

**MINUTES OF THE  
SENATE COMMITTEE ON COMMERCE, LABOR AND ENERGY**

**Seventy-Eighth Session  
March 20, 2015**

The Senate Committee on Commerce, Labor and Energy was called to order by Chair James A. Settelmeyer at 8:32 a.m. on Friday, March 20, 2015, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator James A. Settelmeyer, Chair  
Senator Patricia Farley, Vice Chair  
Senator Joe P. Hardy  
Senator Becky Harris  
Senator Mark A. Manendo  
Senator Kelvin Atkinson  
Senator Pat Spearman

**STAFF MEMBERS PRESENT:**

Marji Paslov Thomas, Policy Analyst  
Christine Miner, Committee Secretary

**OTHERS PRESENT:**

Keith Lee, Board of Medical Examiners  
Mark Bowden, Executive Director, Iowa Board of Medicine  
Ed Cousineau, Executive Director, Board of Medical Examiners  
Victoria Carreon, Kenny Guinn Center for Policy Priorities  
Stacy Woodbury, MPA, Executive Director, Nevada State Medical Association  
Denise Selleck, CAE, Executive Director, Nevada Osteopathic Medical Association  
Erica Souza, Manager, Criminal History Repository, General Services Division, Department of Public Safety  
Liz MacMenamin, Retail Association of Nevada  
Dan Heller, Pharm.D.

Senate Committee on Commerce, Labor and Energy  
March 20, 2015  
Page 2

Barry Gold, AARP Nevada  
Tom McCoy, American Cancer Society Cancer Action Network  
Elisa Cafferata, Nevada Advocates for Planned Parenthood Affiliates  
Jay Parmer, America's Health Insurance Plans  
Bill Welch, Nevada Hospital Association  
Don Jayne, Nevada Self-Insurers Association  
Rusty McAllister, Professional Firefighters of Nevada  
Modesto Garciola

**Chair Settlemeyer:**

I will open the hearing on Senate Bill (S.B.) 251.

**SENATE BILL 251**: Ratifies the Interstate Medical Licensure Compact.  
(BDR 54-576)

**Senator Joe P. Hardy, Senatorial District No. 12:**

The Board of Medical Examiners recognized the need for more physicians practicing in Nevada, and S.B. 251 was born.

**Keith Lee (Board of Medical Examiners):**

The Board of Medical Examiners thanks Senator Hardy for sponsoring S.B. 251. This bill is the culmination of several years of work by the Federation of State Medical Boards (FSMB), which is a national nonprofit organization representing medical and osteopathic boards of the United States. Changes in medical practices and telehealth prompted the development of S.B. 251. The Board of Medical Examiners has high standards for licensure in Nevada. The bill does not sacrifice the ability of the Board to investigate and discipline violators of the Nevada Medical Practice Act and supplements the current avenues of licensure. I have submitted talking points ([Exhibit C](#)), and questions and answers addressing possible concerns ([Exhibit D](#)). Mark Bowden from Iowa will present S.B. 251. Mr. Bowden is the executive director of the Iowa Board of Medicine. He is one of four state medical board executives who drafted the Interstate Medical Licensure Compact resulting in S.B. 251.

**Mark Bowden (Executive Director, Iowa Board of Medicine):**

Licensure portability is a major issue in physician licensure today. There are 70 licensure boards in the country, at least one in every state. Some states, like Nevada, have two. There are state-specific requirements. To obtain licensure in multiple states, a physician needs to meet the requirements of each individual

state. How can states make it easier for qualified physicians to obtain licensure in more than one state to complement the growing telemedicine field and developments in regional health care systems? The FSMB began discussion in 2013 to look at a medical licensure compact as one method. I have submitted a summary of how the Interstate Medical Licensure Compact was developed ([Exhibit E](#)).

The concept of a compact is not new to Nevada. Nevada is a member of 24 compacts. The Interstate Medical Licensure Compact establishes high standards of commonality. The goal is for states to agree on the standards and to compress licensure time. The Compact creates a new process to expedite licensure, it does not replace existing processes. It assists in licensing physicians practicing in your State. It allows states to exchange disciplinary information more aggressively. Confidentiality of information creates challenges in securing information from surrounding states. The Compact would allow a more liberal exchange of complaint and investigative history by its member states. Participation in the Compact is voluntary. Sixty-three percent of physicians in Nevada and 20 percent nationally are licensed in more than two states. The Compact will help physicians secure licenses in other states. If a physician does not qualify for the Compact requirements, the physician can pursue licensure through the traditional pathway. A compact is based on the principle of reciprocity. Sharing information aids the regulatory community and will expedite licensure to days from weeks. If Iowa and Nevada were part of the same compact, the Iowa physician would ask the Iowa Board of Medicine to issue a certificate of qualification to be shared with the Compact commission, which would facilitate the licensure in Nevada. Compact notification to the Nevada medical board would expedite the license to the physician. This is one example of how simple and fast the administration of the licensure would be. A compact assists with the challenges presented by licensing physicians employed by health care systems and in rural areas. The process will continue to improve as the Compact develops and grows. It is a states' rights issue to maintain local control and respond quickly when issues arise with any physician.

Costs are revenue neutral. Physicians who pursue licensure through the Compact will pay a surcharge. The Compact qualifies a physician, and the physician pays a fee to expedite the process. Each state will collect its own licensure fee. The Compact provides for states to be assessed a fee. The Iowa assessment for a health care licensure compact is \$6,000 per year, paid with licensure fees. The first year rollout is estimated to cost \$750,000.

Seven states are needed to enact the Compact. If ten states committed, each would pay \$25,000. The \$700-licensure fee in Nevada would achieve this quickly. The Compact is pursuing grants and in-kind contributions to help with startup costs. The FSMB and its foundation will fund some of these costs. The U.S. Department of Health and Human Services has funded licensure portability projects like this. It is the same in Iowa. As the Compact grows, state costs decrease. I refer to the submitted state adoption status chart ([Exhibit F](#)). Four states out of the required seven states have committed to the Interstate Medical Licensure Compact, and it appears 10 or 12 states will commit in the first year. Local accountability, licensure pathway for highly qualified physicians and the exchange of disciplinary information ensure the most qualified physicians move through this system.

**Ed Cousineau (Executive Director, Board of Medical Examiners):**

I am available for any questions from the Committee.

**Senator Hardy:**

How many physicians do we have licensed in Nevada? Does the Board of Medical Examiners have funds available without asking the State for funds?

**Mr. Cousineau:**

The Board of Medical Examiners is fiscally sound. The current fiscal reserves are at or above a 1-year annual operating budget. It was decided by the Board at the March 6, 2015 meeting to lower fees for licensure by 6 percent in the upcoming renewal cycle. The Board is comfortable with its fiscal situation and will not be requiring funds from another entity.

**Victoria Carreon (Kenny Guinn Center for Policy Priorities):**

The Kenny Guinn Center for Policy Priorities supports S.B. 251. I will outline our points of support as summarized in our submitted testimony ([Exhibit G](#)). The Guinn Center has written a report regarding the shortages in the mental health workforce and the suggested medical compact would be an important part of a multi-faceted strategy to address the shortages. Nevada ranks last for the number of psychiatrists per 100,000 people in the nation. The shortage is pronounced in rural areas. Fifty-three percent of Nevadans reside in an area designated as a mental health professional shortage area by the federal government, and the services are particularly low for Latinos and Asians. There is a small residency program available for psychiatry at the University of Nevada School of Medicine. Only five of the seven people completing a residency

program in psychiatry in 2013 remained in the State. Two physicians completed a fellowship in child and adolescent psychiatry, and only one remained in Nevada. The State relies heavily on contract psychiatrists to fill the gaps for vacancies in the Department of Health and Human Services. A compact could have a significant impact on addressing these shortages without changing the Nevada Medical Practice Act. The expedited process will help bring telemedicine to our rural areas. Only 80 percent of physicians would be eligible nationwide to participate. It is crucial our Nevada medical boards maintain oversight over medical practices. Implementing a compact is administratively easier for the State medical boards than negotiating separate reciprocity agreements with each state as proposed in Assembly Bill 89. The Interstate Medical Licensure Compact is a positive step toward addressing the mental health workforce shortage in Nevada.

[Assembly Bill 89](#): Makes various changes to provision relating to certain professions. (BDR 53-295)

**Stacy Woodbury (MPA, Executive Director, Nevada State Medical Association):**  
The Nevada State Medical Association supports S.B. 251.

**Denise Selleck, CAE (Executive Director, Nevada Osteopathic Medical Association):**

The Nevada Osteopathic Medical Association supports S.B. 251. Employers call our offices weekly looking for physicians. In the past, there were more people looking for jobs than there were jobs available. Now there are more jobs than there are job seekers. We support attracting more physicians to our State in an easy and safe manner.

**Erica Souza (Manager, Criminal History Repository, General Services Division, Department of Public Safety):**

The General Services Division of the Nevada Department of Public Safety houses the central repository for Nevada records of criminal history and is the State identification bureau responsible for forwarding fingerprint-based background checks to the FBI for a copy of a person's criminal history record information. The Division is neutral on S.B. 251. This bill ratifies the Interstate Medical Licensure Compact. If a physician or osteopathic physician is licensed in the State, the Compact provides the reciprocal licensure for that physician or osteopathic physician in all member states in the Compact. This testimony is to ensure it is understood that the fingerprint-based background checks performed

as part of the licensure process are not shared with the member states of the Compact or placed in the database referenced in S.B. 251, and Article 8 of the Compact. Pursuant to Public Law 92-544, 86 Stat. 1109, 1115 as a condition of releasing FBI criminal history records, dissemination of criminal history record information is limited to the authorized recipients who are the Nevada Board of Medical Examiners and the Nevada State Board Osteopathic Medicine for the authorized purpose of licensing. The General Services Division will coordinate the review of this bill with the FBI to determine if the language meets public law and will advise when a response is received. The FBI review can take up to or in excess of 30 days.

**Senator Hardy:**

Do other states fingerprint as part of the licensure procedure?

**Ms. Souza:**

I cannot speak for the other states or their requirements for licensure.

**Senator Hardy:**

Can someone else answer this?

**Mr. Cousineau:**

Each state in the Interstate Medical Licensure Compact is required to maintain the high standards of any jurisdiction and requires fingerprinting.

**Mr. Lee:**

Each state will certify that the physician has met all the eligibility requirements under the Interstate Medical Licensure Compact. Nevada has the opportunity to request its own fingerprinting. The two agencies will not share the information law enforcement would provide.

**Senator Harris:**

If we decide as public policy to rely on another state's interpretation of fingerprint results, we can do that, but you can hold up licensure for 30 days or more. Would it now take weeks versus days for the results?

**Ms. Souza:**

The FBI policy does not allow states to share criminal history record information. The information is subject to the purposes for which it is requested to the authorized entity. The original requesting state is the authorized entity. Although

the compact contains commonality between states, it is not recognized by the FBI.

**Chair Settlemeyer:**

Hearing no further discussion, I will close the hearing on S.B. 251 and open the hearing on S.B. 250.

**SENATE BILL 250:** Revises provisions relating to policies of health insurance.  
(BDR 57-687)

**Senator Hardy:**

As a senior citizen and one who is prescribed various medicines, I am challenged by repeated trips to the pharmacy when the medicine prescriptions are refilled. It is inconvenient and often leads to being without a medicine. This happens with anyone who has challenges in getting to the pharmacy. Twenty-nine percent of seniors are on multiple medicines and are required to visit the pharmacy multiple times in a short period. Synchronization of medicine allows a person on multiple prescriptions to pick up the medications at one time. Physicians prescribe medications on random days; S.B. 250 allows the opportunity to synchronize medication and reduce travel.

**Liz MacMenamin (Retail Association of Nevada):**

The Retail Association of Nevada supports S.B. 250, and we thank Senator Hardy for sponsoring it. The synchronization aspect of this bill gives the patient the option to participate in the program. The medical prescriber and the pharmacist must deem it beneficial and appropriate for the patient. One in two adult Americans live with a chronic disease and S.B. 250 addresses the challenges that taking medications on a regular basis present. Controlled substances and single dosage packages are excluded from the bill. On January 1, 2015, Centers for Medicare and Medicaid Services (CMS) implemented a synchronization program for seniors and Medicare patients upon determining the cost savings it provides. One in four people do not adhere to their drug therapy, and it costs the health care system \$290 million annually. The bill prevents the resulting health complications breaking drug therapy causes. The pharmacist provides a short 30-day supply and synchronizes all medication refills for a patient. A patient pays a prorated fee equivalent to the reduced fill or refill amount. The National Council for Prescription Drug Programs has set standards in response to the CMS synchronization program. The system

sets up codes for use by pharmacists. Reduced travel time in rural Nevada is a benefit this type of program will provide.

**Dan Heller (Pharm. D.):**

I have been practicing as a wellness pharmacist for 15 years in Las Vegas. I meet daily with polypharmacy patients to look for interactions, cost concerns, duplications and missing medications. In reviewing patient medication profiles, the primary reason a person does not take a medication is forgetfulness. A program for those patients on many medications is needed to allow for a one-day-a-month fill rate and analysis. This bill will help allow for this service and avoid serious complications resulting in major health issues, hospitalization and mortality.

**Barry Gold (AARP Nevada):**

The AARP has a history of working on prescription access and affordability concerns. Transportation is one of the biggest obstacles seniors face especially in rural areas. Senate Bill 250 will allow patient access and compliance with medications. Senate Bill 250, section 4, subsection 1, paragraph (a), subparagraph (1), refers to prescribing in the “best interest” of the insured. The AARP wants the legislative intent of this wording to include any financial aspects. The medications are prorated at the start of the program. As the program progresses, the combined co-pays will be due at one time. It is an important clarification for patient awareness and should be included in the regulations. The AARP supports S.B. 250.

**Ms. Woodbury:**

The Nevada State Medical Association supports S.B. 250 and finds it valuable for patients with chronic conditions. Access to medication has proven to provide for a better clinical outcome for the patient. There are cost savings in synchronization of medications. Personally, I have two chronic conditions and must take nine medications to control my conditions. It is frustrating to be continually making trips to the pharmacy, even when time and distance issues are not a concern.

**Ms. Selleck:**

One of the biggest challenges physicians have in treating patients is patient compliance. The Nevada Osteopathic Medical Association supports S.B. 250. The bill will aid patient compliance by encouraging timely medication consumption as prescribed. The optional component in the bill is an added



benefit to patients. I take over an hour per month to distribute medications to my mother. It is frustrating taking the time to do this and to come up short one or two pills. It is a time-management issue causing frustration and additional health issues for my mother.

**Tom McCoy (American Cancer Society Cancer Action Network):**

Cancer patients and others with chronic disease prescribed medication have a better outlook when they remain on a medical regimen. Senate Bill 250 helps the cancer patient who does not get a 30-day supply of medication. The synchronization will result in better outcomes for cancer patients and improve quality of life.

**Senator Farley:**

The impact S.B. 250 will have on senior citizens and the chronically ill is important. Personally, it was necessary to hire a nurse for my father because of the complicated routine of distributing medications. It is a full-time job and synchronization will add economic benefits that have yet to be mentioned.

**Elisa Cafferata (Nevada Advocates for Planned Parenthood Affiliates):**

Planned Parenthood health care centers in Nevada are working to improve access and health care outcomes for patients and support expedited partner therapies for those with sexually transmitted infections. Patients with HIV would benefit from the program proposed in S.B. 250. Nevada Advocates for Planned Parenthood Affiliates support this bill.

**Chair Settlemeyer:**

I have a letter of support for S.B. 250 from the members of the Nevada Patient Access Coalition ([Exhibit H](#)).

**Jay Parmer (America's Health Insurance Plans):**

America's Health Insurance Plans is the national trade association for health insurers. We thank Senator Hardy for his efforts to create better access to health care. The health insurers are in agreement with the synchronization concept as proposed in S.B. 250. Other concerns put us in a position of opposition to S.B. 250. The status of medication synchronization pharmacy programs around the country in helping long-term medical adherence is limited and has not been studied rigorously on a national scale. Several states have introduced legislation that requires health plans to coordinate the refill dates for all chronic patients' prescription medication. This creates challenges for medical

management if not properly applied. Patients should be on a stabilized treatment plan ensuring they have the right combination of medications before beginning a synchronized schedule. Synchronization is only appropriate for medications for chronic conditions. Certain drugs may require close monitoring by the physician. Medical management tools promote this level of care through prior authorization and formulary management. The insurers suggest mail order use to address the time and travel, patient adherence, lower costs and convenient delivery issues. Health plans should have the flexibility to administer cost sharing and synchronization situations based on how their cost sharing methodology is structured. Prorated co-payments in S.B. 250, section 1, subsection 1, paragraph (a) should be agreed to by the insurer. Insurers do this for Medicare in special circumstances such as a skilled nursing facility with short-cycle dispensing of 14 days or fewer of particular brands of solid dose drugs being mandated by the Affordable Care Act (ACA) or Medicare regulations. It is difficult for health plans to apply the pro-rated payments because of the way plans are constructed.

**Josh Griffin (Health Services Coalition):**

The Health Services Coalition opposes S.B. 250. The Coalition consists of 20 different funds providing benefits to members who have many of these synchronization issues in their contracts with pharmacies. We will work with the Retail Association to relay our concerns. We have hundreds of contracts with retail pharmacies that would have to be rewritten at significant cost. We do not agree with requiring renegotiations on contracts that are working. We pass the savings to our members of the discounts we enjoy for the average daily supply program, and we keep the co-pays constant, which reduces out-of-pocket expenses and lowers copays on many tiered formulary drugs. Member compliance rates do not effectively change regardless if a medication regimen is synchronized. Pharmacists can synchronize a patient's medications at no additional cost to the member. Member education is a priority for the Coalition. This bill does not mention education of patients, but stresses proration of the co-pays. The ACA and other statutory requirements have restricted the plans and the payers by these contracts. The bill prohibits the Coalition in managing issues for the best outcome for the patient and from saving resources. I have met with Senator Hardy and the Retail Association to discuss these issues.

**Chair Settlemeyer:**

I will close the hearing on S.B. 250 and open the hearing on S.B. 273.

**SENATE BILL 273**: Revises provisions relating to health care records.  
(BDR 54-589)

**Senator Hardy:**

Senate Bill 273 is proposed to prevent medical records being inaccessible for a patient or a physician in situations of building or office closure. There must be a responsible party to allow for access to medical records. There are hospital administrators who may not want to be part of this.

**Bill Welch (Nevada Hospital Association):**

The Nevada Hospital Association supports the concept in S.B. 273. We have offered a conceptual amendment ([Exhibit I](#)) and will work with Senator Hardy on this to incorporate issues from the hospitals.

**Ms. Woodbury:**

The Nevada State Medical Association supports S.B. 273.

**Ms. Selleck:**

The Nevada Osteopathic Association supports S.B. 273.

**Chair Settlemeyer:**

Hearing no further discussion, I will close the hearing on S.B. 273. We will not hear S.B. 137 or S.B.153 in work session.

**SENATE BILL 137**: Enacts provisions governing certain plans for dental care.  
(BDR 57-575)

**SENATE BILL 153**: Revises provisions relating to occupational diseases.  
(BDR 53-635)

**Chair Settlemeyer:**

I will open the work session on S.B. 231.

**SENATE BILL 231**: Revises provisions relating to workers' compensation.  
(BDR 53-986)

**Marji Paslov Thomas (Policy Analyst):**

I will read the summary of the bill and the amendments from the work session document ([Exhibit J](#)).

Senate Committee on Commerce, Labor and Energy  
March 20, 2015  
Page 12

**Senator Hardy:**

Does the 110 percent of average wholesale price amended out in paragraph 3 of the work session document also remove it from the rest of the bill?

**Chair Settlemeyer:**

Yes, that is the intent.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 231.

SENATOR FARLEY SECONDED THE MOTION.

**Senator Spearman:**

It does not appear all of the issues have been resolved. I will be voting no on this bill.

**Chair Settlemeyer:**

There is only one outstanding issue that was submitted after 5:30 p.m. last night.

**Senator Hardy:**

What is the outstanding issue?

**Chair Settlemeyer:**

The proposed amendment to S.B. 231, submitted late, deletes section 1, subsection 1, paragraph (a), to remove the statutory cap and leave the issue of rates in the regulatory level where there is more flexibility and deletes section 1, subsection 2, in its entirety. The purpose is to preserve the clinical judgment of physicians and other prescribers to prescribe appropriate medications when they have diagnosed and are treating injured workers. It is a problem to receive an amendment to a bill at 5:30 the night before a work session.

**Chair Settlemeyer:**

I will close the work session on S.B. 231.

THE MOTION PASSED. (SENATORS SPEARMAN AND MANENDO VOTED NO.)

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**Chair Settlemeyer:**

I will open the work session on S.B. 232.

**SENATE BILL 232**: Makes various changes relating to workers' compensation.  
(BDR 53-987)

**Ms. Paslov Thomas:**

I will read the summary of the bill and the amendments from the work session document ([Exhibit K](#)).

**Chair Settlemeyer:**

I will close the work session on S.B. 232.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 232.

SENATOR HARRIS SECONDED THE MOTION.

**Senator Farley:**

There were two issues from the firefighters and the police associations about the 5 days off work and 5 days in a 20-day period. Are the issues resolved in the amendments?

**Don Jayne (Nevada Self-Insurers Association):**

Yes, the amendment is agreeable on these issues.

**Senator Farley:**

Is there any way to solve the issue for the firefighters' self-insured fund?

**Mr. Jayne:**

The issue for the firefighter self-insured fund has been discussed extensively and there is difficulty with certain language. The sections that are in the bill provide protections for them. It established the payment recoding of the lesser of the amount actually paid, the established usual and customary fees charged, lesser of the fee schedule amount and the lesser of what the workers' compensation insurer pays. The workers' compensation insurers have their own networks and discounts. That establishes a threshold. If the worker goes out-of-network for care, there is the medical fee schedule to fall back on. The protections are there. The provisions of their individual contracts concern the

Professional Firefighters of Nevada. This is problematic and we have not been able to finalize a resolution.

**Senator Farley:**

It is difficult to satisfy all matters. We should continue to work on this and do the right thing.

**Chair Settlemeyer:**

Mr. McAllister, is there is a way to get this issue resolved?

**Rusty McAllister (Professional Firefighters of Nevada):**

The biggest stumbling block is the issue of items our insurance plans do not cover. Workers' compensation may cover some items and if the claim were to be turned over on appeal, our insurance may not cover some of the items. Workers' compensation insurers want to be reimbursed whether our insurance pays for uncovered items or not.

**Chair Settlemeyer:**

I will close work session on S.B. 232 to allow for further discussion and work on the outstanding issues.

SENATOR HARDY WITHDREW HIS MOTION.

SENATOR HARRIS WITHDREW HER SECOND.

**Chair Settlemeyer:**

I will open the work session on S.B. 217.

**SENATE BILL 217**: Revises provisions relating to policies of health insurance.  
(BDR 57-836)

**Ms. Paslov Thomas:**

I will read the summary of the bill and the amendments from the work session document ([Exhibit L](#)).

**Chair Settlemeyer:**

I will close the work session on S.B. 217.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 217.

SENATOR HARRIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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**Chair Settlemeyer:**

I will open the work session on S.B. 193. There are no confirmed amendments to this bill. I have spoken to various union officials and received various opinions. The concept of a 10-hour day and a 10-hour reset might be an acceptable option. Some expressed the opinion to keep an 8-hour day and remove the 24-hour clock. Another union official suggested consulting a small business with a 50-employee threshold. I reached out to different businesses and many want the flexibility of the 40-hour week that 46 other states have. The opinions are widespread and a solution is difficult. Where is the Committee on these issues?

**SENATE BILL 193:** Revises provisions governing compensation for overtime.  
(BDR 53-989)

**Ms. Paslov Thomas:**

I will read the summary of the bill from the work session document ([Exhibit M](#)).

**Senator Spearman:**

My concerns raised during the hearing have not changed. I do not see a solution to the exploitation of part-time workers being addressed. I will vote no on this bill as it currently stands.

**Senator Hardy:**

I am comfortable with the suggested amendment number one in the work session document.

**Senator Farley:**

I would like to propose an amendment for an increase in the minimum wage as a potential compromise. Is there discussion and agreement to doing this?

**Chair Settlemeyer:**

I have discussed this with different businesses, and that is what they expressed. It is worth something to them. Would the increase in minimum wage be for only those lacking insurance? Currently, the wage is \$7.25 an hour. Do we raise it for only those individuals whose employer does not offer health insurance? If so, what amount are you considering?

**Senator Farley:**

I would like to have the minimum wage raised for those employees who are not offered insurance by their employer to \$9 per hour. I think we would get business support at that amount.

SENATOR FARLEY MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 193.

**Chair Settlemeyer:**

I have a motion to amend this bill that proposes going to a 40-hour week and increases the minimum wage to \$9 per hour.

**Senator Hardy:**

Please clarify the motion. Is it to increase the hourly wage from \$7.25 or from \$8.25?

**Chair Settlemeyer:**

The motion is to approve a 40-hour workweek proposed in the original bill, and add an amendment for a \$9-per-hour minimum wage for those employees who are not provided insurance by their employer.

**Senator Hardy:**

Would that be the \$8.25 per hour going up to \$9 per hour?

**Chair Settlemeyer:**

Yes.

SENATOR HARDY SECONDED THE MOTION.

**Senator Atkinson:**

I do not agree with the direction in which this bill and the proposed amendment are going. By adding the minimum wage increase, it seems this is attempting to



entice some of the Committee members to vote for the bill. A discussion about minimum wage is more appropriate if it is approached as a separate issue, not as part of this bill.

**Chair Settlemeyer:**

This bill refers to paying one or one and one-half times the minimum wage, and I have discussed this with businesses and you. Businesses have indicated to me this is not about the amount of money or the increase in hourly pay, but about the concept of flexibility. Some are working with their employees to allow the 10-hour day, or beginning the workday earlier or ending it later, and they hope this does not result in litigation. This is troublesome, as litigation may create losses to these businesses.

**Senator Atkinson:**

A discussion about increasing minimum wage should not be tied to S.B. 193. Increasing minimum wage is something I would agree to, and I would like to discuss this.

**Chair Settlemeyer:**

A minimum wage increase is agreeable if we provide flexibility to the business community.

**Senator Manendo:**

Increasing of minimum wage is a major policy issue. This is the first time the \$9-per-hour issue has been raised, and this may not be an appropriate number. It would be more appropriate to allow time for additional discussion on this and vote later on this bill. Perhaps \$10.10 is a more agreeable number, or any other number that could be difficult for some smaller businesses. A wage increase for many workers can fill a need. Which businesses are supporting which wage increase? More discussion is needed to assign an appropriate per hour wage increase. I would prefer additional hearings on this amendment. A minimum wage discussion would attract many more of the public. Government should be representing the people.

**Chair Settlemeyer:**

Thank you. I agree with what you are indicating. We are discussing changing the 8-hour day overtime rule and going to a 40-hour workweek rule. The public is not here for this issue. We are now discussing increasing their wage.

**Senator Spearman:**

I agree with my colleagues. We are blending two policies that are contentious, and separating the two is the more prudent direction.

**Senator Hardy:**

The minimum wage discussion will continue. I have been accused of decreasing the minimum wage because of the constitutional amendment and I do not agree the minimum wage should be "in the Constitution." The minimum wage provision is in statute and our purpose is to do what is right for the people. There is no argument that minimum wage is less than enough for what used to be a wage that was enough. There has been no conversation regarding amending compensation to solve the grace period issue and the guaranteed overtime with only 12 hours off instead of 14 hours. There is a nexus between the motion made and clarification of \$7.25 or \$8.25 per hour. Everyone has insurance or has the opportunity to be insured, or they pay a fine. The issue of the \$7.25 or \$8.25 should not be in the Constitution, in my opinion. We are in discussion now, there will continue to be discussion, and it is a statutory issue and that is why I seconded the motion, to get discussion going.

**Senator Farley:**

From a business aspect, the minimum wage increase amendment seems like a good thing. My concern is when ACA kicks in next year. Some employers are making 30-hour workweeks for their employees to avoid the shared responsibility provision under the ACA. If employees are not receiving health insurance benefits through their employers, this is a vehicle and opportunity to allow the amendment as a compromise to some issues with overtime. This ensures employees who need it get the additional wages per hour. Senator Settelmeyer has had discussions on this matter and suggested this could work through some of the disagreeable issues in the bill, and in concept, it seems to fit from that perspective.

**Senator Atkinson:**

Discussions outside of Committee do not give the other members of the Committee the opportunity to share in the discussion. Adding a carrot to a bill that some of the Committee members do not agree with is inappropriate. Minimum wage should be increased in the State and one of our political parties has expressed this desire. There are other minimum wage bills proposed in this Session, and the minimum wage increase discussion should be on those bills, not on this bill.

**Senator Manendo:**

There has been no minimum wage discussion in this Committee this Session. It is a major public policy issue for the public and for businesses. The minimum wage increase amount has not been decided. No one has discussed the magic number with me. I sympathize with workers and struggling businesses. The public should be included in the discussion and the decision. Hearings about this issue are forthcoming. I would prefer a hearing on this issue to discuss what the appropriate wage per hour increase should be.

**Senator Settlemeyer:**

In 9 years, I have never witnessed a hearing in the Commerce Labor and Energy Committee about the concept of minimum wage. It has always been decided at the ballot box versus in the Legislature when it comes to finding a solution. Members of my caucus may not be in favor of having a hearing on this issue in this Committee. Within the bill, we discussed the concept of minimum wage and of not paying time and a half for overtime. I reached out to businesses to inquire as to the importance of the 8-hour day to them. Businesses were not concerned with the money.

**Senator Farley:**

The ACA has prompted businesses to prefer a 30-hour workweek for part-time employees to avoid paying the shared responsibility provision of the Act. Where is the benefit for changing the rules? This is an opportunity to get the discussion started that does not require a ballot vote or to wait 4 years for a resolution.

**Senator Manendo:**

I understand this and the willingness to have this discussion about minimum wage in work session without public involvement. Would a \$10.10-amendment be amenable to the Committee?

**Chair Settlemeyer:**

I am very hesitant at a \$9-per-hour increase. Many businesses are struggling. The highest minimum wage I am willing to agree to as Chairman is \$9 per hour. It is an increase, and I am taking the businesses at their word to put aside funds for this.

**Senator Manendo:**

Would Senator Farley make the motion to raise the minimum wage to \$10.10?

**Chair Settlemeyer:**

I will not accept said motion.

**Senator Farley:**

Something needs to be done on this bill. Proposing a motion for \$10.10 would not pass the Committee.

**Senator Manendo:**

Amend your motion to see if Committee will pass it. Suggest various numbers to get the votes.

**Chair Settlemeyer:**

I am only willing to agree to the wage increase to \$9 per hour, as proposed.

**Senator Atkinson:**

Why did the discussion settle at a wage increase to \$9 per hour?

**Chair Settlemeyer:**

The concept of \$9 per hour as minimum wage is a number based upon what employers said and how many hours most people work and the types of jobs that pay minimum wage. The figure \$9 per hour was not discussed with the businesses. They were not agreeable to a 40-hour week in order to pay their employees less.

**Senator Atkinson:**

Where does the proposed figure come from? If Senator Farley, a business owner, claims \$9 per hour is a good wage, she does not need a bill for that.

**Chair Settlemeyer:**

The proposed wage figure is a start to raise Nevadans from \$8.25 to \$9 per hour, rather than going to \$15 per hour as some states have.

**Senator Atkinson:**

Why are we convoluting minimum wage in an overtime bill?

**Chair Settlemeyer:**

To validate what the businesses have expressed is the fact that it is not about money but about a 40-hour workweek and flexibility for the employer and employees.

**Senator Atkinson:**

Why are we doing this in a work session?

**Chair Settlemeyer:**

It is relevant due to the 40-hour workweek proposed in the bill.

**Senator Farley:**

We just heard most people are working 20–30 hours a week. There is no overtime for these people. The increase in minimum wage to \$9 per hour would create less controversy than \$10.10 or more. The votes are necessary to get this out. If this number will work, why not propose it? We have an opportunity to get this discussion started with this vehicle in a non-partisan way.

**Senator Hardy:**

There is a nexus here. Looking at fundamental math—3.5 hours overtime per week versus a raise in hourly pay—the wage increase is a benefit to the employee. A 75-cent-per-hour raise to employees not provided health insurance by an employer relieves the employee of the need to work overtime or worry about it. The nexus is there has been no agreed upon solution. The minimum wage increase solves the overtime issue. This is how an employer can pay the worker within the hours worked without offering overtime.

**Senator Spearman:**

Economic justice or equality is not a partisan issue. It is about doing the right thing. I do not think we can vote on a bill about a minimum wage increase until that is out of the Constitution. The issue of businesses going to a 30-hour workweek has risen because the businesses do not want to pay minimum wage. If money is not an issue, then why not allow a 40-hour workweek to the employee and participate in the ACA? The \$9 per hour may not be enough. What we are doing is presenting a conundrum by convoluting the discussion with policy issues that are not germane to our discussion. I do not think the minimum wage discussion should be attached to this bill that some of the Committee members agree is toxic.

**Chair Settlemeyer:**

The legal counsel has advised the minimum wage issue is germane to the bill and it does not violate any issue; the Nevada Constitution sets the floor, not a ceiling, for minimum wage.

**Senator Manendo:**

Thank you for the legal clarification. This bill will go forward in some manner. We are not having an open dialogue and discussion with the public on the wage increase and how it affects their lives and businesses of all sizes. When the bill gets to the Floor Session, this discussion will continue and perhaps it will result in a consensus on the most agreeable number for an increase in minimum wage.

**Chair Settlemeyer:**

As Chair of this Committee, the \$9-per-hour minimum wage is where I stand on this bill. I expect feedback quickly from the business sector on this issue.

**Senator Atkinson:**

This discussion is about the working people in Nevada, and that is where our focus should be. To avoid the partisan issue, I suggest pulling this bill and giving the public the opportunity to participate so we can reach a number that is appropriate. I would have preferred knowing about the amendment prior to today and having it included in the work session document. This would allow further discussion with Senator Farley about whether the \$9-per-hour minimum wage is the appropriate number for our constituents.

**Chair Settlemeyer:**

There has been much discussion about this prior to this work session. Before us now is the bill as it stands with an amendment to increase the minimum wage to \$9 per hour. I close the work session on S.B. 193. We will now take a vote.

THE MOTION PASSED. (SENATORS ATKINSON AND SPEARMAN VOTED NO.)

\* \* \* \* \*

**Senator Manendo:**

I supported the bill because of the minimum wage increase and have concerns about the overtime section. The minimum wage debate is far from over this Session.

**Modesto Garciola:**

It is highly inappropriate to have a vote on minimum wage without the presence of the middle- and working-class people. You represent the constituents, not just the business owners.

Senate Committee on Commerce, Labor and Energy  
March 20, 2015  
Page 23

**Senator Spearman:**

I agree to the bill to raise minimum wage and disagree with attaching it to S.B. 193.

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Senate Committee on Commerce, Labor and Energy  
March 20, 2015  
Page 24

**Chair Settlemeyer:**

I adjourn the meeting at 10:30 a.m.

RESPECTFULLY SUBMITTED:

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Christine Miner,  
Committee Secretary

APPROVED BY:

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Senator James A. Settlemeyer, Chair

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



<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit</b>		<b>Witness or Agency</b>	<b>Description</b>
	A	2		Agenda
	B	5		Attendance Roster
S.B. 251	C	1	Keith Lee/ Board of Medical Examiners	Talking Points
S.B. 251	D	3	Keith Lee/ Board of Medical Examiners	Questions & Answers
S.B. 251	E	1	Mark Bowden/ Iowa Board of Medicine	Summary
S.B. 251	F	1	Mark Bowden/ Iowa Board of Medicine	Chart
S.B. 251	G	2	Victoria Carreon/ Kenny Guinn Center for Policy Priorities	Written Testimony
S.B. 250	H	1	Nevada Patient Access Coalition	Letter of Support
S.B. 273	I	1	Senator Hardy	Conceptual Amendment
S.B. 231	J	11	Marji Paslov Thomas	Work Session Document
S.B. 232	K	9	Marji Paslov Thomas	Work Session Document
S.B. 217	L	2	Marji Paslov Thomas	Work Session Document
S.B. 193	M	1	Marji Paslov Thomas	Work Session Document