement.

Mr. Welch stated that the proposed budget included a request for a 2.5 percent rate increase in the Medicaid hospital reimbursement rate in the second year of the biennium. That rate increase would be appreciated by the hospitals, but would not move the NHA forward in resolving the challenges ahead; in fact, the 2.5 percent increase was less than the average cost inflation for Nevada hospitals.

Mr. Welch noted that the charts on page 5 of [Exhibit C](#) represented 2013 budget figures and showed the funding sources for Medicaid hospital service costs totaling \$278.3 million. The pie chart showed that the real costs for providing hospital services to Medicaid patients was \$527.1 million. According to Mr. Welch, hospitals were asked to absorb \$248 million of uncompensated costs for services provided, which was an unsustainable situation.

Mr. Welch referred to page 7 of [Exhibit C](#), explaining that the blue line on the chart represented Nevada Medicaid rates from 1993 through 2014. Current

reimbursement rates were comparable to 2001 levels; however, costs had increased 57 percent over that time.

The information provided on page 8 of [Exhibit C](#) compared Nevada hospital expenses per adjusted inpatient days to the national hospital expenses and various regional hospital expenses for 2012:

- Nevada \$1,993
- United States \$2,301
- Mountain Region \$2,421
- California \$3,025
- Pacific Region \$3,060

Mr. Welch believed that Nevada hospitals could expect an increase in uncompensated costs for Medicaid in the future. The numbers presented on page 9 of [Exhibit C](#) were based on the state's projected caseloads with a 3.4 percent inflationary adjustment, which was below the national medical consumer price index. In 2013, Nevada hospitals had nearly \$248.8 million of uncompensated Medicaid costs, and by 2017, NHA projected nearly \$556.8 million of uncompensated Medicaid costs annually. This was more than the hospitals were projected to absorb in the current biennium. Mr. Welch was adamant that no industry could sustain operations if it was being reimbursed less than the cost to operate.

Mr. Welch said that he had been asked whether hospitals would be better off with expanded Medicaid. The graph on page 12 of [Exhibit C](#) showed that in fiscal year (FY) 2013, Nevada hospitals experienced approximately \$776 million in uncompensated costs for Medicaid and uninsured populations combined. It appeared that in 2014, the situation for Nevada hospitals would improve. The total uncompensated costs would be about \$734 million or \$42 million less than the previous year. That was due to the startup of the Silver State Health Insurance Exchange (SSHIX) and the Medicaid expansion program. By FY 2015, there was projected to be \$849 million per year of uncompensated costs. By FY 2017, the projection rose to \$932 million per year. Mr. Welch reiterated that those costs were unsustainable.

Another question often asked, said Mr. Welch, was whether hospitals received other payments to offset the unfunded costs of care. Page 13 of [Exhibit C](#) showed some additional funding streams provided to hospitals, such as the Medicaid supplemental program, the disproportionate share program, the public

upper payment limit (UPL), the private UPL, and the Indigent Supplemental Account. When combined, these programs provided about \$195 million over the biennium in payments to the hospitals: \$138 million to University Medical Center (UMC) of Southern Nevada and \$57 million to the remaining hospitals. However, the projections on page 14 of [Exhibit C](#) indicated that hospitals would be reimbursed approximately 47 percent of costs. The Medicaid supplemental payments accounted for another 9 percent of costs, bringing the total reimbursement to 56 percent of the services provided. Nationally, hospitals were reimbursed 89 percent of costs through direct Medicaid rates and the supplemental programs.

Mr. Welch said that the supplemental programs generated approximately \$85 million for the State General Fund. In addition, the state was not required to match funds, which was a benefit to the hospitals and the state.

According to Mr. Welch, if there were no fiscal changes in the next biennium, hospitals would be asked to absorb \$1.07 billion in uncompensated costs of care for the Medicaid population as shown on page 18 of [Exhibit C](#).

The Nevada Hospital Association requested a Medicaid rate increase of 10 percent in FY 2016 and an additional 10 percent in FY 2017, which would result in an increase of \$53 million in the budget. This proposal increased the reimbursement for services to 55.4 percent of costs ([Exhibit D](#)).

In closing, Mr. Welch stated that access to healthcare was not only about money, but also about policies. There were two primary ways to assure that Medicaid recipients had an adequate provider network with access to care: simplification of the process and rate increases. Mr. Welch emphasized that the NHA was anxious to work with other stakeholders and the state to evaluate and develop strategies.

Senator Kieckhefer wanted to confirm that in the presentation Mr. Welch was referring to the costs to the hospitals and not to billed charges.

Mr. Welch responded that he was referring to the costs NHA incurred to provide the service and not the hospital billed charges.

Assemblywoman Titus commented that even though the number of Medicaid patients had increased, there would not be additional access to care.

There being no additional testimony to come before the Subcommittees, Chair Oscarson closed public comment. The Chair opened the budget hearing for the Department of Health and Human Services (DHHS).

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF CHILD AND FAMILY SERVICES
HHS-DCFS – JUVENILE CORRECTIONAL FACILITY (101-3148)
BUDGET PAGE DHHS-DCFS-71**

Amber Howell, Administrator, Division of Child and Family Services (DCFS), Department of Health and Human Services, provided [Exhibit E](#), "Summit View Youth Correctional Center 2016-2017 Budget Amendment Presentation," and advised that the Nevada Youth Training Center (NYTC) in Elko had 60 beds and the Caliente Youth Center (CYC) had 140 beds both centers were currently open and operated by the state. There was a current population of 133 at CYC and 60 at NYTC. The census of both facilities was listed on page 22 of [Exhibit E](#), along with a five-year trend.

Page 6 of [Exhibit E](#) provided an overview of Summit View Youth Correctional Center (SVYCC), a male maximum-security youth correctional facility. The SVYCC was located on 13 acres in North Las Vegas. Ms. Howell said that an update would be provided on the recent changes to the operation of the facility and the corresponding budget. After reaching an amicable agreement to end the contract and to discontinue services with the vendor, Rite of Passage, 44 youth were successfully transferred from the facility by March 11, 2015, leaving the facility vacant.

Ms. Howell provided the history of the facility, including the openings and closings, funding and construction, and future debt responsibilities. The history of the facility was as follows:

- On July 16, 1997, the 1997 Legislature authorized \$15 million for the financing and construction of the 96-bed secured facility. The SVYCC was financed with tax-exempt general obligation bonds. On July 1, 2017, the last annual payment of approximately \$1.3 million would be made.
- On June 1, 2000, the facility was opened and operated by an independent contractor, Youth Services International (YSI).

- In September 2001, there was a notification of the cancellation of the contract with YSI, and by January 31, 2002, the youth were removed from the facility.
- In March 2002, SVYCC was officially closed.
- On January 26, 2004, the SVYCC reopened as a state-owned and state-operated facility, which remained open until 2010.
- During the 26th Special Session (2010), the Legislature approved the closure of SVYCC effective May 1, 2010, for budgetary reasons.
- Following the 2011 Legislature, the Nevada Supreme Court's Commission on Statewide Juvenile Justice Reform was formed and recommended that the state be responsible for a deep-end commitment system of placement using the regionalization concept. The Commission supported the reopening of SVYCC with a private contractor.
- On July 9, 2013, the independent contractor, Rite of Passage (ROP), was approved.
- In October 2013, the SVYCC was reopened.
- In December 2013, state custody youth placements to SVYCC began.
- On March 9, 2015, the SVYCC closed.
- On April 9, 2015, DCFS was approved to receive contract fund allocations for the payment of beds to be moved from the Contracts category to the Readiness category to purchase equipment and repair damages to the facility.

Ms. Howell announced that September 1, 2015, was the anticipated reopening date of SVYCC under state operation and control. She said DCFS would provide the deep-end care and placement options for the youth close to their homes, coupled with the most appropriate placement needs based on their treatment. The DCFS was currently able to provide funding for transportation and increased family visitation for youth relocated as a result of the closing of the Red Rock Academy at Summit View. The importance of family involvement

and preservation of family connections was a critical component to rehabilitation.

Ms. Howell advised that decision unit Enhancement (E) 225 for one maintenance repair specialist and decision unit Maintenance (M) 425 for deferred maintenance had not been altered and remained part of the Governor's recommended budget.

Ms. Howell pointed to the comparison between the Governor's recommended budget and the budget amendment on page 11 of [Exhibit E](#). Category 01, Personnel Services, and category 10, Private Contracts, were the most affected. The overall increase for the biennium was \$2,734,516, less the one-shot funding of \$604,455, for a net increase of \$2,130,061. Category 09, Transfer to Debt Service Fund, included the upcoming bond payments of \$1,338,238 in fiscal year (FY) 2016 and \$1,341,875 in FY 2017.

Ms. Howell reported that on April 9, 2015, DCFS had requested, through the Interim Finance Committee (IFC), to move \$674,912 to category 12, Summit View Readiness. The one-shot funding of \$604,455 for Summit View Readiness that was provided in FY 2015 would decrease the funding needed in FY 2016.

Page 12 of [Exhibit E](#) displayed a side-by-side comparison between the costs in budget account (BA) 3148, SVYCC [Juvenile Correctional Facility], and BA 3259, Nevada Youth Training Center. The youth populations of SVYCC and NYTC were similar, and the difference in the biennium costs between the two facilities was \$1,532,621. Ms. Howell noted that the main funding difference was that NYTC paid the school costs within the facility, and SVYCC did not pay those costs.

Ms. Howell proposed a staff phase-in plan for SVYCC. Sixteen staff members were scheduled to begin on July 1, 2015, and the remaining 43 positions were anticipated to be filled by August 1, 2015. The proposed start dates for staff were detailed on page 13 of [Exhibit E](#), as well as a comparison of staffing at SVYCC and NYTC. As of August 1, 2015, NYTC would have 86 full-time-equivalent (FTE) positions with 40 group supervisors, and SVYCC would have 62 FTE positions with 36 group supervisors. She emphasized that the staff ratios were important for federal Prison Rape Elimination Act (PREA) compliance. The most critical positions at SVYCC were anticipated to begin on July 1, 2015, so that the facility could be

reopened with hired and trained staff, rather than waiting until August 1, 2015, leaving just 30 days to complete the process.

Ms. Howell explained that category 12, Summit View Readiness, listed detailed costs of \$604,455 for facility repairs and startup costs. She said the budget category and payment processes were identical to those outlined during the 2013 Legislature. The payments and history of invoices would be tracked in the state's payment system, which would be a continuing practice to allow for transparency and tracking expenses at SVYCC.

Ms. Howell explained that DCFS was proposing to contract for the following services:

- Medical contracts for a psychiatrist, a psychologist, and a medical practitioner.
- Nonmedical contracts for basic youth medical services, dental services, and medical supplies and medication.

Ms. Howell said during the 2013 Legislature, there were discussions about a hybrid approach, and many of the ideas and concepts that were suitable had been used for reopening SVYCC.

The projected costs described by Ms. Howell would be \$116,044 in FY 2016 and \$127,232 in FY 2017 for the psychiatric and medical services. The projected costs for the nonmedical and dental services would be \$65,002 in FY 2016 and \$64,824 in FY 2017. She explained that the services were requested to be purchased by contracts to decrease delays in needed critical services because of vacancies.

Ms. Howell explained that the hybrid approach would be expanded further with mental health and substance abuse services. She said that DCFS was proposing three contracted mental health counselors and one contracted substance abuse counselor to avoid delays because of vacancies or lack of service capacity.

Ms. Howell addressed the educational component for SVYCC. The DCFS had been in discussions with Clark County School District (CCSD) to plan for the anticipated operation of SVYCC. The CCSD had committed to continue to administer the educational component for nine months every year, which

included the adult education program. She further explained that DCFS had budgeted \$33,000 per year for the summer school program; CCSD had committed to providing the summer school program, but DCFS would be responsible for those costs.

Ms. Howell said the miscellaneous costs DCFS required for the startup of SVYCC included uniforms for staff, clothing for the youth, transportation, and food. These categories for CYC and NYTC were considered to develop an average cost for the reopened facility.

The information technology costs were associated with providing standard computer and technology needs for SVYCC. Ms. Howell emphasized the security system costs were unknown because of needed repairs. Quotes for the security system had been requested. She thought that DCFS would be able to pay for those items, which totaled \$59,444, from category 12, Summit View Readiness. Ms. Howell said that training and programming costs associated with the treatment of youth at SVYCC were projected to be \$15,985.

Referring to page 22 of [Exhibit E](#), Ms. Howell pointed out that the chart included youth population figures at NYTC and CYC, as well as the population at Red Rock Academy when it was operational. Because of the closure of Red Rock Academy, there had been a population spike at CYC and NYTC in FY 2015. In summary, Ms. Howell stated that Nevada had a need for a program of this type to provide deep-end correctional care for youth. She emphasized that taking SVYCC offline could cause a service capacity problem and DCFS would work hard to reopen the facility if approved and supported by the Subcommittees.

Assemblywoman Titus asked what was being done differently for the reopening of SVYCC compared to the approaches used in the past.

Ms. Howell responded that this would be the second time DCFS went through the process of reopening the facility. She said that a heightened amount of monitoring, transparency, and feedback should work for the facility, and to be successful, there should be strict monitoring and corrective action in place. She believed that the contract route could work, because there would be numerous intervention points and a monitor would be onsite to point out deficiencies, which should be helpful.

Responding to an inquiry from Assemblywoman Titus, Ms. Howell said there had been similar state versus contract programs in other states where support was available when needed. A PREA audit had been conducted at NYTC that provided positive feedback. Other facilities would have standards put into place as a result of the audit.

Assemblyman Armstrong requested further clarification regarding the funding for SVYCC. The Interim Finance Committee (IFC) approved a one-shot appropriation of \$674,912 in April 2015. Assemblyman Armstrong noted that page 11 of [Exhibit E](#) showed that the budget amendment for the upcoming biennium had a difference of \$2,130,061. However, Fiscal Analysis Division staff indicated there had been a request for an additional \$3.2 million in State General Fund appropriations over the biennium.

Ms. Howell replied that at the April 2015 IFC meeting, DCFS had asked for \$674,912 to be placed in category 12, Summit View Readiness. Ms. Howell indicated that the funding was to be used for startup costs and uniforms for SVYCC staff. The overall operating costs in the budget, according to Ms. Howell, were \$2,734,516, minus \$604,455. She stated that the requested increase of \$674,912 and the one-shot appropriation of \$604,455 for FY 2016 were almost duplicative. She emphasized that the funds expended in FY 2015 for the reopening of SVYCC would reduce the need for subsequent funding in FY 2016 and would eventually result in a decrease to the proposed budget of \$2,734,516.

Karen Hoppe, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said she would clarify the reconciliation between the \$2,734,516 shown on page 11 of [Exhibit E](#) and the notation from staff regarding the requested \$3.2 million General Fund appropriation. She explained that there was a difference of \$416,406, because the vendor category was budgeted to reimburse DCFS for that amount in utility costs. However, those reimbursements would no longer be received by DCFS and, therefore, approximately \$3.2 million in General Funds would be required.

Assemblyman Sprinkle asked about the hybrid concept that included both state employees and contracted services staff. He wondered whether individual services would be contracted out, but the facility would be managed and run by state employees for the youth who resided in the facility. He said one of the problems in the past had been the day-to-day management and oversight of the youth, which would remain the state's responsibility.

Ms. Howell stated that Assemblyman Sprinkle was correct. The proposed service vendors would be contracted by DCFS, and the agency would be the holder of the contract and could make necessary changes. In addition, the direct-care line staff, leadership, and maintenance would be handled by state employees.

Assemblyman Sprinkle asked for further details regarding the management of the youth in the facility. There had been past discussions about hiring correctional staff at SVYCC because it would be considered a maximum-security youth facility. He wanted to know what would be different regarding the oversight of the youth on a minute-by-minute basis to avoid situations such as the past destruction at the SVYCC facility.

Ms. Howell responded that in the hybrid model for SVYCC, the staff, management, and superintendent would be supervised by the Administrator of DCFS and Steve McBride, Deputy Administrator, Juvenile Services, Division of Child and Family Services. She said there would be greater accountability with increased monitoring, and the agency could intervene more quickly to ensure a safe environment for the youth in SVYCC. She advised that training would be provided to the staff to minimize vacancies.

Regarding past problems in the facility, Ms. Howell said DCFS was reviewing staff ratios to ensure appropriate supervision levels. She explained that lower staff ratios would ensure that proper supervision could be maintained. She said that DCFS had adopted many of the staff ratios using the PREA formula to assist with the supervision component of the facility. In the past, the state had managed SVYCC with an inadequate number of staff. Ms. Howell said that reducing the youth to staff ratios in the facility might allow staff to better monitor the youth.

Assemblyman Sprinkle asked whether the staff training would be at an appropriate level for supervision of the youth.

Steve McBride, Deputy Administrator, Juvenile Services, Division of Child and Family Services, Department of Health and Human Services, responded that staff training was a pillar for effective operation in any correctional program. He advised that the structure and training regimen at CYC and NYTC would be successful and effective when followed according to policy, and DCFS was devoted to providing continuous structure and training to the staff in other facilities. He stated that the supervision element would be the foundation for

DCFS to focus its attention and efforts on the opportunity to restart SVYCC, as well as to make the necessary facility adjustments.

Assemblywoman Carlton asked whether SVYCC would be run as a correctional facility or a treatment center, and Ms. Howell responded that SVYCC would be run as a correctional facility.

Assemblywoman Carlton asked whether correctional officers would be on staff at the facility, and Ms. Howell said that the DCFS positions would be group supervisors rather than correctional officers.

Assemblywoman Carlton said she was concerned that the proposed positions at SVYCC were not correctional officers. She said that SVYCC was considered a prison, and the youth in the facility were criminals. She believed that for the protection of the youth in the facility, the DCFS staff would not have the experience to run a prison. She reiterated that the problems in the past with SVYCC occurred because staff had not been properly trained to run a prison. If correctional officers were not in charge of the facility, she was concerned that DCFS would continue to struggle to find a solution to the problem. Further, she added that the youth needed to be protected from one another and from themselves, but the youth would need to receive treatment services as well. Because of past discussions, Assemblywoman Carlton had anticipated that the group supervisor positions would be category III peace officers.

Mr. McBride stated that he understood Assemblywoman Carlton's concerns, but the youth in the state correctional system currently and historically had been supervised with the group supervisor classification for staffing, training, and scheduling purposes. He acknowledged that Assemblywoman Carlton was correct that category III peace officers were not operating the juvenile correctional facilities. He stated that through proper training in crisis management, and by using evidence-based practices of operation with new programming and training interventions, structure, policy, and accountability, DCFS could adequately protect the youth within the facility, the community outside the facility, and the SVYCC staff working with the youth.

Assemblywoman Carlton recalled that in previous conversations, SVYCC was considered a correctional facility, and the hybrid model would have both corrections and treatment elements. She stated that without the corrections component within SVYCC, there would be serious concerns, and perhaps a new discussion would need to occur.

Chair Oscarson asked whether DCFS could provide the Subcommittees with a comparison between the group supervisor positions and the category III peace officer positions, including the standard requirements and training, which would point out the differences between the two classifications. He said that there could be a significant increase in the costs between the category III peace officers and the group supervisors assigned to SVYCC. He added that he shared Assemblywoman Carlton's concerns about past practices that had not been successful.

Assemblywoman Kirkpatrick noted that the facility was located in her district in North Las Vegas, and she had received numerous calls from constituents about the facility. She recalled previous conversations about the youth in SVYCC and the safety of the community. She stated that there were 36 group supervisor positions proposed for 48 beds, so the staff-to-client ratio would be 1:33. She commented that for youths to be successful, the facility would be required to provide structure, boundaries, and access to social services.

Assemblywoman Kirkpatrick wanted to know what role the group supervisors would play within the facility. She asked the agency to explain the duties of the group supervisors and how the positions could be hired quickly and trained prior to the reopening of the facility. She commented that DCFS had to employ the appropriate positions in the facility, or the attempt to reinvest in and reopen SVYCC would not be beneficial. She was concerned about the Clark County youth and wanted them to be closer to their families, which entailed opening SVYCC for the third time.

Assemblywoman Kirkpatrick asked what would happen if the current attempt to reopen SVYCC was not successful, and if the facility was reopened, whether the Legislature would continue to be part of the process.

Mr. McBride responded that before the group supervisors at CYC and NYTC had individualized interaction with the youth at the facility, the employees would be required to participate in a training academy. The academy provided comprehensive training regarding the duties and responsibilities of the group supervisor classification. He said that the academy would cover crisis intervention, verbal de-escalation, and confidentiality, which were the foundation for successful supervision and interaction with juvenile offenders. He said security was the primary focus and criteria for the category III peace officers, and security was included in group supervisor training. However, he emphasized, the group supervisor positions would not attend a formal

Peace Officers' Standards and Training (POST) Commission-certified training academy. He advised that he did not know what the category III peace officers received in formal training for adolescent offenders, and the agency would research the training and provide that information to the Subcommittees.

Mr. McBride explained that the training was tailored specifically to the youth population being served, and the current approach had been successful at the other two facilities. The youth at CYC and NYTC were the same type of clients that would be served at SVYCC. The DCFS staff at CYC and NYTC were effectively managing the populations with the training received through the academy. He stated that DCFS was continually attempting to enhance and support growth and development in the various training areas.

Assemblywoman Kirkpatrick commented that there needed to be a solution to the problem of the facility, and hiring new group supervisors might not be the appropriate solution. She said that experienced employees needed to be hired at SVYCC to set the expectations at the outset for the youth, so they would have boundaries. She believed there should be further consideration given to hiring long-term and more experienced employees at the facility, which could be split between category III peace officers and group supervisors. She emphasized that the youth had been through experiences that the members of the Subcommittees had not experienced. The youth needed proper social interaction to remind them that they were still children who needed boundaries. She reiterated that if more experienced correctional employees were not hired with the group supervisors, the agency would once again be planning for the facility to fail. By having both classifications within the facility, a balance could be created for the youth. Further, she added that the Legislature should continue to monitor the situation, and if the problems were not resolved at SVYCC, she would be getting phone calls from her constituents.

Assemblywoman Kirkpatrick asked DCFS to explain how it was going to hire the necessary people and be ready by July 1, 2015, which was a quick turnaround for putting the paperwork through the Division of Human Resource Management, Department of Administration. She reiterated that was why more experienced employees needed to transfer into the facility prior to opening.

Ms. Howell responded that the paperwork had been completed for the proposed staff, and recruitment of the positions could now begin; a hire date would be provided to the Subcommittees. The critical positions would be hired on July 1, 2015, and would attend training through the academy.

The DCFS would need to establish a more aggressive recruitment plan before the second set of positions would be funded.

Ms. Howell emphasized that DCFS wanted to hire individuals who were more experienced and wanted to compensate them appropriately. The positions were included in the budget to start at a step five. There could be other variations between step one and step ten, with the agency making adjustments as necessary. She said the flexibility would help with recruitment and retention, as well as provide the ability to hire individuals with experience. The agency would need to be specific regarding the position class specifications. If DCFS changed the classification to a category III peace officer, the agency would need to review those class specifications. She said the recruitment plan for hiring personnel was robust and aggressive.

Assemblywoman Kirkpatrick asked for details regarding the supervision plan and where the 36 Nevada youth would be placed. In the past, she said there had been problems with youth from outside the jurisdiction. For example, there was a difference between a 19-year-old who had been in the system for some time and a 13-year-old who was in the facility for the first time.

Ms. Howell responded that DCFS would provide the Subcommittees with a supervision plan and a chart with a summary of the staffing.

In response to Assemblywoman Kirkpatrick's inquiry, Ms. Howell explained that the agency had not considered accepting youth from out of state. The Nevada Supreme Court's Commission on Statewide Juvenile Justice Reform had determined the number of beds for Nevada youth in SVYCC was 50. The Division was proposing 48 beds because of the facility design, and the agency did not anticipate expanding beds or services to other states until the situation at SVYCC was resolved.

Chair Oscarson commented that SVYCC had a bad reputation in the past. If the assembly and Senate finance committees decided to appropriate the funds, the facility would be reopened and standards would need to be established for the facility. He questioned how that might be accomplished without trained and certified correctional personnel. The Division could not afford another failure at the facility.

Senator Smith asked whether the positions of the assistant superintendent and the facility supervisor would continue in the facility, and Ms. Howell stated that was correct.

Senator Smith wanted further justification for the positions to remain at the facility and questioned why the agency planned to continue with the existing supervision in light of past failures.

Ms. Howell responded that the superintendent position was not currently filled and would be a new hire.

Senator Smith asked why the assistant superintendent and the facility supervisor were reflected as existing staff rather than as new hires.

Ms. Howell responded that there were existing staff in those positions; however, the agency had not determined whether those particular individuals would go to SVYCC. In addition, she said that DCFS would need to develop the hierarchy and structure for the facility, but not necessarily by using the individuals that were currently in those positions.

Assemblywoman Dickman asked whether the pay for a group supervisor position at the step five level would be equivalent to that of a correctional officer. She commented that young people in the facility needed strong correctional support, and she asked whether it would be possible to fill a portion of the group supervisor positions with correctional officer classifications.

Ms. Howell responded that the agency would complete an analysis and provide that information to the Subcommittees.

Assemblywoman Dickman noted that the National School Lunch Program had federal reimbursements for CYC and NYTC, and she asked whether SVYCC would be providing that program as well.

Ms. Howell responded that DCFS was working with the National School Lunch Program and the State Department of Agriculture to ensure that there would be federal reimbursements.

Assemblywoman Dickman asked whether the agency would get the National School Lunch Program into the facility in time for the opening of the facility.

Ms. Howell responded that the Division was in the process of working with the National School Lunch Program and was optimistic that it would be in place by the opening of the facility.

Assemblywoman Titus agreed with Assemblywoman Carlton and Assemblywoman Kirkpatrick that there was a need for improved supervision at SVYCC. She stressed that there would be consequences if there was little supervision on site. It was important to avoid a repeat of the previous situation.

Chair Oscarson closed the budget hearing on BA 3148 and opened the work session for the Division of Child and Family Services, Department of Health and Human Services.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF CHILD AND FAMILY SERVICES
SPECIALIZED FOSTER-CARE (SFC) PROGRAM**

Karen Hoppe, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that she would guide the Subcommittees through a work session on the request from the Division of Child and Family Services (DCFS) for the specialized foster-care (SFC) program. The request was from three budget accounts: Clark County Child Welfare, budget account (BA) 3142, Washoe County Child Welfare, BA 3141, and Rural Child Welfare, BA 3229. The request was for a total of approximately \$12.9 million, with \$8,661,617 in State General Funds to carry out the program in the three child-welfare agencies.

Ms. Hoppe advised the Subcommittees that the Interim Finance Committee (IFC) approved a pilot program for the SFC program during fiscal year (FY) 2013, FY 2014, and FY 2015. The pilot program was funded with a General Fund transfer from basic skills training (BST) funding from the Nevada Medicaid budget (BA 3243). There was a stipulation that pilot providers could not bill Medicaid for BST services that were provided. She said the providers would instead be paid a higher daily rate. The funding method was intended to address the dramatic increase in BST services billed by providers, with no corresponding improvements in outcomes, and to provide youth with additional services, such as clinical/behavioral health, rehabilitation, and crisis intervention. Pilot foster parents could receive training in supportive education as well.

Ms. Hoppe pointed out that DCFS had reported improved outcomes for the children in the pilot program, including decreases in the following areas: number of placement disruptions, number of inpatient hospitalizations experienced by a youth, and the number of psychotropic medications prescribed to a youth.

Ms. Hoppe reiterated that the pilot program was funded with a transfer of BST funding appropriations from the Nevada Medicaid budget, and the pilot had no net effect on the General Fund.

Fiscal Analysis Division staff had inquired whether the General Fund costs of the full operation would be offset by corresponding reductions to General Fund appropriations in the Nevada Medicaid budget, as was the case during the pilot. Ms. Hoppe noted the agency reported that the Nevada Medicaid decision unit Enhancement (E) 232 had reduced the BST costs related to the pilot, and the net effect on General Funds would be \$6,544,005.

Ms. Hoppe explained that DCFS testified at the February 26, 2015, budget hearing that Medicaid claims for all pilot participants were analyzed before, during, and after the pilot. The agency concluded that pilot participants showed a 72 percent decrease in Medicaid costs. However, staff noted that a corresponding decision unit to reflect the reductions in Medicaid costs had not been included in The Executive Budget. She pointed out that if the reductions occurred as recommended by the Governor, the total cost to the General Fund over the biennium would be \$6,544,005.

Ms. Hoppe stated that DCFS indicated the program funding was based on costs that the Washoe County Department of Social Services (WCDSS) and the Clark County Department of Family Services (CCDFS) had determined would be required for their communities. As a result, some of the rates for providers would be different, depending on whether they were located in northern or southern Nevada. The funding for the urban counties was recommended at 50 percent in FY 2016 and 100 percent in FY 2017.

Ms. Hoppe said that the request for WCDSS in BA 3141 was \$5,398,951 and included \$3,691,131 in General Funds. Four new positions were requested in FY 2016 and an additional four in FY 2017.

Ms. Hoppe advised that the request included higher payments for providers caring for the children. There would be two tier levels: \$40 per day and \$115 per day based on the acuity of the population as determined by WCDSS.

For comparison purposes, she said the average foster-care provider rate paid by WCDSS was \$28.94 per day.

Ms. Hoppe advised that Fiscal Analysis Division staff questioned whether the request from WCDSS would include only the incremental portion of the higher level of care rate for provider payments. Because the regular rate was paid to providers, she added that it would already be included in the block grant funds. The DCFS and WCDSS concurred with the analysis and agreed that the average foster-care rate of \$28.94 per day should be subtracted from the either the \$40 per day or \$115 per day rate. With these lower rates, Ms. Hoppe said the \$5,398,951 would be reduced over the biennium to \$3,255,368. With this change, the full cost for the WCDSS request would be \$15,762 per child for the projected 136-child population.

Ms. Hoppe reported that CCDFS asked for eight new positions continuing in both FY 2016 and FY 2017, including the additional provider payments.

Ms. Hoppe advised that CCDFS had requested a four-tier provider payment level for the population: \$44, \$52, \$63, and \$100 per day. As with WCDSS, the number of children in each tier would be determined by Clark County based on the acuity of the population. For comparison purposes, she reported that the highest provider payment for family foster care in Clark County was \$25.37 per day. The projected population of children to be served by the program in Clark County was 395, resulting in a cost of \$10,250 per child in BA 3142 as recommended by the Governor. Fiscal Analysis Division staff noted that the CCDFS had only requested the incremental portion of the provider payment in excess of the regular foster-care rate. Therefore, a technical adjustment would not be required for the request.

Ms. Hoppe advised that the next request for Rural Child Welfare, BA 3229, was for \$1,005,415 over the biennium. The request included eight new positions with associated costs. There was a projected population of 40 children, resulting in a request of \$14,010 per child in FY 2017 as recommended by the Governor.

Ms. Hoppe said the urban counties had been funded with block grant funds since FY 2012. Under the block grant, the General Fund appropriations could be spent without restriction for child-welfare services and without the requirement to revert the unspent funds to the General Fund. She noted that in addition to the block grant, Washoe and Clark Counties received

a categorical grant for the cost of adoption assistance subsidies to ensure that adoptions were continually encouraged. Unlike a block grant, a categorical grant was eligible for caseload growth, and any unspent monies were required to revert to the General Fund. She said the agency had testified that block grant funding was designed to give the urban counties flexibility in allocating resources and to limit the state's liability, which had increased substantially from FY 2005 to FY 2011.

Ms. Hoppe stated the funds would be distributed to Clark and Washoe Counties through the block grant mechanism as recommended by the Governor. Because the amounts recommended for FY 2017 represented a 100 percent application, those amounts would become a permanent allocation to the urban county block grants in future years. When Fiscal Analysis Division staff had questioned the SFC funding that was recommended as a block grant instead of a categorical grant, DCFS testified that it opposed carrying out the SFC program as a categorical grant. The agency advised that the funding mechanism would allow the urban counties to target SFC youth as a specific population with funding beyond the allocated block grant amounts, as well as retain the entire block grant and reinvest the funds however they saw fit. The Division further testified that the flexibility built into the block grant would allow the urban counties to use savings from declining caseloads to fund increases in other caseloads.

Ms. Hoppe said Fiscal Analysis Division staff had noted that if the block grant funding mechanism was approved as recommended by the Governor, all or part of the funding could be used by the urban counties for other child-welfare purposes, unless subjected to expenditure restrictions or other direction taken by the Assembly and Senate finance committees. Consequently, if the SFC program operation was approved with the block grant mechanism, the full committees could consider additional accountability measures to ensure that the SFC pilot program's positive outcomes were continued.

Ms. Hoppe suggested three options for consideration by the Subcommittees at closing:

- Option 1—Approve the Governor’s recommendation to carry out the SFC program using the block grant funding mechanism. This option would result in a permanent allocation equal to the FY 2017 appropriation that would be added to the block grants in future years.
- Option 2—Approve carrying out the SFC program by using a categorical grant rather than a block grant.
- Option 3—Not approve the funding for the SFC program.

Senator Kieckhefer commented that the state did not need to micromanage the Clark County and Washoe County child-welfare systems. He thought that option 1 would continue the block grant as the funding mechanism, and there needed to be legislative action to ensure that the state received oversight reports. He advised that Senate Bill (S.B.) 107 was currently in the Senate Committee on Finance. The bill proposed a categorical grant. The Legislature could create uniform statewide parameters to establish the categories for children to qualify or to establish the type of outcomes required.

Assemblyman Sprinkle agreed with Senator Kieckhefer and said he was also in favor of option 1. He said that when the information was presented to the Subcommittees, there appeared to be a lot of concern from members of the industry and the private sector regarding how the information was gathered and how the data was presented. Assemblyman Sprinkle pointed out that he had met with multiple individuals associated with the different SFC programs.

Regarding the block grant funding, Assemblyman Sprinkle emphasized that it was necessary to change the way the data was gathered and analyzed for the SFC programs statewide. He stressed that DCFS should be the agency to gather and analyze the data for the Subcommittees to be more comfortable with the results that were presented. He wanted the youth being accepted into the SFC programs to be identified, and asked whether specific uniform statewide reporting parameters could be developed. Therefore, the state could initially determine who the children were so that the information presented was truly valid and the results could be studied. He said those were the two things that needed to be added for oversight of the SFC program through S.B. 107. Assemblyman Sprinkle said he supported S.B. 107.

Amber Howell, Administrator, Division of Child and Family Services, Department of Health and Human Services, stated that there had been discussions regarding three considerations:

1. Who would be in charge of the evaluation criteria depending on the location in the state.
2. What information would be tracked.
3. What were the criteria.

Ms. Howell said the following suggestions would help increase oversight and provide consistency in the data statewide:

- The DCFS could mirror the process that was used in the northern pilot program for the southern pilot program, and then the group could evaluate every child in the program for consistency. The Division could complete the task on a long-term basis.
- The DCFS could capture the basic data elements that had been acquired in the northern pilot, such as number of hospitalizations, placement changes, psychotropic medications, permanency status, and performance on clinical standardized assessments, both educational and legal. Those areas were a challenge to capture for the youth population and, at a minimum, should be monitored on an ongoing basis.
- The criteria used for determining which children could be admitted into the SFC program. The DCFS could present four options for the youth who might qualify for the program with the information being captured to address the concerns of the stakeholders:
 - a. Youth who entered foster care and had an identified behavioral mental health need that could not be met in a traditional foster home.
 - b. Youth struggling to maintain placement and to make treatment plan progress.
 - c. Youth in treatment level care who had recent disruptions or multiple disruptions.

- d. Youth who were returning or stepping down from a residential treatment program.

Ms. Howell said the information could be captured and reported to the finance committees or another entity designated by legislation for additional oversight of the program and consistency across the state.

Assemblyman Sprinkle agreed with the information presented by Ms. Howell. He believed that would be the way to have more oversight of the SFC programs, which would include the funding as well.

Assemblywoman Kirkpatrick asked how the Legislature would see the results of the block grant process for the SFC programs and whether the data provided would be consistent. She also asked whether DCFS would come before the Interim Finance Committee for the block grant approvals. She wanted to know how the funding would be allocated before the end of the 2015 Legislature.

Ms. Howell responded that CCDFS and WCDSS would have to report to the state based on the block grant. However, she advised that they were not required to present an itemized detailed budget, as that requirement would cease when the block grant was awarded. She emphasized that CCDFS and WCDSS would be required to report the agency improvement plan to the state every other year. There were specific required elements in the agency improvement plan and considerable public input was required for the document. She added the report might be what the Subcommittees sought, and the document would be submitted to the Legislature and the Governor and placed on the DCFS website. However, Ms. Howell said that it was more of an agency improvement plan rather than a report card.

Ms. Howell stated that if DCFS were selected to do the evaluation and the report, the agency would ensure that the report was readily available on either a quarterly, biannual, or an annual basis. Further, the data elements would be annualized into a formal report that DCFS would provide to the Legislature on a regular basis determined by the Legislature. At present, she said DCFS collected the data on a six-month basis, and an annual compilation of the data would be the most helpful. For reporting purposes, she said that DCFS could report its outcomes, and if DCFS was the evaluator, then the agency could evaluate the data and have the report made available.

Assemblywoman Kirkpatrick said that the SFC pilot program had worked well, but the Legislature had heard a lot of concern from persons who felt that they were not part of the solution, and the program was very specialized. She commented that it was easier for the Legislature to provide the expectations and not delegate the work to a specific agency. However, if the program was within the criteria established, then the agency would be subject to legislative oversight. Therefore, if the information was provided to the Legislature by an earlier date, it would be possible to correct the public's misconceptions much earlier in the process.

Ms. Howell replied that part of the process would be to evaluate and assess whether the appropriate youth and children were placed in the programs, and the information could be readily available as part of a report.

Chair Oscarson commented that the concerns he had received were about transparency when choosing the providers who offered the services.

Assemblywoman Carlton said her concerns about the block grants were because of the accountability problems that were built into the system, such as the assessments of the children going into the program, the services that they would receive, an evaluation of how they were served, and how the funding was spent. She was supportive of S.B. 107 and believed the proposed legislation would be much stronger than just back language in a bill or a letter of intent. She was interested in seeing the comparable data with the new data elements from CCDFS and WCDSS. However, she believed that currently, Washoe and Clark Counties could not be compared because the programs were different.

Ms. Howell responded that DCFS could offer a developed outline of what the document might include with all of the required elements. She said DCFS could provide the northern evaluation pilot report to the Subcommittees, which would be very specific in the elements that the Legislature wanted to consider, and the legislators could provide feedback to DCFS.

Ms. Howell suggested the following data could be collected and provided to the Legislature:

- The number of children who had been served.
- The clinical scores.
- Information from youth surveys.
- The types of juveniles admitted into the program.

Assemblywoman Carlton commented that once the transition period was established through the new process, the Legislature did not want to cause a disruption in the treatment of the children. She wanted the transition time to be reasonable. She emphasized that if changes were made to the current criteria for the youth, some of the providers would no longer meet those criteria. Therefore, DCFS would need to work with the providers to ensure the children could transition into the proper setting.

Ms. Howell responded that DCFS was very sensitive to a service disruption, which was why the counties and the rural regions received funding of up to 50 percent for the first year, so that the agencies could begin building capacity. She advised that DCFS allowed the program to phase in to limit the disruption. By providing all of the funding to the counties on July 1, 2015, DCFS could expect a rollout of the SFC that would be disruptive and unrealistic. In addition, the agency could not be ready by July 1, 2015, so the program would have to be phased in.

Chair Oscarson opened the work session regarding the Division of Health Care Financing and Policy, Department of Health and Human Services.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH CARE FINANCING AND POLICY
FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) RATES**

Catherine Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised the Subcommittees that there were two work session items for consideration for the Division of Health Care Financing and Policy (DHCFP). The first work session item described by Ms. Crocket was the Federal Medical Assistance Percentage (FMAP) rate update. The federal government reimbursed the state for a specified percentage of Medicaid and Nevada Check Up (NCU) program expenditures through the FMAP rates. Several FMAP rates were used to develop the agency's budget, which included

the standard FMAP rate for fiscal year (FY) 2016 that supported the Medicaid program, the enhanced FMAP rate that supported the NCU program, and a "newly eligible" FMAP rate.

Ms. Crocket stated that information was provided to Fiscal Analysis Division staff on March 26, 2015, from Federal Funds Information for States, an independent organization that tracked and reported the effect of federal budgetary and policy decisions on state budgets and programs. The FY 2017 standard FMAP rate was projected to decrease by 0.05 percent compared to the FMAP rate that was used to calculate the amount of State General Funds needed for the Governor's recommended budget. There was also a decrease in the enhanced FMAP rate of 0.03 percent. The projected FMAP rate decrease in FY 2017 would result in a General Fund shortfall of \$929,417 in the Nevada Medicaid budget, BA 3243, and the Nevada Check Up budget, BA 3178. She reported that the Budget Division, Department of Administration, had not submitted a budget amendment for the revised FMAP projections, and Fiscal Analysis Division staff would work with the agency and the Budget Division to determine whether an adjustment should be considered at budget closings.

Ms. Crocket advised that the second work session item was the Medicaid projected caseload and the cost-per-eligible (CPE) update. The agency had revised the Nevada Medicaid caseload and CPE data using the most recent actual caseload and cost data. The revised caseload and CPE projections were typically used to adjust the Medicaid budget as recommended by the Governor. Based on the revised caseload projections calculated on February 15, 2015, using the actual caseload data, the agency was projecting a monthly Medicaid caseload in FY 2016 that was 17,037 higher, or 3 percent more, than the earlier projection.

In FY 2017, said Ms. Crockett, the agency was projecting a higher average monthly caseload of 7,268, which was 1.3 percent higher than the number included in the Governor's recommended budget. The costs associated with the projected caseload increases were largely offset by the projected decrease in the CPE for several eligibility groups. Ms. Crocket explained that based on the revised caseload and CPE projections, the Medicaid General Fund expenditures were projected to increase by approximately \$3.1 million over the upcoming biennium, as compared to the amounts included in The Executive Budget. There were no budget amendments submitted for the shortfall, and

Fiscal Analysis Division staff would continue to work with the agency and the Budget Division to determine whether an adjustment should be made at closing.

Senator Kieckhefer asked why the projected caseload for Medicaid had changed after it was projected to remain flat throughout the biennium. A 3 percent increase in FY 2016 was a substantial increase compared to the projected caseload in The Executive Budget. He also asked about the CPE decline on fee for service that had not been seen in recent times.

Ms. Crocket advised that the projected caseload increases varied from month to month. She added that a few months prior to the current caseload increases, there had been a slight decrease projected. Fiscal Analysis Division staff reviewed the data from month to month as economic conditions changed and the population of the state grew. Regarding the CPE for the fee for service, she advised that DHCFP had employed a care management program in July 2014 for the Medical Assistance for the Aged, Blind and Disabled program. The agency currently was unsure to what extent the care management program was reducing the CPE for that population. Fiscal staff was working with DHCFP to ensure that there was no double-counting of reductions. She advised that the Governor's recommended budget included a decision unit that would reduce the costs of the applied care management organization program.

Senator Kieckhefer asked the agency to address the projected caseload and the \$3.1 million increase to ensure that the Legislature was not reacting to a one-month anomaly.

Ellen Crecelius, Deputy Director, Fiscal Services, Department of Health and Human Services, said the research analysis unit in the Director's Office produced the caseload projections, and she introduced Caleb White, who had completed the projections.

Caleb White, Economist, Division of Health Care Financing and Policy, Department of Health and Human Services, advised that there was significant, but normal, variance from month to month of a 1 to 2 percent increase or decrease in the projected caseload. He said that overall there were competing trends. As an example, economic conditions were improving slowly. He advised that DHCFP clients were the last to feel improvement in the economy. There were also consequences from the enactment of the Medicaid expansion and the Affordable Care Act (ACA). He said large fluctuations related to policy changes in the redetermination of the caseload had occurred in

October or November of 2014, which drove the caseload down. However, he reported that many of those clients removed under redetermination were reapplying, and the caseload was rebounding slightly. Mr. White explained there were a number of factors that caused variances in the caseload.

Senator Kieckhefer asked what policy decisions were made that removed clients under the redetermination process.

Mr. White responded that there was a period during the past year that the agency was not completing redeterminations for the new people entering Medicaid. As a result, when the redetermination process was restarted, there were a large number of clients who were initially not eligible because their paperwork was not current. Therefore, they were removed from the caseload. He advised that some of those individuals were now coming back into the system.

Senator Kieckhefer commented that the problem was more of a workflow issue rather than a policy issue. In his opinion, the initial projections were made on an artificially low number because the agency was not redetermining whether people were eligible for the program.

Mr. White replied that many of the redeterminations took place in October while the agency was working on the Governor's recommended budget projections. Since that time, there had been a rebound in the number of persons reapplying for Medicaid, and there was a projected small increase going forward. He said there had been a variation because of the enrollment period and the projections were showing a small increase. However, he said that would decrease in the next couple of years as the last holdouts who were eligible for Medicaid were signed up to avoid the Internal Revenue Service penalty.

Senator Kieckhefer asked whether the increase of 17,037 was because of the newly eligible under the Medicaid expansion.

Mr. White responded that most of the increase was childless adults who were coming in higher than projected, and more of the originally eligible adults were coming back into the system.

Assemblywoman Carlton asked about state employees having the ability to put their children in the Nevada Check Up program; she assumed that DHCFP was working on the process. However, there had been a hearing in which it was

determined, without explanation, that children were not being placed in NCU. Assemblywoman Carlton wanted to know why this was not happening, because the funding for the budget was 95 percent federal funding.

Ms. Crocket responded that the NCU FMAP rate was projected to be 92.6 percent.

Assemblywoman Carlton said that the Nevada Check Up program budget (BA 3178) was 92.6 percent federal funding and the state would have to make up the difference of 7.4 percent. She advised that this would give state employees who used NCU for their children a way to make their paychecks go a little farther. She added that the NCU program was income-driven, which involved a means test, and some state employees would qualify for the benefit. She asked why the state had not been able to provide the coverage to state employees.

Leah Lamborn, Administrative Services Officer, Division of Health Care Financing and Policy, Department of Health and Human Services, responded that the analysis had been conducted. One of the concerns of the agency was whether the federal government would reauthorize the Children's Health Insurance Program (CHIP) and whether DHCFP would receive the 23 percent enhanced FMAP rate, which was a large factor in allowing state employees to enroll in NCU. She advised that DHCFP had recently learned that the U.S. Senate had passed the reauthorization of CHIP and approved the ACA enhanced FMAP rate.

Assemblywoman Carlton asked what the process would be going forward for state employees.

Elizabeth Aiello, Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services, responded that if children of state employees were eligible, DHCFP would need to submit a CHIP State Plan Amendment to the Centers for Medicare and Medicaid Services (CMS) to include the group. She anticipated that there would not be significant concerns associated with it, and the eligibility processes would be changed after the approval of the amendment.

Assemblywoman Carlton asked what the timeline would be for the approval through CMS.

Ms. Aiello responded that the Division of Welfare and Supportive Services (DWSS), Department of Health and Human Services would submit the amendment to CMS. She added that there would not be significant changes in the language of the amendment submitted to CMS. The CMS had 90 days to respond, and if further questions were submitted, the clock could be stopped while waiting for the replies. As an example, Ms. Aiello said that a Medicaid State Plan Amendment could be completed in 75 days. The agency was currently on the fourth round of questions, and she could not provide a timeline.

Assemblywoman Carlton asked about income thresholds for eligibility for the Nevada Check Up program. In response, Ms. Aiello explained that eligibility for the CHIP program was modified adjusted gross income of 205 percent of the federal poverty level, with a 5 percent disregard for the Modified Adjusted Gross Income (MAGI) Standards, which could roll into Medicaid, depending on the category.

Ms. Crocket pointed out that the agency had revised the projected NCU caseload using the most recent actual information. The Executive Budget recommended an average monthly caseload of 13,974 throughout the upcoming biennium. She said that the NCU caseload was projected to decrease because NCU recipients were transitioning to other health-care programs following the enactment of the ACA. However, NCU caseload decreases had not materialized to the extent originally anticipated. The NCU caseload was projected to be 16,670 in FY 2016 and 16,667 in FY 2017, which was 19 percent higher than originally projected. Ms. Crocket said the cost to expand the NCU caseload beyond the numbers included in The Executive Budget would be approximately \$400,000 over the 2015-2017 biennium. The Subcommittees should note that the NCU program was not an entitlement program like Medicaid, and the state had the option to cap NCU enrollment and establish a waiting list.

Ms. Crocket indicated that the physician, physician assistant, and certified nurse practitioner discretionary reimbursement rate would be increased for Medicaid. The Governor's recommended budget requested additional funding that totaled \$97,815,643, with \$23,218,889 in General Fund appropriations over the upcoming biennium to increase reimbursement rates for services provided by physicians, physician assistants, and certified nurse practitioners beginning in FY 2016. The intent of the increase in the current rates, which was based on the 2002 Medicare fee schedule, was to align more closely with rates in the 2014 Medicare fee schedule. She stated that this was an overall 10 percent increase, in the aggregate, in the reimbursement rates paid to those provider

types; however, the reimbursement rate increase would not apply equally to all medical services. The rates for some services would increase, while the rates for other services would decrease.

During the budget hearing on February 18, 2015, said Ms. Crockett, the Subcommittees expressed concern that the reimbursement rates for radiology and laboratory services would be decreased. There was also a concern that the evaluation and management through the primary care services rate would be decreased from the current reimbursement level, which included a temporary ACA-related increase that was set to expire on June 30, 2015. Ms. Crockett stated that the reimbursement rate for radiology services in the Governor's recommended budget was 90 percent of the 2014 Medicare fee schedule in FY 2016 and 94 percent of the 2014 Medicare fee schedule in FY 2017.

Ms. Crockett stated that the agency indicated it was paying more than the 2014 Medicare fee schedule for radiology services. The agency did not recommend maintaining the rates at the current level, which would require an additional funding total of \$71.2 million over the biennium, of which \$17.1 million would be General Fund. She advised that the agency indicated it was paying 23 percent more than the Medicare reimbursement rate for those services. The agency stated it would be reasonable to increase the radiology reimbursement rate to 100 percent of the 2014 Medicare fee schedule, which would require \$22 million over the biennium, including \$5.3 million in General Fund revenue.

Ms. Crockett advised that the reimbursement rate for laboratory services was to be set at 50 percent of the 2014 Medicare fee schedule over the upcoming biennium. She stated that the agency had indicated that the reimbursement rate decrease was unintentional and would have recommended setting the rate at 95 percent of the 2014 Medicare fee schedule. The additional cost would be \$12.5 million, including \$3 million of General Funds. The agency also provided additional scenarios for setting the rate: the cost for reimbursement at 85 percent of the 2014 Medicare fee schedule would be \$2.5 million General Funds over the biennium; 100 percent of the 2014 Medicare fee schedule would be \$3.2 million General Funds over the biennium.

Ms. Crockett advised that the rates for the evaluation and management services were recommended to be set at 90 percent of the 2014 Medicare fee schedule in FY 2016 and 95 percent in FY 2017. She stated that the agency indicated that if the Subcommittees wished to increase the reimbursement rate to

100 percent of the 2014 fee schedule, there would be a need for additional funding totaling \$51.9 million, including \$13.3 million in General Funds over the biennium.

Assemblywoman Titus commented that she was pleased that the Governor had recognized that there was a large discrepancy with the costs involved, but the state could not serve the increased number of Medicaid recipients without incurring other costs.

Ms. Crocket advised that the next item was the application of federally mandated autism coverage. The Centers for Medicare and Medicaid Services (CMS) mandated that state Medicaid programs provide medically necessary behavior intervention services for Medicaid recipients with autism spectrum disorder under the age of 21, who were previously not considered eligible under Medicaid State Plans. The Executive Budget recommended additional funding totaling \$47.4 million, which included \$15.6 million in General Funds over the biennium, to carry out an applied behavior analysis (ABA) service to address the mandate beginning January 1, 2016. She stated that the agency indicated that the funding recommended in The Executive Budget would provide services to 1,900 children over the biennium.

Ms. Crocket said ABA was an intensive treatment program that generally required a significant number of hours of treatment on a weekly basis. There were concerns about the insufficiency of the existing provider network to deliver services to children in a timely manner. The agency had reduced its projected budget by 50 percent to account for the anticipated provider insufficiency issues in alignment with what the Aging and Disability Services Division (ADSD), Department of Health and Human Services, had suggested in its analysis of the providers available in the state.

According to Ms. Crocket, Assembly Bill (A.B.) 6 was passed out of the Assembly Committee on Commerce and Labor on April 8, 2015, and was intended to alleviate the provider adequacy issues for the service providers. If A.B. 6 was enacted, the number of direct-service providers for ABA services might increase, but the magnitude of any such increase was unknown at this time.

Ms. Crocket said that in addition to the 50 percent reduction for the anticipated provider insufficiency issues, the budget was further reduced by 21 percent in

each year of the 2015-2017 biennium to allow for a program ramp-up period. The amounts budgeted for ABA services were reduced by \$38.1 million over the 2015-2017 biennium to account for children transitioning from basic skills training services to ABA services. Ms. Crocket said the Subcommittees should note that Medicaid was an entitlement program, and costs could be incurred beyond the budgeted amounts if assumptions used when calculating the budget did not materialize as anticipated. Fiscal Analysis Division staff did not have any recommended adjustments based on the information available at this time.

Senator Kieckhefer asked whether passage of A.B. 6, which expanded the number of providers that could offer services for children with autism spectrum disorder, would directly affect either of the decision units to increase or decrease the number of available service providers.

Ms. Crocket responded that if it was known that there would be an increase in the number of service providers, the Subcommittees could approve additional funding to align with the anticipated increase in providers. However, she said there was currently no mechanism to quantify how many additional providers there would be if A.B. 6 were enacted. In addition, the agency had general authority in the Appropriations Act to transfer appropriations between years when it experienced significantly higher expenses, and DHCFP might fund the additional expenses by transferring funds from FY 2017 to FY 2016. Ms. Crocket advised that the agency could also seek additional funding through a supplemental appropriation.

Senator Smith commented that it was nice to see a substantial investment to address the autism spectrum disorder services.

Ms. Crocket stated that the next item was for the new managed-care organization (MCO) enhanced payment program, with two budget amendments submitted by the Governor to carry out the program.

Ms. Crocket recalled that at the April 9, 2015, Interim Finance Committee meeting, two work programs were approved for the Nevada Medicaid and Intergovernmental Transfer (IGT) accounts to start a new MCO enhanced payment program to provide increased reimbursement to safety-net medical service providers for targeted services. The safety-net providers were currently the University Medical Center (UMC) of Southern Nevada and the Division of Public and Behavioral Health (DPBH), Department of Health and Human Services. She said the budget amendment indicated that Clark County would

contribute 50 percent of the enhanced MCO payments received by UMC that related to the Temporary Assistance for Needy Families (TANF)/Child Health Assurance Program (CHAP) population, and 15 percent of the enhanced payments received by UMC for the newly eligible population. The budget amendments estimated that Clark County would provide \$15.6 million in FY 2016 and \$16.3 million in FY 2017. She said that Clark County would benefit by receiving \$102.9 million in additional Medicaid reimbursements over the biennium for services provided by UMC.

Ms. Crocket advised that the voluntary contributions by Clark County in excess of the required state match would be used to offset the General Fund expenditures in the Nevada Medicaid budget, and the budget amendments had reduced General Fund appropriations in the Medicaid budget by \$4.8 million in FY 2016 and \$4.6 million in FY 2017.

Ms. Crocket explained that the state received an additional benefit from the enhanced MCO payments by increasing reimbursement to the DPBH for outpatient behavioral health clinical services. The budget amendments estimated that those enhanced reimbursements to DPBH would be \$9.6 million in FY 2016 and \$9.5 million in FY 2017. According to the Budget Division, Department of Administration, The Executive Budget as submitted had estimated that those additional revenues were included in the DPBH budgets.

Ms. Crocket advised that the next item for DHCFP was staffing increases. The Executive Budget recommended additional funding totaling \$4.9 million, including \$2.4 million in General Fund over the biennium, to support 41 new positions. She said that represented a 15 percent increase in staffing levels from the current biennium. Of the 41 positions requested, 31 positions would address federal mandates, and the remaining 10 positions were considered discretionary positions. She added that Fiscal Analysis Division staff had requested the agency prioritize the 41 new positions, and DHCFP ranked the 10 discretionary positions as its lowest priority.

Ms. Crocket advised that in the Governor's recommended budget, there were three new positions for the surveillance and utilization review (SUR) unit. The three positions were recommended to review the managed-care encounter data to identify fraud, waste, and abuse. The Medicaid budget as submitted contained \$636,601 in General Fund savings resulting from improper payments identified from managed-care recipients. She said the Subcommittees should note that the agency currently did not review managed-care data.

The MCOs were paid a capitated rate rather than a per-service fee for purchasing health-care services for Medicaid recipients. Therefore, she said it was in the interest of the MCO to minimize those payments, and the MCOs might have current procedures in place to identify improper payments. Ms. Crocket said that in addition to the three positions recommended as discretionary positions, there were five other positions that the agency indicated were mandatory, which was a 57 percent increase in the SUR unit.

Ms. Crocket stated that there were three discretionary positions proposed for the fiscal integrity unit, including one auditor and two management analysts that would increase fiscal agent oversight, perform agency audits, and complete an internal controls report. The agency indicated that the new staff was expected to generate \$335,860 in General Fund savings over the upcoming biennium based on auditing the fiscal agent's monthly invoices. Based on a review of the documentation attached to the budget, Ms. Crocket said it appeared that the savings would be primarily attributable to one management analyst rather than the three new positions.

Ms. Crocket said that two information technology (IT) professional positions were recommended for the information services unit as discretionary positions. The agency indicated that the positions would perform IT project management duties. Three additional new IT positions were recommended for the unit, which the agency indicated were mandatory.

Ms. Crocket noted that DHCFP was beginning the final phase of the three-phase project to replace the state's existing Medicaid Management Information System (MMIS), which was a significant IT project expected to take several years to complete and would require enhanced project management staff. However, she advised, it was unclear if the project management staff would be needed on a permanent basis in the future.

Ms. Crocket said there were 31 positions, in addition to the discretionary positions, to be considered to address the federal mandates. Regarding the ranking of the positions in the budget, Ms. Crocket advised there were two district office positions in Las Vegas ranked at lower priority by the agency. She added that there were four other positions recommended for the district offices, including two in Reno and two in Las Vegas. The agency indicated that additional district office staff would be necessary to address the increases in Medicaid caseload. The proposed positions in the district office would serve as customer-service representatives and would answer telephone and in-person

recipient inquiries. She noted that the majority of the increase in Medicaid caseload had been to MCOs, which would provide the same services to recipients who were enrolled in managed care.

Ms. Crocket advised that the next lowest ranked mandatory position was a health-care coordinator for the waiver unit. The position was one of two positions recommended to support the caseload increases for the waiver program on behalf of persons with physical disabilities. The staff for the waiver program would carry a caseload; however, the health-care coordinator would be assigned to perform intake functions, because there was currently no position dedicated to the waiver function. She said that it was unclear what benefits the proposed position would provide.

Assemblywoman Carlton said she was concerned that some of the positions might be duplicative, and she wanted to understand how the positions were being funded. She was interested specifically in the district office positions, including the health-care coordinator and the administrative assistant for customer service. She commented that the MCOs were completing the work as well. She asked how the positions fit into the organization and how many of the proposed positions were needed. She wanted more information on the auditor in the fiscal integrity unit and asked why two management analyst positions were needed.

Ms. Crocket responded that in the fiscal integrity unit, one auditor and two management analyst positions were recommended. One management analyst appeared to be assigned to review and perform an audit function on the monthly invoices that the agency received from the fiscal agent. There was currently a large contract with the fiscal agent for extensive services, for which DHCFP paid approximately \$40 million a year. The agency believed that errors could be identified in the fiscal agent invoices, which would generate a savings of \$335,860 over the biennium. She stated that the other two positions would perform the internal audit function and complete various internal control reports.

Senator Lipparelli asked whether the \$2 million that would be recovered with the proposed addition of the three positions would continue to be realized without the three positions.

Ms. Crocket responded that the Governor's recommended budget included a decision unit in the Nevada Medicaid budget to reduce expenditures associated with anticipated recoupments of improper payments. A total of

\$636,601 in General Funds would have to be added to the Medicaid budget if the positions were not approved.

Senator Lipparelli asked whether the agency had another mechanism to do the review and recover some or all of the \$2 million.

Ms. Crocket responded that the agency currently had the SUR unit, which focused on reviewing fees for service recoupments. She said that the agency could potentially direct one or more of the existing positions to work on managed care, but to what degree that would affect the projected savings was unclear.

Laurie Squartsoff, Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services, explained that the reason for the additional SUR staff was to continue to work on the review of the claims history and make sure claims were paid correctly. The additional staff would expand the role of the SUR unit. She advised that the current staff were working on multiple projects and were at full capacity. Therefore, the additional 41 positions and the positions for the SUR team would add increased efficiencies for that particular team.

Senator Lipparelli commented that the argument was that without the positions, funds would be left on the table.

Ms. Squartsoff responded that it was a possible that money would be left on the table.

Senator Lipparelli asked whether the \$2 million that could be recovered would be a one-time savings or a continuing benefit.

Ms. Squartsoff responded that other staff in the SUR unit would work with the resources and tools available for conducting the ongoing review of claims to ensure that the claims were paid appropriately, and the agency would continue to enjoy the savings. She said DHCFP expected the program to continue to work with provider groups that were currently not reviewed. The proposed positions would work on reviewing additional revenues that would require follow-up as well.

Senator Lipparelli asked why the gap existed with the existing control measures for acquiring the \$2 million in savings.

Ms. Squartsoff responded that DHCFP would continue to have staff work on the program. The Medicaid program had nearly doubled in size in the last year and a half. Therefore, while Medicaid continued to have more beneficiaries who were able to access services and the agency had more providers that were submitting claims for those services, there would be an ongoing need to continue to review those payments to ensure that the claims were appropriate and proper.

Chair Oscarson asked whether DHCFP had contractors that were evaluating the claims. He wanted to know whether there was a cap on the work that could be done with the addition of new clients.

Ms. Squartsoff responded that there were contractors who worked with the fiscal agent on additional reviews. She stated that HMS, a Recovery Audit Contractor (RAC) for the Medicaid Integrity Program, would complete those reviews. She emphasized that with the size of the program and the details that were included in the review, DHCFP continued to work to engage the providers. The agency had worked to complete an additional analysis of changes on how services would be billed to DHCFP to ensure that DHCFP was meeting all required standards.

Chair Oscarson asked whether the contractors currently doing the work would have the additional capabilities to fill some of the gaps instead of what was proposed in the budget.

Ms. Squartsoff responded that DHCFP could address the concerns with the contractors to see whether that would be a possibility.

Leah Lamborn, Administrative Services Officer, Division of Health Care Financing and Policy, Department of Health and Human Services, stated that there were contractors associated with the work and the current cost would be 8 percent. In addition, she advised that there was a new fraud and abuse detection system that had the capability to run ad hoc reports to identify areas that state staff could use and apply to data. The DHCFP staff could then provide the follow-up, run the scenarios through the system, and recoup payments using the data. The staff could deploy modifications to the system in an attempt to halt overbilling, fraud, or other abuse. She said that the system could identify the areas of concern and measures could be set up to stop the improper practices.

Assemblyman Armstrong asked whether the additional staff would supplement the contractors, because it sounded as though the contractors were unable to detect all the problems. He said that there were contractors to locate the discrepancies, and now the agency wanted to hire additional staff. He asked whether there should be a reevaluation of the contractor's tasks instead of the agency hiring additional staff.

Ms. Squartsoff responded that the contractors were working on different scenarios to evaluate the data. The additional staff would work with the existing resources and the new tools available with the fraud detection system. She advised that the agency was continuing to make internal improvements to the program. There was a cost associated with their review of claims that could be either 12 percent or 8 percent, depending on the contractor. She emphasized that those funds would not return directly to the program.

Assemblyman Armstrong said that his concern was that the agency was hiring more staff and contractors for the overpayments in the program. He said that if the agency was continuing to overpay and hire additional staff, there would be more costs associated with the program.

Ms. Squartsoff responded that DHCFP administrative costs for the Medicaid program were approximately 4 percent, which included the fiscal intermediary contract. She said DHCFP was running a lean organization, with staff working at full capacity. The Medicaid program would continue to see improvements, and the agency staff would employ different tools to enable the agency to continue to make improvements and ensure the fiduciary responsibility for the management of the program. She said that the agency was asking for 41 proposed positions with the understanding that a net of 14 new positions would remain with DHCFP, while 27 positions would then transition to a sister agency.

Ms. Squartsoff wanted the Subcommittees to consider the proposed positions in the full context of the Medicaid program, understanding that Medicaid now covered approximately 20 percent of the state's population. She advised that was a significant change to the program in the last year and a half. She emphasized that the proposed positions were part of the continuum as the agency worked to improve Medicaid with the delivery of services and continued to provide necessary oversight for the funding.

Ms. Aiello responded that the internal audit and the SUR unit teams had a slightly different role than the external contractors. She said DHCFP had a contractor that reviewed claims for third-party liability. The Centers for Medicare and Medicaid Services (CMS) had a payment evaluation called the payment error rate measurement (PERM) group, which had specific roles. Ms. Aiello said that current teams at DHCFP internally reviewed all of the data, and reports were received from the public for suspected overuse, abuse, and fraud, for which the agency would complete preliminary reviews. She stated suspected cases would be forwarded to the Medicaid fraud control unit. However, if a suspected case was not considered fraud, it would be submitted to the legal staff for further deliberation. The internal unit would also assist with medical policy and budgetary issues.

Ms. Aiello said DHCFP did not have one contractor that had that precise role. In fact, on the federal level, the agency was required to have a surveillance and utilization review group. With such large growth in the program, she advised that new providers would come into the program, with some providers meeting the needs of the clients, while others would not. The agency was constantly running preprogrammed scenarios through the claims payment system. The current SUR unit team would be assigned tasks related to the scenarios on the claims payment system. There was currently a backlog of problems that could appear as red flags, which the agency was unable to address, and they might not be appropriate to give to the different contractors. She said that the process would come together in the claims payment system edits and the policies that were updated and changed.

Chair Oscarson said that the Division of Welfare and Supportive Services (DWSS), Department of Health and Human Services work session item would be moved to Tuesday, April 21, 2015. The Chair opened public comment.

Lawrence Howell, Chief Operating Officer, Rite of Passage, said that he would not discuss the contract dispute regarding DCFS and the Summit View Youth Correctional Center. He said that this could potentially be the fourth reopening of the Summit View Youth Correctional Center with the state government operating and monitoring the facility without standards. He stated that the reopening of SVYCC would not be successful because of the lack of juvenile justice standards in Nevada, which was why the SVYCC facility had failed in the past three times. He noted that other states had juvenile justice standards.

Further, said Mr. Howell, there were earlier questions about whether guns, handcuffs, and mace should be allowed into the facility, as well as a policy regarding use of force. Other questions included who would child abuse allegations be reported to in the facility and what was the target youth population. Once the target population had been decided, the standards could be determined, and the parties involved would need to understand what had to happen at the facility. He commented that the agency rushing to open the facility for the sixth time would not change what had happened at the facility. There was currently no agreement about what youth would reside there and what would happen when the youth arrived at the facility.

Mr. Howell recalled that in past hearings, Assemblywoman Carlton had discussed the American Correctional Association, which provided a national standard, but it was not clear on all juvenile justice standards. He said that there should be local standards on how the facility would operate, and standard operating procedures were needed for SVYCC. He recommended that prior to reopening the facility, standards should be developed and agreed upon so that all parties understood what needed to be done at the facility.

Mr. Howell advised that when there was monitoring of the facility, the contractor needed guidelines regarding what to monitor. He asked what the monitor would be monitoring when there was an unknown as to what the staff would be trained to do. He wanted to know how the 61 new staff members would be trained in July, prior to the opening of SVYCC, with no standards in place. He stated that he was available to discuss the standards, because he believed it was the root of the problem, and he would assist the state in the juvenile justice arena if requested.

Ernie Adler, representing Rite of Passage, advised that being monitored by the state monitor was the problem for Rite of Passage (ROP). The standard for which the contractor was monitored had changed on a weekly basis; therefore, the contractor would never know what the standard was at any given time. He said that the inspections were made at Rite of Passage by groups that had standards, including the North Las Vegas Fire Department, which had given ROP an A rating. He said that ROP had also received an A rating through the public health department, and criminal justice professionals had also given ROP a passing grade.

Assembly Committee on Ways and Means
Senate Committee on Finance
Subcommittees on Human Services
April 16, 2015
Page 43

Mr. Adler advised that when a monitor prepared the standards on a monthly, weekly, or possibly daily basis, the contractor would never understand what the standards were, which was one of the reasons that SVYCC had repeatedly failed. He emphasized that there was no clear understanding of the standards, and there continued to be a lack of juvenile justice standards in Nevada. If the state wanted a safe juvenile justice institution, then standards would need to be developed.

With no further public comment to come before the Subcommittees, Chair Oscarson adjourned the meeting at 10:40 a.m.

RESPECTFULLY SUBMITTED:

Karen Daly
Committee Secretary

APPROVED BY:

Assemblyman James Oscarson, Chair

DATE: _____

Senator Mark Lipparelli, Chair

DATE: _____

EXHIBITS

Committee Name: Subcommittees on Human Services

Date: April 16, 2015

Time of Meeting: 8:06 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Mr. Bill Welch, Nevada Hospital Association	Medicaid Budget, Hospitals Perspective
	D	Mr. Bill Welch, Nevada Hospital Association	Nevada Medicaid Budget: Impact of Projected Growth and Budget Request
	E	Ms. Amber Howell, Administrator, Division of Child and Family Services, Department of Health and Human Services	Summit View Youth Correctional Center, 2016-2017 Budget Amendment Presentation